FORM 10−K405

TRIUMPH GROUP INC / − TGI

Filed: June 05, 2001 (period: March 31, 2001)

Annual report. The Regulation S−K Item 405 box on the cover page is checked

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

FORM 10-K

(MARK ONE)

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED MARCH 31, 2001

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO .

COMMISSION FILE NO. 1-12235

TRIUMPH GROUP, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	51-0347963
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

FOUR GLENHARDIE CORPORATE CENTER,
1255 DRUMMERS LANE, SUITE 200, WAYNE, PENNSYLVANIA 19087
(Address of principal executive offices, including zip code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (610) 975-0420
SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:
COMMON STOCK, PAR VALUE $.001 PER SHARE
TITLE OF CLASS
SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

Indicate by check mark whether the Registrant (1) has filed all reports 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 _X_ No ___

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

The number of outstanding shares of the Registrant's Common Stock, par value $.001 per share, and Class D Common Stock, par value $.001 per share, on May 31, 2001 was 12,468,601 and 3,348,535, respectively. In making such calculation, Registrant is not making a determination of the affiliate or non-affiliate status of any holders of shares of Common Stock or Class D Common Stock.

The aggregate market value of the shares of Common Stock held by non-affiliates of the Registrant (computed by reference to the closing price of such voting stock on the New York Stock Exchange on May 31, 2001 of $45.58) was approximately $471,971,373.78.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document are incorporated herein by reference:

Proxy Statement of Triumph Group, Inc. in connection with its 2001 Annual Meeting of Stockholders is incorporated in part in Part III hereof, as specified herein.

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ITEM 1. BUSINESS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 relating to Triumph's future operations and prospects, including statements that are based on current projections and expectations about the markets in which Triumph operates, and management's beliefs concerning future performance and capital requirements based upon current available information. Actual results could differ materially from management's current expectations and additional capital may be required and additional capital, if required, may not be available on reasonable terms, if at all, at the times and in the amounts as may be needed by Triumph. In addition to these factors and others described elsewhere in this report, among other factors that could cause actual results to differ materially are competitive factors relating to the aerospace and metals industries, dependence of some of Triumph's businesses on key customers, requirements of capital, product liabilities in excess of insurance, uncertainties relating to the integration of acquired businesses, general economic conditions affecting Triumph's two business segments, including technological developments, limited availability of raw materials or skilled personnel and changes in governmental regulation and oversight. For a more detailed discussion of these and other factors affecting Triumph, see the Risk Factors described in Item 1 of this Annual Report on Form 10-K. Triumph does not undertake any obligation to revise these forward-looking statements to reflect future events.

GENERAL

Triumph designs, engineers, manufactures, repairs, overhauls and distributes aircraft components, such as mechanical and electromechanical control systems, aircraft and engine accessories, structural components, auxiliary power units, commonly referred to as APUs, avionics and aircraft instruments. Triumph serves a broad spectrum of the aerospace industry, including commercial airlines and air cargo carriers, as well as original equipment manufacturers, commonly referred to as OEMs, of various commercial and military aircraft platforms, and aircraft components.

PRODUCTS AND SERVICES

Triumph's aviation segment offers a variety of products and services to the aerospace industry which are offered through five groups within the aviation segment as follows:

Triumph's STRUCTURAL COMPONENTS GROUP focuses primarily on aerospace OEMs and the top-tier manufacturers who supply them. This group performs complex manufacturing processes, machining capabilities and structural component forming, for a full range of structural components and complete assemblies and subassemblies such as:

- Wing spars and stringers
- Stretch-formed leading edges and fuselage skins
- Floor beams
- Landing gear components and assemblies

Triumph's OPERATIONAL COMPONENTS GROUP services a diverse group of customers which includes airlines, air cargo carriers, aerospace and power generation OEMs and the top-tier manufacturers who supply them. The operational components group performs advanced manufacturing functions and fabrication processes, coating and processing functions to deliver precision detail parts and complete component assemblies primarily for turbine engines including:

- Stators
- Vanes

- Combustors
- Industrial gas turbine transition ducts

Triumph's CONTROL SYSTEMS GROUP, like the Operational Components Group, services the full spectrum of aerospace customers, which include airlines, air cargo carriers, aerospace OEMs and the top-tier manufacturers who supply them. Triumph's Control Systems Group focuses on expanding its capabilities to design, engineer and build complete mechanical, electromechanical and hydraulic systems, while continuing to expand the broad scope of detail parts that Triumph supplies to the aerospace aftermarket. Many of the designs are proprietary to Triumph and customers typically return to Triumph for repair and overhaul of these systems. The systems that Triumph designs, engineers, builds and repairs include:

- Main engine gear box assemblies
- Cockpit control levers
- Control system valve bodies
- Landing gear actuation systems
- Secondary flight control systems

Triumph's AFTERMARKET SERVICES GROUP consists of a component repair and overhaul subgroup and an instrument repair and overhaul subgroup and primarily services airline customers. This group operates the world's largest independent APU repair and overhaul business and will pursue being the vendor of choice for instrument and component overhaul and repair to Triumph's customers as they continue to consolidate vendors. Triumph will also continue to develop proprietary repair procedures for the components it repairs and overhauls. Triumph's Aftermarket Services group repairs and overhauls various instruments and components including:

- Cockpit instrumentation
- Remote sensors
- APUs
- Constant speed drives

Triumph's GAS TURBINE SERVICES GROUP repairs and overhauls industrial gas turbine components, primarily for power generation equipment operators. The components that Triumph repairs and overhauls include:

- Combustors
- Transitions
- Blades and vanes
- High temperature coatings

HISTORICAL BACKGROUND

Triumph was formed by members of management and Citicorp Venture Capital, Ltd. to acquire particular businesses and assets from IKON Office Solutions, Inc. In connection with this acquisition, 19 members of management contributed capital in the aggregate amount of approximately $1.1 million and Citicorp Venture Capital, an institutional investor, contributed capital in the aggregate amount of approximately $6.9 million.

PROPRIETARY RIGHTS

Triumph benefits from its proprietary rights relating to designs, engineering, manufacturing processes and repair and overhaul procedures. For some products, Triumph's unique manufacturing capabilities are required by the customer's specifications or designs, thereby necessitating reliance on Triumph for the production of such specially designed products. Triumph also holds two SFAR 36 certifications that permit it to develop proprietary repair procedures to be used in some repair and overhaul processes.

RAW MATERIALS AND REPLACEMENT PARTS

Triumph purchases raw materials, primarily consisting of steel and aluminum coils, sheets and shapes, from various vendors. Triumph also purchases replacement parts which are utilized in its various repair and overhaul operations. Although Triumph believes that these raw materials and replacement parts are generally available at competitive prices from numerous sources, at times, castings and extrusions are in short supply and difficult to purchase in sufficient amounts to meets its customers' demands.

OPERATING DIVISIONS AND SUBSIDIARIES

Triumph operates through several operating divisions and subsidiaries which are divided into two segments: the aviation segment and the metals segment. The following chart describes the operations, customer base and certain other information with respect to Triumph's operating divisions and subsidiaries at May 1, 2001:

OPERATING DIVISION/SUBSIDIARY (YEAR ESTABLISHED) (YEAR ACQUIRED)	LOCATION	BUSINESS	TYPE OF CUSTOMERS	NUMBER OF EMPLOYEES
AVIATION SEGMENT				
A. Biederman(1) .... (1933) (1993)	Glendale, CA	Sells and services aircraft and industrial instruments.	Commercial airlines, U.S. military and cargo carriers.	76
ACR Industries, Inc. (1) ... (1977) (2000)	Macomb, MI	Manufacturer of complex geared assemblies, gears and other components servicing the aerospace industry.	Military and commercial OEMs, U.S. government and prime contractors.	172
Advanced Materials Technologies, Inc.(1) .... (1987) (1996)	Tempe, AZ	Repairs and manufactures components for APUs and gas turbine engines.	Aviation OEMs and commercial airlines.	297
Aerospace Technologies, Inc.(1) .... (1969) (1993)	Fort Worth, TX	Manufactures metallic/ composite bonded honeycomb assemblies and repairs fuselage, wing, flight control surface parts and other flight critical components.	Aviation OEMs, commercial airlines, U.S. military and component supplier industry.	100
Airborne Nacelle Services, Inc.(1) .... (1995) (2000)	Hot Springs, AR	Repair and overhaul of engine nacelles and thrust reverses.	Commercial airlines.	38
Construction Brevetees d'Alfortville .... (1951) (1999)	Alfortville, France Barcelona, Spain	Manufacturer of mechanical ball bearing control assemblies for the aerospace, ground transportation, and marine industries.	Aerospace, ground transportation and marine OEMs.	59

OPERATING DIVISION/SUBSIDIARY (YEAR ESTABLISHED) (YEAR ACQUIRED)	LOCATION	BUSINESS	TYPE OF CUSTOMERS	NUMBER OF EMPLOYEES
Chem-Fab Corporation (1968) (2000)	Hot Springs, AR	Chem-milling, hydroforming and processing of sheet metal and other structural parts and assemblies for the aerospace industry.	Aviation OEMs.	466
DG Industries, Inc. (1978) (1998)	Phoenix, AZ	Specializes in precision machining of aerospace components.	Military and aviation OEMs.	26
DV Industries, Inc. (1978) (1998)	Lynwood, CA	Provides metal finishing, processing and other services.	Aerospace, military and commercial industries.	128
Frisby Aerospace, Inc.(3) (1940) (1998)	Clemmons, NC Freeport, NY	Designs, manufactures, assembles and tests precision aircraft components.	Military and commercial OEMs, U.S. government, prime contractors and airlines.	180
Hydro-Mill Co. (1937) (1997)	Chatsworth, CA	Manufactures, repairs and overhauls precision machine parts and assemblies.	Aviation OEMs, commercial airlines and air cargo carriers.	158
HTD Aerospace, Inc. (1935) (1999)	Bloomfield, CT	Manufactures precision components and assemblies.	Aviation airframe and engine OEMs, military.	32
JDC Company(3) (1985) (1997)	Ft. Lauderdale, FL Austin, TX	Specializes in the repair, overhaul and exchange of electromechanical and pneumatic aircraft instruments.	Air cargo, airlines, fixed base maintenance operators and general aviation.	73
K-T Corporation (1963) (1993)	Shelbyville, IN	Performs stretch forming, bending, die forming, machining, welding, assembly and other fabrication on aircraft wings, fuselages and skins.	Aviation OEMs, U.S. military and aerospace, mass transportation, energy and heavy trucking industries.	152
L.A. Gauge (1954) (1993)	Sun Valley, CA	Machines, bonds and fabricates ultra-precision parts.	Defense, aerospace, space medical, automotive and computer industries.	37
Lee Aerospace, Inc.(1) (1989) (1999)	Wichita, KS	Manufactures unheated windshields, flight deck and cabin windows for the general aviation and corporate jet market.	General aviation regional and corporate jet markets.	75
Northwest Industries (1960) (1993)	Albany, OR	Machines and fabricates refractory, reactive, heat and corrosion-resistant precision products.	Aerospace, nuclear, medical, electronic and chemical industries.	34
Nu-Tech Industries, Inc. (1972) (1998)	Grandview, MO	Produces complex structural components.	Commercial and military aircraft market.	131
Ralee Engineering Corp. (1962) (1999)	City of Industry, CA	Manufactures long structural components such as stringers, cords and flooring.	Aviation OEMs and military.	141

OPERATING DIVISION/SUBSIDIARY (YEAR ESTABLISHED) (YEAR ACQUIRED)	LOCATION	BUSINESS	TYPE OF CUSTOMERS	NUMBER OF EMPLOYEES
Special Processes of Arizona, Inc.(1) (1987) (1996)	Phoenix, AZ	Produces and applies plasma coating.	Aviation OEMs and aircraft operators.	35
Stolper-Fabralloy Company(3) (1908) (1997)	Phoenix, AZ Brookfield, WI	Fabricates precision sheet metal components from high temperature alloys and provides repair and overhaul services.	Commercial, military and aerospace OEMs and industrial gas turbine OEMs.	268
Triumph Accessories Services(1)(2) (1965) (1993)	Wellington, KS	Repairs and overhauls aircraft and engine accessories, manufactures pneumatic and electrically activated valves for aircraft.	U.S. government, air cargo commercial airlines and general aviation aircraft operators.	74
Triumph Air Repair(1)(2) (1979) (1993)	Phoenix, AZ	Repairs and overhauls APUs and supplemental equipment.	Worldwide commercial airlines and air cargo operators.	152
Triumph Components--San Diego, Inc.(1) (1948) (1999)	El Cajon, CA	Developer and manufacturer of high-temperature metal alloy parts.	Commercial, military and aerospace OEMs.	100
Triumph Air Repair (Europe) Limited(1) (1989) (1998)	Hampshire, England	Repairs and overhauls APUs and constant speed drives and integrated drive generators.	Commercial airlines.	37
Triumph Controls, Inc.(1) (1943) (1996)	North Wales, PA	Designs and manufactures mechanical and electromechanical control systems.	Aviation OEMs, shipyards, airlines, air cargo operators and U.S. and NATO military forces.	276
Triumph Precision, Inc. (1964) (1999)	Phoenix, AZ	Manufactures and machines precision tubing and provides heat treating and brazing services.	Aviation OEMs.	79
Triumph Industrial Gas Turbine Services, Inc. (2001)	Phoenix, AZ	Provides repair services and after market parts and services.	Utility operators, independent power producers and third party overhaul facilities.	10
Triumph Thermal Processing Company(1) (2001)	Chandler, AZ	Provides high temperature coatings.	OEMs, utility operators, independent power producers and third party overhaul facilities.	48
Triumph Precision Castings Company (2000)	Chandler, AZ	Produces complex investment castings of turbine blades and vanes for gas turbine engines.	Utility operators, independent power producers and third party overhaul facilities.	6
METALS SEGMENT				
Kilroy Structural Steel Co. (1918) (1993)	Cleveland, OH	Erects structural steel frameworks.	General contractors, engineers and architects of commercial buildings and bridges.	17
TriWestern Metals Co.(4) (1960) (1993)	Bridgeview, IL Chicago, IL	Produces and distributes specialty electrogalvanized products and specializing in flat rolled products.	Computer and electronic industries and the home and office products industries.	81

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(1) Designates FAA-certified repair station.

(2) Designates SFAR 36 certification.

(3) Designates that two locations are FAA-certified repair stations.

(4) TriWestern Metals Co. was formed by merging Great Western Steel Co. into Triumph Industries Co.

METALS PROCESSING AND DISTRIBUTION

Triumph's metals segment has substantial experience in the metals industry. The businesses in this segment include a leading producer of electrogalvanized steel products and a steel service center specializing in flat rolled steel products. These entities supply products to several hundred manufacturers and other customers in the computer and electronics industries on a regional and national basis. In addition, Triumph operates a business engaged in the erection of structural frameworks for buildings in the midwestern United States.

Triumph's metals segment processes, converts and distributes steel and steel products including electrogalvanized steel products which are stamped, formed, welded and painted, and coated steel for the electronic and computer industries. Triumph's steel service center specializes in flat rolled products and their processing, including hot or cold rolled sheet and coil and galvanized sheet and coil used primarily by the home and office products and appliance industry.

Triumph also erects structural framework, including steel members and allied materials, for buildings with a specialty in commercial and industrial buildings. These structural erection services are provided on a project-by-project basis primarily in the midwestern United States. These projects are generally awarded on a fixed fee, competitive bid basis.

SALES AND MARKETING

Each of Triumph's operating divisions and subsidiaries independently conducts sales and marketing efforts directed at their respective customers and industries and, where appropriate, collaborates with other Triumph operating divisions and subsidiaries for cross-marketing efforts. Each sales force and the respective officers of the operating divisions and subsidiaries are responsible for obtaining new customers and maintaining relationships with existing customers. Sales efforts are conducted primarily by independent regional manufacturers' representatives and in-house personnel. Generally, manufacturers' representatives receive a commission on sales and the in-house sales personnel receive a base salary plus commission. Engaging independent sales representatives at the local level facilitates responsiveness to each customer's changing needs and current trends in each marketplace in which Triumph operates.

Triumph continually looks for opportunities to leverage its growing capabilities. The presidents of Triumph's operating divisions and subsidiaries in the aviation segment, meet periodically to discuss ways to improve sales and cross-marketing opportunities. The management of each operating division and subsidiary of Triumph also maintains close business relationships with many customers, thereby furthering the sales and marketing efforts of their businesses.

A significant portion of Triumph's government and defense contracts are awarded on a competitive bidding basis. Triumph generally does not bid or act as the primary contractor, but will typically bid and contract as a subcontractor on contracts on a fixed fee basis. Triumph generally sells to its other customers on a fixed fee, negotiated contract or purchase order basis.

BACKLOG

Triumph has a number of long-term agreements with several of its customers. These agreements generally describe the terms under which the customer may issue purchase orders to buy its products and services during the term of the agreement. These terms typically include a list of the parts or services customers may purchase, initial pricing for these products and services, anticipated quantities to be purchased by the customer and, to the extent known, delivery dates. Backlog only includes amounts for which Triumph has actual purchase orders with firm delivery dates primarily for Triumph's OEM customer base. Purchase orders issued by Triumph's aftermarket customers are usually completed within a short period of time. As a result, Triumph's backlog data relates primarily to the OEM customers within its aviation segment. The backlog information set forth below does not include the sales that Triumph expects to generate from long-term agreements associated with long-term aircraft production programs but for which Triumph does not have actual purchase orders with firm delivery dates.

As of March 31, 2001, Triumph's aviation and metals segments had outstanding purchase orders representing an aggregate invoice price of approximately $358.2 million and $10.9 million, respectively. As of March 31, 2000, Triumph's aviation and metals segments had outstanding purchase orders representing an aggregate invoice price of approximately $235.9 million and $15.6 million, respectively. Triumph believes that purchase orders totaling approximately $86.7 million will not be shipped by the aviation segment by March 31, 2002.

COMPETITION

Triumph competes primarily with OEMs and the top-tier manufacturers that supply them, some of which are divisions or subsidiaries of OEMs and other large companies, in the manufacture of aircraft components and subassemblies. OEMs are increasingly focusing on assembly activities while outsourcing more manufacturing and repair to third parties.

Competition for the repair and overhaul of aviation components comes from three primary sources, some with greater financial and other resources than Triumph: OEMs, major commercial airlines and other independent repair and overhaul companies. Some major commercial airlines continue to own and operate their own service centers, while others have begun to sell their repair and overhaul services to other aircraft operators. The repair and overhaul services provided by domestic airlines are primarily for their own aircraft, although these airlines may perform a limited amount of repair and overhaul services for third parties. Foreign airlines that provide repair and overhaul services typically provide these services not only for their own aircraft but for other airlines as well. OEMs also maintain service centers which provide repair and overhaul services for the components they manufacture. Other independent service organizations also compete for the repair and overhaul business of other users of aircraft components.

Participants in the aerospace industry compete primarily on the basis of breadth of technical capabilities, volume capacity, quality, turnaround time and cost.

Triumph's principal competitors in the metals industry include national and regional steel mills, other steel service centers, steel erection companies and pre-engineered building manufacturers. Some of these competitors have greater financial and other resources than Triumph.

GOVERNMENT REGULATION AND INDUSTRY OVERSIGHT

The aerospace industry is highly regulated in the United States by the FAA and in other countries by similar agencies. Triumph must be certified by the FAA and, in some cases, by individual OEMs, in order to engineer and service parts and components used in specific aircraft models. If material authorizations or approvals were revoked or suspended, the operations of Triumph would be adversely affected. New and more stringent government regulations may be adopted, or industry oversight heightened, in the future and these new regulations, if enacted, or any industry oversight, if heightened, may have an adverse impact on Triumph.

Triumph must also satisfy the requirements of its customers, including OEMs, that are subject to FAA regulations, and provide these customers with products and services that comply with the government regulations applicable to aircraft components used in commercial flight operations. The FAA regulates commercial flight operations and requires that aircraft components meet its stringent standards. In addition, the FAA requires that various maintenance routines be performed on aircraft components, and Triumph currently satisfies these maintenance standards in its repair and overhaul services. Several of Triumph's operating divisions are FAA-approved repair stations.

Generally, the FAA is granting licenses only for the manufacture or repair of a specific aircraft component, rather than the broader licenses that have been granted in the past. The FAA licensing process may be costly and time-consuming. In order to obtain an FAA license, an applicant must satisfy all applicable regulations of the FAA governing repair stations. These regulations require that an applicant have experienced personnel, inspection systems, suitable facilities and equipment. In addition, the applicant must demonstrate a need for the license. Because an applicant must procure manufacturing and repair manuals from third parties relating to a particular aircraft component in order to obtain a license with respect to this component, the application process may involve substantial cost.

The license approval processes for the Joint Aviation Authority, which regulates this industry in the European Union, and other comparable foreign regulatory authorities are similarly stringent, involving potentially lengthy audits.

Triumph's aviation and metals operations are also subject to a variety of worker and community safety laws. The Occupational Safety and Health Act of 1970, commonly referred to as OSHA, mandates general requirements for safe workplaces for all employees. In addition, OSHA provides special procedures and measures for the handling of hazardous and toxic substances. Specific safety standards have been promulgated for workplaces engaged in the treatment, disposal or storage of hazardous waste. Triumph believes that its operations are in material compliance with OSHA's health and safety requirements.

ENVIRONMENTAL MATTERS

Triumph's business, operations and facilities are subject to numerous stringent federal, state, local and foreign environmental laws and regulation by government agencies, including the Environmental Protection Agency, commonly referred to as the EPA. Among other matters, these regulatory authorities impose requirements that regulate the emission, discharge, generation, management, transportation and disposal of hazardous materials, pollutants and contaminants, govern public and private response actions to hazardous or regulated substances which may be or have been released to the environment, and require Triumph to obtain and maintain licenses and permits in connection with its operations. This extensive regulatory framework imposes significant compliance burdens and risks on Triumph. Although management believes that Triumph's operations and its facilities are in material compliance with these laws and regulations, future changes in these laws, regulations or interpretations thereof or the nature of Triumph's operations may require Triumph to make significant additional capital expenditures to ensure compliance in the future.

Certain of Triumph's facilities have been or are currently the subject of environmental remediation activities, the cost of which is subject to indemnification provided by IKON Office Solutions pursuant to the acquisition by Triumph of these facilities from IKON Office Solutions. One of these facilities is connected with a site included on the National Priorities List of Superfund sites maintained by the EPA. Another of these facilities is located on a site included in the EPA's database of potential Superfund sites. IKON Office Solutions' indemnification covers Triumph for losses it might suffer in connection with liabilities and obligations arising under environmental, health and safety laws with respect to operations or use of those facilities prior to their acquisition by Triumph. More generally, the IKON Office Solutions' indemnification covers both (i) the costs, claims and potential losses associated with environmental matters identified in the purchase agreement for the acquisition as the result of environmental assessments or other disclosures made in connection with the acquisition, including the costs, claims and potential losses associated with all the environmental remediation activities and identified liabilities, and (ii) the losses connected to environmental liabilities which were not identified in the purchase agreement and which arise from conditions or activities existing at the facilities or operations acquired from IKON Office Solutions prior to Triumph's acquisition from IKON Office Solutions, provided that they were identified by Triumph to IKON Office Solutions before July 22, 2000. Some other facilities acquired and operated by Triumph or one of its subsidiaries, including a leased facility located on an EPA National Priorities List site, were under active investigation for environmental contamination by federal or state agencies when acquired, and continue to be under investigation. Triumph is indemnified by prior owners or operators and/or present owner of the facilities for liabilities which Triumph incurs as a result of these investigations and the environmental contamination found which pre-dates Triumph's acquisition of these facilities, subject to certain limitations. Triumph also maintains a pollution liability policy that provides coverage for material liabilities associated with the clean-up of on-site pollution conditions, as well as defense and indemnity for certain third party suits (including Superfund liabilities at third party sites), in each case, to the extent not otherwise indemnified. This policy applies to all of Triumph's manufacturing and assembly operations worldwide. However, if Triumph were required to pay the expenses related to environmental liabilities for which neither indemnification nor insurance coverage is available, these expenses could have a material adverse effect on Triumph. See "Risk Factors--Any Exposure to Environmental Liabilities May Adversely Affect Triumph."

EMPLOYEES

As of March 31, 2001, Triumph employed approximately 3,601 persons, of whom 220 were management employees, 101 were sales and marketing personnel, 341 technical personnel, 369 were administrative personnel and 2,570 were production workers.

Several of Triumph's subsidiaries are parties to collective bargaining agreements with labor unions. Under those agreements, Triumph currently employs approximately 417 full-time employees, and from time to time employs up to an additional 92 temporary employees for its steel erection business, all of whom are members of labor unions. Currently, approximately 11.6% of Triumph's permanent employees are represented by labor unions and approximately 20.9% of the aviation segment's net sales and 100% of the metals segment's net sales are derived from the facilities at which at least some employees are unionized. Two of the collective bargaining agreements will expire in the next twelve months. One subsidiary of Triumph is currently negotiating a collective bargaining agreement that expired on February 28, 2001. No work stoppage is expected at this location. Triumph's inability to negotiate acceptable contracts with these unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If the unionized workers were to engage in a strike or other work stoppage, or other employees were to become unionized, Triumph could experience a significant disruption of its operations and higher ongoing labor costs, which could have an adverse effect on its business and results of operations.

Triumph has not experienced any material labor-related work stoppage and considers its relations with its employees to be good.

RISK FACTORS

Statements in this Annual Report on Form 10-K, including those concerning Triumph's expectations regarding the effect of industry trends on Triumph, competitive advantages, strategies, future sales, gross profits, capital expenditures, selling, general and administrative expenses, and cash requirements, include forward-looking statements. Actual results may vary materially from these expectations. Factors which could cause actual results to differ from expectations include competition, dependence on key customers, dependence on the aviation industry, requirements of capital, product liabilities in excess of insurance, integration of acquired businesses, government regulation, technological developments and obsolete inventory. For a description of these and additional risks, see the discussion below. Triumph's results of operations may be adversely affected by one or more of these factors.

COMPETITIVE PRESSURES MAY ADVERSELY AFFECT TRIUMPH. Triumph has numerous competitors in both the aerospace services and metals processing and distribution industries. Triumph competes primarily with OEMs and the top-tier manufacturers that supply them, some of which are divisions or subsidiaries of OEMs and other large companies that manufacture aircraft components and subassemblies. Competition for the repair and overhaul of aviation components comes from three primary sources, some with greater financial and other resources than Triumph: OEMs, major commercial airlines and other independent repair and overhaul companies. Triumph's principal competitors in the metals industry include national and regional steel mills, other steel service centers, steel erection companies and pre-engineered building manufacturers. Some of Triumph's competitors in both aviation and metals have substantially greater financial and other resources than Triumph. Competitive pressures in either industry may materially adversely affect Triumph's operating revenues and in turn, its business and financial condition.

FACTORS THAT HAVE AN ADVERSE IMPACT ON THE AEROSPACE INDUSTRY MAY ADVERSELY AFFECT TRIUMPH'S RESULTS OF OPERATIONS. A substantial percentage of Triumph's gross profit and operating income is derived from its aviation segment. Triumph's aviation operations are focused on designing, engineering and manufacturing aircraft components on new aircraft and performing repair and overhaul services on existing aircraft and aircraft components. Therefore, Triumph's business is directly affected by economic factors and other trends that affect its customers in the aerospace industry, including a possible decrease in outsourcing by aircraft operators and OEMs or projected market growth that may not materialize or be sustainable. When these economic and other factors adversely affect the aerospace industry, they tend to reduce the overall customer demand for Triumph's products and services, which decreases Triumph's operating income. Economic and other factors that might affect the aerospace industry may have an adverse impact on Triumph's results of operations.

TRIUMPH MAY NEED TO EXPEND SIGNIFICANT CAPITAL TO KEEP PACE WITH TECHNOLOGICAL DEVELOPMENTS IN ITS INDUSTRY. The aerospace industry is constantly undergoing development and change and it is likely that new products, equipment and methods of repair and overhaul service will be introduced in the future. In order to keep pace with any new developments, Triumph may need to expend significant capital to purchase new equipment and machines or to train its employees in the new methods of production and service. Triumph may not be successful in developing new products and these capital expenditures may have a material adverse effect on Triumph.

TRIUMPH MAY INCUR SIGNIFICANT EXPENSES TO COMPLY WITH NEW OR MORE STRINGENT GOVERNMENTAL REGULATION. The aerospace industry is highly regulated in the United States by the FAA and in other countries by similar agencies. Triumph must be certified by the FAA and, in some cases, by individual OEMs in order to engineer and service parts and components used in specific aircraft models. If material authorizations or approvals were revoked or suspended, Triumph's operations would be adversely affected. New or more stringent governmental regulations may be adopted, or industry oversight heightened, in the future, and Triumph may incur significant expenses to comply with any new regulations or any heightened industry oversight.

THE LOSS OF TRIUMPH'S KEY CUSTOMERS COULD HAVE A MATERIAL ADVERSE EFFECT ON TRIUMPH. For the year ended March 31, 2001, Honeywell International, Inc. and Boeing Co. represented approximately 8% and 12%, respectively, of net sales. The loss of either of these customers could have a material adverse impact on Triumph. Assuming that the pending acquisition of Honeywell by General Electric Corporation occurred effective April 1, 2000, Honeywell and General Electric, on a combined basis, would have accounted for approximately 12% of net sales for the year ended March 31, 2001. In addition, some of

Triumph's operating divisions and subsidiaries have significant customers, the loss of whom could have an adverse effect on those businesses.

TRIUMPH MAY BE UNABLE TO SUCCESSFULLY ACHIEVE "TIER ONE" SUPPLIER STATUS WITH OEMS, AND IT MAY BE REQUIRED TO RISK ITS CAPITAL TO ACHIEVE "TIER ONE" SUPPLIER STATUS. Many OEMs are moving toward developing strategic partnerships with their larger suppliers, frequently called "tier one" suppliers. Each tier one supplier provides an array of integrated services including purchasing, warehousing and assembly for OEM customers. Triumph has been designated as a tier one supplier by some OEMs and is striving to achieve tier one status with other OEMs. In order to maintain or achieve tier one status, Triumph may need to expand its existing capacities or capabilities, and there is no assurance that it will be able to do so.

Many new aircraft programs require that major suppliers become risk-sharing partners, meaning that the cost of design, development and engineering work associated with the development of the aircraft is born by the supplier, usually in exchange for a long-term agreement to supply critical parts once the aircraft is in production. In the event that the aircraft fails to reach the production stage, results in the production of an inadequate number of units, or actual sales otherwise do not meet projections, Triumph may incur significant costs without any corresponding revenues. For example, Triumph is a subcontractor to a company which is developing a new aircraft, the primary customer of which is a major air cargo carrier. Triumph has substantially completed the development of a major component of this aircraft and has invested to date approximately $6 million. The company that is developing this aircraft has recently filed for bankruptcy protection to secure relief while seeking to recapitalize the company. If that company does not obtain additional financing and emerge from bankruptcy protection, or if this project otherwise is abandoned or does not succeed, Triumph may not be able to recover its investment.

TRIUMPH MAY NOT REALIZE ITS ANTICIPATED RETURN ON CAPITAL COMMITMENTS MADE TO EXPAND ITS CAPABILITIES. From time to time, Triumph makes significant capital expenditures to implement new processes and to increase both efficiency and capacity. Some of these projects require additional training for Triumph's employees and not all projects may be implemented as anticipated. If any of these projects do not achieve the anticipated increase in efficiency or capacity, Triumph's returns on these capital expenditures may not be as expected.

TRIUMPH'S EXPANSION INTO INTERNATIONAL MARKETS MAY INCREASE CREDIT AND OTHER RISKS. As Triumph pursues customers in Asia, South America and other less developed aerospace markets throughout the world, its inability to ensure the credit worthiness of its customers in these areas could adversely impact its overall profitability. In addition, these business opportunities may entail additional currency risks, different legal and regulatory requirements and political considerations not associated with domestic markets.

TRIUMPH MAY NEED ADDITIONAL FINANCING FOR ACQUISITIONS AND CAPITAL EXPENDITURES AND ADDITIONAL FINANCING MAY NOT BE AVAILABLE ON TERMS ACCEPTABLE TO IT. A key element of Triumph's strategy has been, and continues to be, internal growth and growth through the acquisition of additional companies and product lines engaged in the aerospace industry. In order to grow internally, Triumph may need to make significant capital expenditures and may need additional capital to do so. Triumph's ability to grow is dependent upon, and may be limited by, among other things, availability under its revolving credit facility and by particular restrictions contained in its revolving credit facility and its other financing arrangements. In that case, additional funding sources may be needed, and Triumph may not be able to obtain the additional capital necessary to pursue its internal growth and acquisition strategy or, if Triumph can obtain additional financing, the additional financing may not be on financial terms which are satisfactory to it.

CANCELLATIONS, REDUCTIONS OR DELAYS IN CUSTOMER ORDERS MAY ADVERSELY AFFECT TRIUMPH'S RESULTS OF OPERATIONS. Triumph's overall operating results are affected by many factors, including the timing of orders from large customers and the timing of expenditures to manufacture parts and purchase inventory in anticipation of future sales of products and services. A large portion of Triumph's operating expenses are relatively fixed. Because several of Triumph's operating divisions and subsidiaries typically do not obtain long-term purchase orders or commitments from its customers, they must anticipate the future volume of orders based upon the historic purchasing patterns of customers and upon Triumph's discussions with customers as to their anticipated future requirements. Cancellations, reductions or delays in orders by a customer or group of customers could have a material adverse effect on Triumph's business, financial condition and results of operations.

TRIUMPH'S ACQUISITION STRATEGY EXPOSES IT TO RISKS, INCLUDING THE RISK THAT IT MAY NOT BE ABLE TO SUCCESSFULLY INTEGRATE ACQUIRED BUSINESSES. Triumph has a consistent strategy to grow, in part, by the acquisition of additional businesses in the aerospace industry and are continuously evaluating various acquisition opportunities. Triumph's ability to grow by acquisition is dependent upon, among other factors, the availability of suitable acquisition candidates. Growth by acquisition involves risks that could adversely affect Triumph's operating results, including difficulties in integrating the operations and personnel of acquired companies, the potential amortization of acquired intangible assets and the potential loss of key employees of acquired companies. Triumph may not be able to consummate acquisitions on satisfactory terms or, if any acquisitions are consummated, satisfactorily integrate these acquired businesses.

TRIUMPH MAY NOT BE SUCCESSFUL IN EXPANDING INTO THE IGT MARKET. Triumph has recently entered into the competitive industrial gas turbine ("IGT") industry. While Triumph's activities to date have primarily been limited to using conventional materials and processes, Triumph anticipates expanding its IGT activities into newer and more novel materials and processes, including more exotic alloys and coatings. Such expansion may require significant capital expenditures. In addition, several OEMs are already operating with such newer materials and processes and, in certain cases, hold proprietary technology and patents. While Triumph believes that it will successfully expand its current IGT operations, there can be no assurance that it will be able to do so.

ANY PRODUCT LIABILITY CLAIMS IN EXCESS OF INSURANCE MAY ADVERSELY AFFECT TRIUMPH'S FINANCIAL CONDITION. Triumph's operations expose it to potential liability for personal injury or death as a result of the failure of an aircraft component that has been serviced by Triumph, the failure of an aircraft component designed or manufactured by Triumph or the irregularity of metal products processed or distributed by Triumph. While Triumph believes that its liability insurance is adequate to protect it from these liabilities, its insurance may not cover all liabilities. Additionally, insurance coverage may not be available in the future at a cost acceptable to Triumph. Any material liability not covered by insurance or for which third party indemnification is not available could have a material adverse effect on Triumph's financial condition.

THE UNAVAILABILITY OF SKILLED PERSONNEL MAY HAVE AN ADVERSE EFFECT ON TRIUMPH'S OPERATIONS. From time to time, some of Triumph's operating divisions and subsidiaries have experienced difficulties in attracting and retaining skilled personnel to design, engineer, manufacture, repair and overhaul sophisticated aircraft components. Triumph's ability to operate successfully could be jeopardized if Triumph is unable to attract and retain a sufficient number of skilled personnel to conduct its business.

ANY EXPOSURE TO ENVIRONMENTAL LIABILITIES MAY ADVERSELY AFFECT TRIUMPH. Triumph's business, operations and facilities are subject to numerous stringent federal, state, local and foreign environmental laws and regulations. Although management believes that Triumph's operations and facilities are in material compliance with such laws and regulations, future changes in these laws, regulations or interpretations thereof or the nature of its operations may require Triumph to make significant additional capital expenditures to ensure compliance in the future. Some of Triumph's facilities have been or are currently the subject of environmental remediation activities, the cost of which is subject to indemnification provided by IKON Office Solutions. One of these facilities is connected with a site included in the National Priorities List of Superfund sites maintained by the Environmental Protection Agency, commonly referred to as the EPA. Another of these facilities is located on a site included in the EPA's database of potential Superfund sites. The IKON Office Solutions' indemnification covers the cost of liabilities that arise from environmental conditions or activities existing at facilities prior to Triumph's acquisition from IKON Office Solutions and that were identified before July 22, 2000, including the costs and claims associated with the environmental remediation activities and liabilities discussed above. Some other facilities acquired and operated by Triumph or one of Triumph's subsidiaries, including a leased facility located on an EPA National Priorities List site, have been under active investigation for environmental contamination by federal or state agencies when acquired, and continue to be under investigation. Triumph is indemnified by prior owners or operators and/or present owners of the facilities for liabilities which it incurs as a result of these investigations and the environmental contamination found which pre-dates its acquisition of these facilities, subject to certain limitations. Triumph also maintains a pollution liability policy that provides coverage for material liabilities associated with the clean-up of on-site pollution conditions, as well as defense and indemnity for certain third party suits (including Superfund liabilities at third party sites), in each case, to the extent not otherwise indemnified. This policy applies to all of Triumph's manufacturing and assembly operations worldwide. However, if Triumph were required to pay the expenses related to environmental liabilities for which neither indemnification nor insurance coverage is available, these expenses could have a material adverse effect on it.

ITEM 2. PROPERTIES

Triumph's executive offices are located in Wayne, Pennsylvania, where Triumph leases 7,695 square feet of space. In addition, Triumph owns or leases the following facilities in which its operating divisions and subsidiaries are located:

LOCATION	DESCRIPTION	SQUARE FOOTAGE	OWNED/ LEASED
AVIATION SEGMENT			
Chandler, AZ........................	Thermal processing facility/office	7,000	Leased
Chandler, AZ........................	Casting facility/office	26,500	Leased
Phoenix, AZ.........................	Plasma spray facility/office	13,500	Leased
Phoenix, AZ.........................	Repair and overhaul shop/office	50,000	Leased
Phoenix, AZ.........................	Manufacturing facility/office	35,000	Leased
Phoenix, AZ.........................	Machine shop/office	13,700	Owned
Phoenix, AZ.........................	Repair and overhaul/office	18,597	Leased
Phoenix, AZ.........................	Manufacturing facility/office	54,812	Leased
Phoenix, AZ.........................	Manufacturing facility/office	15,374	Leased
Phoenix, AZ.........................	Repair and overhaul/office	4,598	Leased
Tempe, AZ...........................	Manufacturing facility/office	13,500	Owned
Tempe, AZ...........................	Machine shop	9,300	Owned
Tempe, AZ...........................	Machine shop	32,100	Owned
Hot Springs, AR.....................	Manufacturing facility/office	216,001	Owned
Hot Springs, AR.....................	Machine shop/office	240,000	Owned
Chatsworth, CA......................	Manufacturing facility/office	101,900	Owned
Chatsworth, CA......................	Manufacturing facility	21,600	Leased
City of Industy, CA.................	Manufacturing facility/office	75,000	Leased
El Cajon, CA........................	Manufacturing facility/office	113,790	Leased
Glendale, CA........................	Instrument shop/warehouse/office	25,000	Leased
Lynwood, CA.........................	Processing and finishing facility/office	59,662	Leased
Sun Valley, CA......................	Machine shop/office	30,000	Owned
Walnut, CA..........................	Manufacturing facility/office	126,000	Leased

LOCATION	DESCRIPTION	SQUARE FOOTAGE	OWNED/ LEASED
Bloomfield, CT	Manufacturing facility/office	25,000	Leased
Hampshire, England	Repair and overhaul/office	11,915	Leased
Ft. Lauderdale, FL	Instrument shop/warehouse/office	7,200	Leased
Alfortville, France	Manufacturing facility/office	7,500	Leased
Shelbyville, IN	Manufacturing facility/office	192,300	Owned
Shelbyville, IN	Manufacturing facility/office	50,000	Owned
Wellington, KS	Repair and overhaul/office	65,000	Leased
Wichita, KS	Manufacturing facility/office	46,100	Leased
Macomb, MI	Manufacturing facility/office	86,000	Leased
Grandview, MO	Manufacturing facility/office	80,000	Owned
Freeport, NY	Manufacturing facility/office/warehouse	29,000	Owned
Clemmons, NC	Manufacturing facility/repair/office	20,000	Owned
Albany, OR	Machine shop/office	25,000	Owned
North Wales, PA	Manufacturing facility/office	111,400	Leased
Barcelona, Spain	Manufacturing facility/office	800	Leased
Austin, TX	Instrument shop/warehouse/office	4,500	Leased
Fort Worth, TX	Manufacturing facility/office	114,100	Owned
Brookfield, WI	Manufacturing facility/office	62,000	Leased
METALS SEGMENT			
Bridgeview, IL	Steel processing facility/office	140,000	Leased
Chicago, IL	Steel distributing facility/office	135,700	Owned
Cleveland, OH	Steel fabrication facility/office	30,950	Leased
Plain City, OH	Office	2,000	Leased

Triumph believes that its properties are adequate to support its operations for the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

Triumph is not presently involved in any material legal proceedings outside of the ordinary course of business. Triumph may in the future be named as a defendant in lawsuits involving product defects, breach of warranty or other actions relating to products that it manufactures or products that it distributes that are manufactured by others. Triumph believes that its potential exposure is adequately covered by its aviation product and general liability insurance.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Common Stock is traded on the New York Stock Exchange under the symbol "TGI." The following table sets forth the range of high and low closing prices for the Common Stock for the periods indicated:

	LOW	HIGH
FISCAL 2001		
1st Quarter	$29.500	$26.563
2nd Quarter	35.875	28.125
3rd Quarter	41.375	33.625
4th Quarter	41.625	35.700
FISCAL 2000		
1st Quarter	$31.063	$22.500
2nd Quarter	28.750	23.375
3rd Quarter	26.250	23.688
4th Quarter	32.563	22.750

As of May 31, 2001, the reported closing price for the Common Stock was $45.58. As of May 31, 2001, there were approximately 36 holders of record of the Common Stock and Triumph believes that its Common Stock was beneficially owned by 2,992 persons.

Triumph has never declared or paid cash dividends on any class of its Common Stock and does not anticipate paying any cash dividends in the foreseeable future. Triumph currently intends to retain its earnings, if any, and reinvest them in the development of its business. Triumph's credit facility and Triumph's 10.5% subordinated promissory note and payment in kind notes issued pursuant thereto in the aggregate principal amount of approximately $10.1 million payable to Teleflex Incorporated prohibit Triumph from paying dividends or making any distributions on its capital stock, except for the payment of stock dividends and redemptions of an employee's shares of capital stock upon termination of employment.

ITEM 6. SELECTED FINANCIAL DATA

The following selected historical financial data should be read in conjunction with the Consolidated Financial Statements and related Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included herein.

	YEARS ENDED MARCH 31,				
	1997(1)	1998(2)	1999(3)	2000(4)	2001(5)
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
HISTORICAL OPERATING DATA:					
Aviation Segment					
Net sales	$167,731	$242,317	$328,577	$368,614	$500,201
Cost of products sold	110,932	164,978	220,002	244,290	331,929
Gross profit	56,799	77,339	108,575	124,324	168,272
Selling, general and administrative	24,228	29,611	36,652	43,185	58,517
Depreciation and amortization	5,066	7,991	13,301	18,630	25,012
Operating income, before corporate expense and special charge(6)	27,505	39,737	58,622	62,509	84,743
Metals Segment					
Net sales	82,747	87,141	71,531	73,085	60,414
Cost of products sold	65,118	68,333	55,018	56,692	46,619
Gross profit	17,629	18,808	16,513	16,393	13,795
Selling, general and administrative	12,177	12,225	11,037	11,168	10,383
Depreciation and amortization	979	1,100	1,036	1,054	1,100
Operating income, before corporate expense and special charge(6)	4,473	5,483	4,440	4,171	2,312
Combined operating income, before corporate expense and special charge	31,978	45,220	63,062	66,680	87,055
Corporate expense(7)	4,371	3,944	4,490	4,273	5,561
Special charge	--	--	--	734	--
Interest expense and other	6,591	3,963	5,144	9,521	20,709
Gain on sale of assets	--	(2,250)	--	--	--
Income from continuing operations, before income taxes and extraordinary items	21,016	39,563	53,428	52,152	60,785
Income tax expense	8,461	15,561	20,281	17,550	21,571
Income from continuing operations, before extraordinary items	12,555	24,002	33,147	34,602	39,214
Extraordinary (loss) gain, net of income taxes	(1,478)	610	--	--	--
Net income	$ 11,077	$ 24,612	$ 33,147	$ 34,602	$ 39,214
Preferred stock dividends and accretion	(460)	--	--	--	--
Redemption of preferred stock	(1,746)	--	--	--	--
Income available to common stockholders	$ 8,871	$ 24,612	$ 33,147	$ 34,602	$ 39,214
Earnings per share:					
Income from continuing operations, before extraordinary items:					
Basic	$ 1.39	$ 2.29	$ 2.79	$ 2.96	$ 3.23
Diluted	1.27	2.14	$ 2.62	$ 2.79	$ 3.11
Shares used in computing earnings per share (thousands):					
Basic	7,447	10,485	11,896	11,689	12,125
Diluted	8,146	11,231	12,646	12,397	12,629

BALANCE SHEET DATA:					
Working capital	$ 56,288	$ 92,171	$ 93,457	$124,287	$179,411
Total assets	171,315	301,445	428,857	506,931	731,369
Long-term debt, including current portion	24,392	34,498	93,008	138,808	176,322
Total stockholders' equity	91,413	182,879	214,777	244,370	389,891

(FOOTNOTES ON FOLLOWING PAGE)

(FOOTNOTES FOR PRECEDING PAGE)

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(1) Results include the acquisition of Advanced Materials Technologies, Inc. from the date of acquisition.

(2) Results include the acquisitions of JDC Company, Hydro-Mill Co., Stolper-Fabralloy Company and Frisby Aerospace, Inc. from the date of each respective acquisition, and the sales of Air Lab, Inc. and Deluxe Specialties Mfg., Co.

(3) Results include the acquisitions of Nu-Tech Industries, Inc., DG Industries, Inc., DV Industries, Inc., Triumph Air Repair (Europe) Ltd., HTD Aerospace, Inc. and Triumph Precision, Inc. from the date of each respective acquisition. See Note 3 to the Consolidated Financial Statements.

(4) Results include the acquisitions of Ralee Engineering Company, Construction Brevitees d'Alfortville, Lee Aerospace, Inc. and Triumph Components-San Diego, Inc. from the date of each respective acquistion. See Note 3 to the Consolidated Financial Statements.

(5) Results include the acquisitions of ACR Industries, Inc., Chem-Fab Corporation, Airborne Nacelle Services, Inc. and the Anadite Assets from the date of each respective acquisition. See Note 3 to the Consolidated Financial Statements.

(6) Operating income, before corporate expense, is presented by group to assist the reader in evaluating each of the group's results of operations before financing and corporate expenses.

(7) Corporate expenses primarily consist of compensation, rent and general costs related to the operation of the Company's corporate office and other general expenses of the Company including professional fees.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(The following discussion should be read in conjunction with the Consolidated Financial Statements and notes thereto contained elsewhere herein.)

FISCAL YEAR ENDED MARCH 31, 2001 COMPARED TO FISCAL YEAR ENDED MARCH 31, 2000

AVIATION SEGMENT

NET SALES. Net sales for the Aviation segment increased by $131.6 million, or 35.7%, to $500.2 million for fiscal 2001 from $368.6 million for fiscal 2000. Companies acquired having less than twelve months in each fiscal year ("Acquired Companies") represented an aggregate of $106.1 million and $14.2 million in net sales in fiscal 2001 and fiscal 2000, respectively. Net sales for the other operating divisions and subsidiaries in the Aviation segment increased by $39.7 million, or 11.2% from the prior year due to overall growth in the businesses as well as new product lines.

COSTS OF PRODUCTS SOLD. Costs of products sold for the Aviation segment increased by $87.6 million, or 35.9%, to $331.9 million for fiscal 2001 from $244.3 million for fiscal 2000. This increase was primarily due to the inclusion of $71.3 million and $8.9 million in fiscal 2001 and fiscal 2000, respectively, of costs of products sold associated with net sales generated by the Acquired Companies. Costs of products sold for the other operating divisions and subsidiaries in the Aviation segment increased $25.2 million, or 10.7%, due to the overall growth in the businesses as well as new product lines.

GROSS PROFIT. Gross profit for the Aviation segment increased by $43.9 million, or 35.3%, to $168.3 million for fiscal 2001 from $124.3 million for fiscal 2000. This increase was primarily due to the inclusion of $34.8 million and $5.3 million in fiscal 2001 and 2000, respectively, of gross profit on the net sales generated by the Acquired Companies. The remaining net increase of $14.5 million was due to the reasons discussed above. As a percentage of net sales, gross profit for the Aviation segment was 33.6% and 33.7% for fiscal 2001 and fiscal 2000, respectively.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses for the Aviation segment increased by $15.3 million, or 35.5%, to $58.5 million for fiscal 2001 from $43.2 million for fiscal 2000, primarily due to the Acquired Companies.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization for the Aviation segment increased by $6.4 million, or 34.3%, to $25.0 million for fiscal 2001 from $18.6 million for fiscal 2000, primarily due to the assets acquired in connection with the Acquired Companies.

OPERATING INCOME. Operating income for the Aviation segment increased by $22.2 million, or 35.6%, to $84.7 million for fiscal 2001 from $62.5 million for fiscal 2000. This increase was due to the addition of net sales and profits generated by the Acquired Companies, as well as from an increase in operating profit generated by the other divisions and subsidiaries in the Aviation segment due to the overall growth in the businesses as well as new product lines. As a percentage of net sales, operating income for the Aviation segment was 16.9% and 17.0% for fiscal 2001 and fiscal 2000, respectively.

METALS SEGMENT

NET SALES. Net sales for the Metals segment decreased by $12.7 million, or 17.3%, to $60.4 million for fiscal 2001 from $73.1 million for fiscal 2000. This increase was mainly due to decreased activity at the Company's structural steel erection operation and import pricing pressures and lower volume at the Company's electrogalvanized steel operation.

COSTS OF PRODUCTS SOLD. Costs of products sold for the Metals segment decreased by $10.1 million, or 17.8%, to $46.6 million for fiscal 2001 from $56.7 million for fiscal 2000. This decrease was mainly due to the decrease in activity at the Company's structural steel erection operation and the lower volume at the Company's electrogalvanized steel operation.

GROSS PROFIT. Gross profit for the Metals segment decreased by $2.6 million, or 15.8%, to $13.8 million for fiscal 2001 from $16.4 million for fiscal 2000, due to the reasons discussed above. As a percentage of net sales, gross profit for the Metals segment was 22.8% and 22.4% for fiscal 2001 and fiscal 2000, respectively.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses for the Metals segment decreased by $0.8 million, or 7.0%, to $10.4 million for fiscal 2001 from $11.2 million for fiscal 2000.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization for the Metals segment remained unchanged from the prior year at $1.1 million for fiscal 2001.

OPERATING INCOME. Operating income for the Metals segment decreased by $1.9 million, or 44.6%, to $2.3 million, for fiscal 2001 from $4.2 million for fiscal 2000, due to the reasons discussed above. As a percentage of net sales, operating income for the Metals segment was 3.8% and 5.7% for fiscal 2001 and fiscal 2000, respectively.

OVERALL RESULTS

CORPORATE EXPENSES. Corporate expenses increased by $1.3 million, or 30.1%, to $5.6 million for fiscal 2001 from $4.3 million for fiscal 2000.

SPECIAL CHARGE. During fiscal 2000, the Company announced a realignment of reporting responsibilities. As a result of the realignment, the Company recorded a pre-tax charge of $0.7 million, primarily related to severance for three employees.

INTEREST EXPENSE AND OTHER. Interest expense and other increased by $11.2 million, or 117.5%, to $20.7 million for fiscal 2001 from $9.5 million for fiscal 2000. This increase was primarily due to significantly higher debt levels associated with the Acquired Companies, the cash portions of which were financed by borrowings under the Company's credit agreement, as well as a slightly higher rate on the Company's borrowings under its Credit Facility.

INCOME TAX EXPENSE. The effective tax rate was 35.5% for fiscal 2001 and 33.7% for fiscal 2000.

NET INCOME. Net income increased by $4.6 million, or 13.3%, to $39.2 million for fiscal 2001 from $34.6 million for fiscal 2000. The increase in fiscal 2001 net income was primarily attributable to the Acquired Companies, the overall growth in the other divisions and subsidiaries and new product lines, partially offset by the increased interest expense due to the increased debt levels associated with the Acquired Companies.

FISCAL YEAR ENDED MARCH 31, 2000 COMPARED TO FISCAL YEAR ENDED MARCH 31, 1999

AVIATION SEGMENT

NET SALES. Net sales for the Aviation segment increased by $40.0 million, or 12.2%, to $368.6 million for fiscal 2000 from $328.6 million for fiscal 1999. This increase was primarily due to the inclusion of an aggregate of $81.8 million and $27.2 million in net sales for the Acquired Companies in fiscal 2000 and fiscal 1999, respectively.

Net sales for the other operating divisions and subsidiaries in the Aviation segment experienced a 4.8% decrease, totaling $14.6 million, from the prior year. The decline in sales was due to slowdowns in the production rates of certain Boeing commercial airplane programs, specifically the 737 Classic, 747 and 777, as well as the effects from Boeing working off excess inventory for these programs, slightly offset by an increase in the production rate of the 737 New Generation and increases in sales related to the C−17 and E−2C military aircraft programs.

COSTS OF PRODUCTS SOLD. Costs of products sold for the Aviation segment increased by $24.3 million, or 11.0%, to $244.3 million for fiscal 2000 from $220.0 million for fiscal 1999. This increase was primarily due to the inclusion of $49.8 million and $15.8 million in fiscal 2000 and fiscal 1999, respectively, of costs of products sold associated with net sales generated by the Acquired Companies and a $1.0 million charge for inventory due to discontinuance of certain product lines. Costs of products sold for the other operating divisions and subsidiaries in the Aviation segment decreased $10.7 million, or 5.3%, mainly due to the decline in shipments for Boeing commercial airplane programs discussed above.

GROSS PROFIT. Gross profit for the Aviation segment increased by $15.7 million, or 14.5%, to $124.3 million for fiscal 2000 from $108.6 million for fiscal 1999. This increase was primarily due to the inclusion of $32.0 million and $11.4 million in fiscal 2000 and 1999, respectively, of gross profit on the net sales generated by the Acquired Companies. The remaining net decrease of $4.8 million was due to the reasons discussed above. As a percentage of net sales, gross profit for the Aviation segment was 33.7% and 33.0% for fiscal 2000 and fiscal 1999, respectively.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses for the Aviation segment increased by $6.5 million, or 17.8%, to $43.2 million for fiscal 2000 from $36.7 million for fiscal 1999, primarily due to the Acquired Companies.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization for the Aviation segment increased by $5.3 million, or 40.1%, to $18.6 million for fiscal 2000 from $13.3 million for fiscal 1999, primarily due to the assets acquired in connection with the Acquired Companies.

OPERATING INCOME. Operating income for the Aviation segment excluding its portion of the special charge recorded in the third quarter, increased by $3.9 million, or 6.6%, to $62.5 million for fiscal 2000 from $58.6 million for fiscal 1999. This increase was due to the addition of net sales and profits generated by the Acquired Companies, offset by a decrease in operating profit generated by the other divisions and subsidiaries in the Aviation segment mainly due to the decline in production rates in the Boeing commercial airplane programs discussed above and the effects of Boeing working off excess inventory. As a percentage of net sales, operating income for the Aviation segment was 17.0% and 17.8% for fiscal 2000 and fiscal 1999, respectively.

METALS SEGMENT

NET SALES. Net sales for the Metals segment increased by $1.6 million, or 2.2%, to $73.1 million for fiscal 2000 from $71.5 million for fiscal 1999. This increase was mainly due to an increase in activity at the Company's structural steel erection operation.

COSTS OF PRODUCTS SOLD. Costs of products sold for the Metals segment increased by $1.7 million, or 3.0%, to $56.7 million for fiscal 2000 from $55.0 million for fiscal 1999. This increase was mainly due to the increase in activity at the Company's structural steel erection operation and the effect of a one-time reduction in the prior year due to lower raw material prices.

GROSS PROFIT. Gross profit for the Metals segment decreased by $0.1 million, or 0.7%, to $16.4 million for fiscal 2000 from $16.5 million for fiscal 1999, due to the reasons discussed above. As a percentage of net sales, gross profit for the Metals segment was 22.4% and 23.1% for fiscal 2000 and fiscal 1999, respectively.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses for the Metals segment increased by $0.1 million, or 1.2%, to $11.2 million for fiscal 2000 from $11.0 million for fiscal 1999.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization for the Metals segment increased by $0.1 million, or 1.7%, to $1.1 million for fiscal 2000 from $1.0 million for fiscal 1999.

OPERATING INCOME. Operating income for the Metals segment, excluding its portion of the special charge recorded in the third quarter, decreased by $0.3 million, or 6.1%, to $4.2 million, for fiscal 2000 from $4.4 million for fiscal 1999, due to the reasons discussed above. As a percentage of net sales, operating income for the Metals segment was 5.7% and 6.2% for fiscal 2000 and fiscal 1999, respectively.

OVERALL RESULTS

CORPORATE EXPENSES. Corporate expenses decreased by $0.2 million, or 4.8%, to $4.3 million for fiscal 2000 from $4.5 million for fiscal 1999.

SPECIAL CHARGE. During fiscal 2000, the Company announced a realignment of reporting responsibilities. As a result of the realignment, the Company recorded a pre-tax charge of $0.7 million, primarily related to severance for three employees.

INTEREST EXPENSE AND OTHER. Interest expense and other increased by $4.4 million, or 85.1%, to $9.5 million for fiscal 2000 from $5.1 million for fiscal 1999. This increase was primarily due to increased debt levels associated with the Acquired Companies, the cash portions of which were financed by borrowings under the Company's credit agreement, as well as a slightly higher rate on and amortization of fees relating to the Company's amended and restated Credit Facility.

INCOME TAX EXPENSE. The effective tax rate was 33.7% for fiscal 2000 and 38.0% for fiscal 1999.

NET INCOME. Net income increased by $1.5 million, or 4.4%, to $34.6 million for fiscal 2000 from $33.1 million for fiscal 1999. The increase in fiscal 2000 net income was primarily attributable to the Acquired Companies and the change in the effective tax rate, partially offset by the special charge and the reduced earnings of the remaining Aviation segment operating units due to the decline in shipments for Boeing commercial airplane programs discussed above.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital needs are generally funded through cash flows from operations and borrowings under its credit arrangements. The Company generated approximately $26.2 million of cash flows from operating activities for the year ended March 31, 2001. The Company used approximately $168.2 million in investing activities, and raised $140.6 million in financing activities for the year ended March 31, 2001.

In March 2001, the Company completed the sale of 3,000,003 shares of its Common stock for $37.50 a share through an underwritten public offering. In addition, the Company granted the underwriters of its public offering a 30-day option to purchase additional shares to cover over-allotments. In April 2001, the underwriters exercised the over-allotment option and the Company sold an additional 450,000 shares of its Common stock. The net proceeds from the sales of $122.4 million were used to repay long-term debt.

On October 16, 2000, the Company amended its revolving credit facility ("Credit Facility") with its lenders to increase the Credit Facility to $350.0 million from $250.0 million, and amend certain terms and covenants. The Credit Facility bears interest at either LIBOR plus between 0.75% and 1.75% or the prime rate (or the Federal Funds rate plus 0.5% if greater) at the option of the Company and expires on June 13, 2004. The variation in the interest rate is based upon the Company's ratio of total indebtedness to earnings before interest, taxes, depreciation and amortization. In addition, the Company is required to pay a commitment fee of between 0.175% and 0.375% on the unused portion of the Credit Facility. The Company may allocate up to $5.0 million of the available Credit Facility for the issuance of letters of credit. As of March 31, 2001, $203.3 million was available under the Credit Facility. On March 31, 2001, an aggregate amount of approximately $145.0 million was outstanding under the Credit Facility, all of which was accruing interest at LIBOR plus applicable basis points totaling 7.62% per annum. Amounts repaid under the Credit Facility may be reborrowed.

The Company has available a $10.0 million discretionary line of credit ("Line of Credit"). The Line of Credit bears interest at the current rate offered by the lender. Borrowings under the Line of Credit are payable on the last day of the applicable interest period or on demand. The Line of Credit has no established expiration date. No amount was outstanding on the Line of Credit as of March 31, 2001.

Capital expenditures were approximately $27.1 million for the year ended March 31, 2001, primarily for manufacturing machinery and equipment for the Aviation segment. The Company funded these expenditures through borrowings under its Credit Facility. The Company expects capital expenditures to be approximately $40.0 million for its fiscal year ending March 31, 2002. The expenditures are expected to be used mainly to expand capacity at several facilities.

Effective April 1, 2000, the Company acquired all of the outstanding stock of ACR Industries, Inc., Chem-Fab Corporation and Airborne Nacelle Services, Inc. In May 2000, the Company acquired certain assets from the Anadite California Restoration Trust. The combined cash portion of the purchase prices paid at closing for these acquisitions of approximately $54.2 million was funded by borrowings under the Company's Credit Facility. In connection with these acquisitions, the Company assumed $32.6 million of seller financing, which accrued interest at 7% and $3.6 million of other debt. In July 2000, the Company retired $30.6 million of the assumed seller financing and approximately $3.2 million of the assumed other debt. These payments were funded by borrowings under the Credit Facility.

Effective September 30, 2000, the Company acquired certain product rights and assets from Honeywell International, Inc. The Company paid $32.0 million at closing, and assumed $27.0 million of seller financing which was paid in December 2000.

The Company's Board of Directors has authorized the repurchase of up to 500,000 shares of its Common stock, subject to market conditions. Repurchases may be made from time to time in open market transactions, block purchases, privately negotiated transactions or otherwise at prevailing prices. The Company has repurchased 244,200 shares through fiscal 2001 for an aggregate consideration of $5.9 million, funded by borrowings under the Credit Facility. No time limit has been set for completion of the program.

The Company believes that cash generated by operations and borrowings under the Credit Facility will be sufficient to meet anticipated cash requirements for its current operations. However, the Company has a stated policy to grow through acquisition and is continuously evaluating various acquisition opportunities. As a result, the Company currently is pursuing the potential purchase of a number of candidates. In the event that more than one of these transactions are successfully consummated, the availability under the Credit Facility might be fully utilized and additional funding sources may be needed. There can be no assurance that such funding sources will be available to the Company on terms favorable to the Company, if at all.

MARKET RISK

The Company's primary exposure to market risk consists of changes in interest rates on borrowings. An increase in interest rates would adversely affect the Company's operating results and the cash flow available after debt service to fund operations and expansion and, if permitted to do so under its Credit Facility, to pay dividends on its Common stock. The Company manages its exposure to changes in interest rate fluctuations by optimizing the use of fixed and variable rate debt. The Company has entered into a two-year interest rate swap to exchange floating rate for fixed rate interest payments to hedge against interest rate changes for $100.0 million of the Company's outstanding balance under its Credit Facility. The Company provides protection to meet actual exposure and does not speculate in derivatives. The net effect of the spread between the floating rate (30-day LIBOR) and the fixed rate (6.56%), on the Company's earnings for the year ended March 31, 2001, was not material. The information below summarizes the Company's market risks associated with debt obligations and should be read in conjunction with Note 6 of the Consolidated Financial Statements.

The following table presents principal cash flows and the related interest rates by year of maturity. Fixed interest rates disclosed represent the weighted average rate as of March 31, 2001. Variable interest rates disclosed fluctuate with the LIBOR, federal funds rates and other weekly rates and represent the weighted average rate at March 31, 2001.

EXPECTED YEARS OF MATURITY

	2002	2003	2004	2005	2006	THEREAFTER	TOTAL
			(DOLLARS IN THOUSANDS)				
Fixed rate ($)	5,338	8,559	9,406	2,030	379	286	25,998
Weighted average interest rate (%)	7.35	9.18	9.07	8.20	9.68	10.5	
Variable rate ($)	679	677	639	145,335	396	2,598	150,324
Weighted average interest rate (%)	4.59	4.59	4.55	6.55	4.26	4.10	

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 relating to the Company's future operations and prospects, including statements that are based on current projections and expectations about the markets in which the Company operates, and management's beliefs concerning future performance and capital requirements based upon current available information. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used in this document, words like "may", "might", "will", "expect", "anticipate", "believe", "potential", and similar expressions are intended to identify forward-looking statements. Actual results could differ materially from management's current expectations. For example, there can be no assurance that additional capital will not be required or that additional capital, if required, will be available on reasonable terms, if at all, at such times and in such amounts as may be needed by the Company. In addition to these factors, among other factors that could cause actual results to differ materially are uncertainties relating to the integration of acquired businesses, general economic conditions affecting the Company's business segments, dependence of certain of the Company's businesses on certain key customers as well as competitive factors relating to the aviation and metals industries. For a more detailed discussion of these and other factors affecting the Company, see the risk factors described in the Company's Annual Report on Form 10-K for the year ended March 31, 2001.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See discussion in Item 7.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of Triumph Group, Inc.

We have audited the accompanying consolidated balance sheets of Triumph Group, Inc. as of March 31, 2001 and 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2001. Our audits also included the financial statement schedule listed in the index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Triumph Group, Inc. at March 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2001, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
April 17, 2001

TRIUMPH GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	MARCH 31, 2000	MARCH 31, 2001
ASSETS		
Current assets:		
Cash	$ 6,279	$ 4,819
Accounts receivable, less allowance for doubtful accounts of $2,509 and $3,122	78,960	115,666
Inventories	123,750	172,247
Prepaid expenses and other	4,730	7,060
Total current assets	213,719	299,792
Property and equipment, net	122,787	157,519
Excess of cost over net assets acquired, net	144,027	194,223
Intangible assets and other, net	26,398	79,835
Total assets	$506,931	$731,369
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 34,996	$ 52,168
Accrued expenses	45,316	53,011
Income taxes payable	2,899	4,894
Deferred income taxes	1,365	4,291
Current portion of long-term debt	4,856	6,017
Total current liabilities	89,432	120,381
Long-term debt, less current portion	133,952	170,305
Deferred income taxes and other	39,177	50,792
Stockholders' equity:		
Common stock, $.001 par value, 50,000,000 shares authorized, 8,551,786 and 12,228,789 shares issued	9	12
Class D common stock convertible, $.001 par value, 6,000,000 shares authorized, 3,348,535 shares issued and outstanding	3	3
Capital in excess of par value	135,418	241,877
Treasury stock, at cost, 229,175 and 212,188 shares	(5,580)	(5,167)
Accumulated other comprehensive loss	(684)	(1,174)
Retained earnings	115,204	154,340
Total stockholders' equity	244,370	389,891
Total liabilities and stockholders' equity	$506,931	$731,369

See notes to consolidated financial statements.

TRIUMPH GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEAR ENDED MARCH 31,		
	1999	2000	2001
Net sales	$400,108	$441,699	$560,615
Operating costs and expenses:			
Cost of products sold	275,020	300,982	378,548
Selling, general and administrative	52,130	58,573	74,383
Depreciation and amortization	14,386	19,737	26,190
Special Charge	--	734	--
	341,536	380,026	479,121
Operating income	58,572	61,673	81,494
Interest expense and other	5,144	9,521	20,709
Income before income taxes	53,428	52,152	60,785
Income tax expense	20,281	17,550	21,571
Net income	$ 33,147	$ 34,602	$ 39,214
Earnings per share--basic	$ 2.79	$ 2.96	$ 3.23
Weighted average common shares outstanding--basic	11,896	11,689	12,125
Earnings per share--diluted	$ 2.62	$ 2.79	$ 3.11
Weighted average common shares outstanding--diluted	12,646	12,397	12,629

See notes to consolidated financial statements.

TRIUMPH GROUP, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(DOLLARS IN THOUSANDS)

	COMMON STOCK ALL CLASSES	CAPITAL IN EXCESS OF PER VALUE	TREASURY STOCK	ACCUMULATED OTHER COMPREHENSIVE LOSS	RETAINED EARNINGS	TOTAL
Balance at March 31, 1998	$ 12	$135,331	$ --	$ --	$ 47,536	$182,879
Net income(1)					33,147	33,147
Exercise of options to purchase common stock		87				87
Purchase of 52,700 shares of common stock			(1,336)			(1,336)
Balance at March 31, 1999	12	135,418	(1,336)	--	80,683	214,777
Net income					34,602	34,602
Foreign currency translation adjustment				(684)		(684)
Total comprehensive income						33,918
Exercise of options to purchase common stock			367		(81)	286
Purchase of 191,500 shares of common stock			(4,611)			(4,611)
Balance at March 31, 2000	12	135,418	(5,580)	(684)	115,204	244,370
Net Income					39,214	39,214
Foreign currency translation adjustment				(490)		(490)
Total comprehensive income						38,724
Exercise of options to purchase common stock			413		(78)	335
Exercise of warrant to purchase 650,000 shares of common stock	--	--				--
Issuance of 3,000,003 shares of common stock in public offering (net of $500 issuance costs)	3	106,372				106,375
Other		87				87
Balance at March 31, 2001	$ 15	$241,877	$(5,167)	$(1,174)	$154,340	$389,891

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(1) equals comprehensive income for the year.

See notes to consolidated financial statements.

TRIUMPH GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	YEAR ENDED MARCH 31,		
	1999	2000	2001
Operating Activities			
Net income	$ 33,147	$ 34,602	$ 39,214
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	14,386	19,737	26,190
Other amortization included in interest expense	137	260	336
Provision for doubtful accounts receivable	508	499	1,096
Provision for deferred income taxes	2,339	4,362	7,862
Interest on subordinated and junior subordinated promissory notes paid by issuance of additional notes	803	905	1,002
Changes in other current assets and liabilities, excluding the effects of acquisitions	(17,228)	(24,037)	(49,358)
Other	104	332	(119)
Net cash provided by operating activities	34,196	36,660	26,223
Investing Activities			
Capital expenditures	(19,489)	(14,736)	(27,073)
Proceeds from sale of assets	7,767	5,815	11,930
Cash used for businesses acquired	(69,021)	(49,677)	(153,092)
Net cash used in investing activities	(80,743)	(58,598)	(168,235)
Financing Activities			
Net proceeds from common stock offering	--	--	106,375
Net increase in revolving credit facility	58,375	31,109	37,796
Purchase of treasury stock	(1,336)	(4,611)	--
Proceeds from exercise of stock options	87	286	335
Retirement of long-term debt	(8,585)	--	--
Repayment of debt and capital lease obligations	(1,658)	(2,532)	(3,583)
Payment of deferred financing cost	(25)	(988)	(371)
Net cash provided by financing activities	46,858	23,264	140,552
Net change in cash	311	1,326	(1,460)
Cash at beginning of year	4,642	4,953	6,279
Cash at end of year	$ 4,953	$ 6,279	$ 4,819

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION

Triumph Group, Inc. ("Triumph") is a Delaware corporation which, through its operating subsidiaries, is engaged in aviation products and services and metals converting and distribution.

The accompanying consolidated financial statements include the accounts of Triumph and its subsidiaries (collectively, the "Company"). Intercompany accounts and transactions have been eliminated from the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Triumph's Aviation segment designs, engineers, manufactures or repairs and overhauls aircraft components for commercial airlines, air cargo carriers and original equipment manufacturers on a worldwide basis. Triumph's Metals segment manufactures, machines, processes and distributes metal products to customers in the computer, construction, container and office furniture industries, primarily within North America. The Company's trade accounts receivable are exposed to credit risk; however, the risk is limited due to the diversity of the customer base and the customer base's wide geographical area. Trade accounts receivable from Honeywell (formerly AlliedSignal) and Boeing Co. ("Boeing") represented approximately 11% and 9%, respectively, of total accounts receivable as of March 31, 2001 and 5% and 13%, respectively, at March 31, 2000. The Company had no other significant concentrations of credit risk. For fiscal 2001, Honeywell and Boeing represented approximately 8% and 12%, respectively, of consolidated sales. In fiscal 2000, Honeywell and Boeing represented approximately 9% and 14%, respectively, of consolidated sales. In fiscal 1999, Honeywell and Boeing represented approximately 12% and 19%, respectively, of consolidated sales. No other single customer accounts for more than 10% of the Company's sales; however, the loss of any significant customer, including Honeywell or Boeing, could have a material effect on the Company and its operating subsidiaries.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NEW ACCOUNTING STANDARDS

In 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Certain provisions of SFAS No. 133 were amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities--an amendment of Statement 133." The provisions of these Statements are effective for fiscal years beginning after June 15, 2000. Had the Company adopted SFAS 133 at March 31, 2001, the estimated impact to the consolidated balance sheet and consolidated statement of income would not have been material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated over the estimated useful lives of the related assets by the straight-line method. Buildings and improvements are depreciated over a period of 15 to 39 1/2 years, and machinery and equipment are depreciated over a period of 7 to 15 years (except for furniture, fixtures and computer equipment which are depreciated over a period of 3 to 10 years).

EXCESS OF COST OVER NET ASSETS ACQUIRED

The excess of cost over the fair value of net assets acquired is being amortized on a straight-line basis over a period of twenty-five to thirty years. Accumulated amortization at March 31, 2000 and 2001 was $10,303 and $17,097, respectively. The carrying value of excess of cost over net assets acquired is evaluated periodically in relation to the operating performance and expected future undiscounted cash flows of the underlying businesses.

INTANGIBLE ASSETS

Intangible assets at March 31, 2000 and 2001 of $17,912 and $64,551 respectively, consist primarily of certain product rights, patents, trademarks, aerospace designs and covenant-not-to-compete agreements. Intangible assets are amortized on a straight-line basis over their estimated useful lives which range from five to thirty years. Accumulated amortization at March 31, 2000 and 2001 was $6,484 and $10,243, respectively.

REVENUE RECOGNITION

Revenues are recorded when services are performed or when products are shipped. Reserves for contract losses are accrued when estimated costs to complete exceed expected future revenues.

PRE-PRODUCTION DESIGN AND DEVELOPMENT COSTS

The Company expenses as incurred design and development costs related to long-term supply arrangements unless such costs are contractually recoverable. At March 31, 2000 and 2001, the Company had capitalized $2,013 and $5,044, respectively, of contractually recoverable design and development costs.

3. ACQUISITIONS

Effective April 1, 2000, the Company acquired all of the outstanding stock of ACR Industries, Inc. ("ACR"), Chem-Fab Corporation ("Chem-Fab") and Airborne Nacelle Services, Inc. ("Airborne Nacelle") and on June 1, 2000, the Company acquired certain assets from the Anadite California Restoration Trust ("Anadite Assets") (collectively, the "2001 Acquisitions"). ACR, located in Macomb, Michigan, is a leading manufacturer of complex geared assemblies including gas turbine jet engine gear boxes, helicopter transmissions, geared systems for fixed-winged aircraft and other related components. Chem-Fab and Airborne Nacelle, both located in Hot Springs, Arkansas, together process sheet metal and other structural parts and assemblies for the aerospace industry. The Anadite Assets, which will be relocated to several of the Company's existing operating facilities, provide anodizing, chemical film coating, phosphate flouride coating, passiviation, liquid penetrant inspection, hardness testing, conductivity testing, thermal optical properties testing and painting to the aerospace industry. The combined purchase price for the 2001

3. ACQUISITIONS (CONTINUED)

Acquisitions was $101,434. The purchase price includes cash paid at closing, the assumption of debt and certain liabilities, direct costs of the acquisitions and deferred payments.

In addition to the above acquisitions, on September 30, 2000, in a series of transactions with Honeywell, the Company acquired certain product rights and assets associated with hydraulic systems ("New Hydraulic Systems Product Line") and auxiliary power units ("APU's") ("New APU Product Lines"), (collectively, the "New Product Lines"). The New Hydraulic Systems Product Line, which has been relocated from Honeywell's Rocky Mount, North Carolina facility to Triumph's Frisby Aerospace, Inc. subsidiary, located in Clemmons, North Carolina, is used in connection with the design, manufacture and overhaul of hydraulic pumps, motors and power transfer units. The New APU Product Lines, for which Triumph has become the exclusive designated 700 APU Factory Service Center and exclusive distributor of new 660 APU products, has been transferred to Triumph's Triumph Air Repair facility located in Phoenix, Arizona. The combined purchase price for the New Product Lines was $62,250. The purchase price includes cash paid at closing, the assumption of debt and certain liabilities and direct costs of acquisitions.

The combined excess of the purchase price over the estimated fair value of the net assets acquired in the 2001 Acquisitions in the amount of $58,691 was recorded as excess of cost over net assets acquired and is being amortized over thirty years on a straight-line basis. The excess of the purchase price over the estimated fair value of the tangible assets acquired in the New Product Lines in the amount of $51,198 has been recorded as intangible assets. The intangible assets related to the hydraulic systems are being amortized over 30 years and the intangible assets related to the APU product rights are being amortized over 10 years.

In fiscal 2000, the Company acquired all of the outstanding stock of Ralee Engineering Company ("Ralee"), Construction Brevitees d'Alfortville ("CBA"), and Lee Aerospace, Inc. ("Lee") and also acquired substantially all of the assets of KT Aerofab, now operated by the Company as Triumph Components-San Diego, Inc. (collectively, the "2000 Acquisitions"). Ralee, based in City of Industry, California, manufactures long structural components such as stringers, cords, floor beams and spars for the aviation industry. CBA, located near Paris, France is a manufacturer of mechanical ball bearing control assemblies for the aerospace, ground transportation and marine industries. Triumph Components-San Diego, Inc. is a developer of high-temperature metal alloy parts. Lee, located in Wichita, Kansas, is a leading supplier of unheated windshields, flight deck windows and cabin windows to the general aviation and corporate jet market. The combined purchase price for these acquisitions was $56,935. The purchase price includes cash paid at closing, the assumption of debt and certain liabilities, direct costs of the acquisitions, deferred payments and contingent payments of approximately $9,142, which are included in accrued expenses at March 31, 2000. The combined excess of the purchase price over the estimated fair value of the net assets acquired of $29,751 was recorded as excess of cost over the net assets acquired and is being amortized over thirty years on a straight-line basis. The Lee acquisition agreement provides for a reduction in the purchase price in the event certain performance measurements are not met on each specified date through 2003.

In fiscal 1999, the Company acquired all of the outstanding stock of Nu-Tech Industries, Inc. ("Nu-Tech"), DG Industries, Inc. ("DG"), and DV Industries, Inc. ("DV") and substantially all of the assets of Chase Aerospace (UK) Limited, renamed Triumph Air Repair (Europe) Limited ("Triumph Air Repair (Europe)"), Hartford Tool and Die Company, renamed HTD Aerospace, Inc. ("HTD") and May Industries, Inc. and Metal Joining, Inc. together renamed Triumph Precision, Inc. ("Triumph Precision").

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

3. ACQUISITIONS (CONTINUED)

Nu-Tech, based in the Kansas City, Missouri metropolitan area, specializes in producing complex structural components for the commercial and military aircraft market; machining of precision parts from aluminum extrusions; and high-speed machining of precision parts from alloys such as titanium and stainless steel. DG, based in Phoenix, Arizona, provides precision machining services on hydraulic and pneumatic components for the aviation industry, focusing on a wide spectrum of aircraft flap, spoiler, auxiliary power and cooling systems. DV, located in Lynwood, California, provides chemical processing, painting and non-destructive testing services to the aerospace and defense industries. Triumph Air Repair (Europe), based in Lasham Alton Hampshire, England, repairs and overhauls auxiliary power units, constant speed drives and integrated drive generators for commercial transport carriers and the commuter aviation industry. HTD, based in Bloomfield, Connecticut, specializes in manufacturing precision components and assemblies for commercial and military jet engines. Triumph Precision, based in Phoenix, Arizona, specializes in complex aerospace tube bending, precision machining, and metal heat treating and brazing. The combined purchase price for these acquisitions was $102,950. The purchase price includes cash paid at closing, the assumption of debt and certain liabilities, direct costs of the acquisitions, deferred payments and a contingent payment of approximately $7,000, which is included in accrued expenses at March 31, 1999. The combined excess of the purchase price over the estimated fair value of the net assets acquired of $71,435 was recorded as excess of cost over net assets acquired and is being amortized over thirty years on a straight-line basis.

These acquisitions have been accounted for under the purchase method and, accordingly, are included in the consolidated financial statements from their dates of acquisition. These acquisitions were funded by the Company's long-term borrowings in place at the date of each respective acquisition.

The following unaudited pro forma information for the year ended March 31, 2000 has been prepared assuming the 2001 Acquisitions and the 2000 Acquisitions had occurred on April 1, 1999: Net sales: $532,592; Net Income: $38,724; Earnings per share--basic: $3.31; and Earnings per share--diluted: $3.12. The pro forma effect of the 2001 Acquisitions for the year ended March 31, 2001 was not material. The unaudited pro forma information includes adjustments for interest expense that would have been incurred to finance the purchases, additional depreciation based on the estimated fair market value of the property and equipment acquired, and the amortization of the intangible assets and excess of cost over net assets acquired arising from the transactions. The unaudited pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transactions been effected on the assumed dates.

4. INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market. The components of inventories are as follows:

	MARCH 31,	
	2000	2001
Raw materials	$ 34,195	$ 50,638
Work-in-process	46,189	76,328
Finished goods	43,366	45,281
Total inventories	$123,750	$172,247

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

5. INCOME TAXES

The components of income tax expense are as follows:

	YEAR ENDED MARCH 31,		
	1999	2000	2001
Current:			
Federal	$16,211	11,970	$13,093
State	1,731	1,218	616
	17,942	13,188	13,709
Deferred:			
Federal	1,917	6,064	6,946
State	422	(1,702)	916
	2,339	4,362	7,862
	$20,281	$17,550	$21,571

A reconciliation of the statutory federal income tax rate to the effective tax rate is as follows:

	YEAR ENDED MARCH 31,		
	1999	2000	2001
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	2.6	(0.7)	1.6
Miscellaneous permanent items and nondeductible accruals	0.8	0.3	0.2
Other	(0.4)	(0.9)	(1.3)
Effective income tax rate	38.0%	33.7%	35.5%

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

5. INCOME TAXES (CONTINUED)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts reportable for income tax purposes. The components of deferred tax assets and liabilities are as follows:

	MARCH 31, 2000	MARCH 31, 2001
Deferred tax assets:		
Net operating loss carryforwards	$ 764	$ 404
Accounts receivable	--	1,009
Other	196	219
	960	1,632
Deferred tax liabilities:		
Property and equipment	22,762	28,974
Other assets	9,203	13,510
Accounts receivable	506	--
Inventory	330	3,008
Accruals and reserves	1,127	692
Prepaid expenses and other	390	2,673
	34,318	48,857
Net deferred tax liabilities	$33,358	$47,225

As of March 31, 2001, the Company has federal and state net operating loss carryforwards expiring in 4 to 19 years.

Income taxes paid during the years ended March 31, 1999, 2000 and 2001 were $16,135, $10,017 and $7,856 respectively.

6. LONG-TERM DEBT

Long-term debt consists of the following:

	MARCH 31, 2000	MARCH 31, 2001
Revolving credit facility	$107,204	$145,000
Subordinated promissory notes	17,686	18,658
Other debt	13,918	12,664
	138,808	176,322
Less current portion	4,856	6,017
	$133,952	$170,305

On October 16, 2000, the Company amended its revolving credit facility ("Credit Facility") with its lenders to increase the Credit Facility to $350,000 from $250,000 and amend certain terms and covenants. The Credit Facility bears interest at either LIBOR plus between 0.75% and 1.75% or the prime rate (or the Federal Funds rate plus 0.5% if greater) at the option of the Company and expires on June 13, 2004.

6. LONG-TERM DEBT (CONTINUED)

The variation in the interest rate is based upon the Company's ratio of total indebtedness to earnings before interest, taxes, depreciation and amortization. In addition, the Company is required to pay a commitment fee of between 0.175% and 0.375% on the unused portion of the Credit Facility. The Company may allocate up to $5,000 of the available Credit Facility for the issuance of letters of credit of which $1,400 and $1,700 was used as of March 31, 2000 and 2001, respectively. At March 31, 2000 and 2001, the interest rate on borrowings under the Credit Facility was 7.05% and 7.62%, respectively. As of March 31, 2001, $203,300 of additional borrowings were available under the Credit Facility.

The Company has entered into a two-year interest rate swap to exchange floating rate for fixed rate interest payments to hedge against interest rate changes on $100,000 of the Company's outstanding balance under its Credit Facility. The Company provides protection to meet actual exposures and does not speculate in derivatives. The net effect of the spread between the floating rate (30-day LIBOR) and the fixed rate (6.56%) is reflected as an adjustment to interest expense in the period incurred. The other party to the interest rate swap agreement exposes the Company to credit loss in the event of non-performance, although the Company does not anticipate such non-performance.

At March 31, 2001, the Subordinated Promissory Notes consist of five notes, a $1,600 principal amount bearing interest at 7%, due on July 1 of 2001, a $9,548 principal amount bearing interest at 10.5%, due in equal installments on December 31, 2002 and December 31, 2003, a $4,683 principal amount bearing interest at 7%, due in annual installments of $1,000 on July 1 of each year commencing in 2001 through and including 2002 with a final payment of $2,683 on July 1, 2003, a $2,000 principal amount bearing interest at 7%, due in equal annual installments of $1,000 on March 31, 2002 and 2003 and an $827 principal amount bearing interest at the 1 year Eurobor plus 1%, which at March 31, 2001 was 5.3%, due in annual installments of $288 on October 18 of 2001 and 2002 with a final payment of $251 on October 18, 2003. With regard to the 10.5% note, the Company, at its sole discretion, may pay interest by issuance of additional 10.5% notes and elected to do so for $770, $854 and $960 for the years ended March 31, 1999, 2000 and 2001, respectively.

The indentures under the debt agreements described above contain restrictions and covenants which include limitations on the Company's ability to incur additional indebtedness, issue stock options or warrants, make certain restricted payments and acquisitions, create liens, enter into transactions with affiliates, sell substantial portions of its assets and pay cash dividends. Additional covenants require compliance with financial tests, including leverage, interest coverage ratio, and maintenance of minimum net worth.

The fair value of the Company's Credit Facility and the Bonds approximate their carrying values. The fair value of the subordinated promissory notes, based on a discounted cash flow method, is approximately $19,500.

Maturities of long-term debt are as follows: 2002--$6,017; 2003--$9,236; 2004--$10,045; 2005--$147,365; 2006--$775; thereafter, $2,884 through 2013.

Interest paid on indebtedness during the years ended March 31, 1999, 2000, and 2001 amounted to $3,957, $8,057 and $19,278, respectively.

7. STOCKHOLDERS' EQUITY

In March 2001, the Company completed the sale of 3,000,003 shares of its Common stock for $37.50 a share through an underwritten public offering. In addition, the Company granted the underwriters of its

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

7. STOCKHOLDERS' EQUITY (CONTINUED)

public offering a 30-day option to purchase additional shares to cover over-allotments. In April 2001, the underwriters exercised the over-allotment option and the Company sold an additional 450,000 shares of its common stock. The net proceeds from the sales totaled $122,406 and were used to repay long-term debt.

On January 3, 2001, the Company granted to its two top executive officers a total of 27,000 shares of its Common stock, valued at $1,043 at issuance, which vests over three years and is included in capital in excess of par value.

The Company purchased 52,700 shares and 191,500 shares of its Common stock as treasury stock in fiscal 1999 and fiscal 2000, respectively. Treasury stock is recorded at cost.

The holders of the Common stock and the Class D common stock are entitled to one vote per share on all matters to be voted upon by the stockholders of Triumph except that Class D does not participate in the voting of directors and is entitled to participate ratably in any distributions. The holders of Class D common stock may elect at any time to convert any or all such shares into Common stock on a share-for-share basis.

The Company has preferred stock of $.01 par value, 250,000 shares authorized. At March 31, 2000 and 2001, no shares of preferred stock were outstanding.

8. EARNINGS PER SHARE

The following is a reconciliation between the weighted average common shares outstanding used in the calculation of basic and diluted earnings per share:

	YEAR ENDED MARCH 31,		
	1999	2000	2001
		(THOUSANDS)	
Weighted average common shares outstanding--basic	11,896	11,689	12,125
Net effect of dilutive stock options	100	58	112
Net effect of dilutive warrant	650	650	392
Weighted average common shares outstanding--diluted	12,646	12,397	12,629

Options to purchase 114,200 shares of Common stock, at prices ranging from $43.13 per share to $44.88 per share, were outstanding during fiscal 2001. These options were not included in the computation of diluted earnings per share because the exercise price was greater than the average market price of the Common stock during the twelve months ended March 31, 2001 and, therefore, the effect would be antidilutive.

9. EMPLOYEE BENEFIT PLANS

DEFINED CONTRIBUTION PENSION PLAN

The Company sponsors a defined contribution 401(k) plan, under which salaried and certain hourly employees may defer a portion of their compensation. Eligible participants may contribute to the plan up to 20% of their regular compensation before taxes. The Company matches contributions of 50% of the first 6% of compensation contributed by the participant. All contributions and Company matches are invested at the direction of the employee in one or more mutual funds. Company matching contributions

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

9. EMPLOYEE BENEFIT PLANS (CONTINUED)
vest immediately and aggregated $1,441, $1,748 and $2,152 for the years ended March 31, 1999, 2000 and 2001, respectively.

OTHER POSTRETIREMENT BENEFITS

In connection with the acquisition of one of the Company's subsidiaries, the Company provides certain postretirement medical and insurance benefits to eligible employees under a collective bargaining agreement. For any employees who retired through the date of the acquisition, the previous owner retained all liabilities for benefits due and administration of the postretirement benefits. The Company has assumed responsibility for administration of the postretirement coverage for any eligible employee who retires subsequent to the date of acquisition. The Company will pay the costs related to these benefits upon retirement and will be reimbursed by the previous owner for its pro rata portion based on relative length of service. The Company does not fund the plan.

The Company has recorded a total liability of approximately $3,762 (as estimated by actuaries) for other postretirement benefits, of which approximately $3,235 is estimated to be reimbursed by the previous owner as of March 31, 2001. These amounts are included in other liabilities and other assets, respectively. The annual expense for such benefits is not material.

ACCRUED COMPENSATION

Included in accrued expenses at March 31, 2000 and 2001 is accrued compensation of $11,368 and $16,666, respectively.

STOCK OPTION PLANS

The Company has stock option plans under which employees and non-employee directors may be granted options to purchase shares of the Company's Common stock at the fair market value at the time of the grant. Options generally vest over three to four years and expire ten years from the date of the grant.

SUMMARY OF STOCK OPTION ACTIVITY

	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, March 31, 1998	260,163	$20.48
Granted	182,200	$43.84
Exercised	(4,550)	$19.00
Forfeited	(7,375)	$27.56
Balance, March 31, 1999	430,438	$30.26
Granted	190,500	$25.97
Exercised	(15,025)	$19.00
Forfeited	(16,357)	$30.32
Balance, March 31, 2000	589,556	$29.16
Granted	2,000	$31.38
Exercised	(16,990)	$19.74
Forfeited	(84,371)	$39.37
Balance, March 31, 2001	490,195	$27.73

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

9. EMPLOYEE BENEFIT PLANS (CONTINUED)

SUMMARY OF STOCK OPTIONS OUTSTANDING AT MARCH 31, 2001

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
EXERCISE PRICE RANGE	NUMBER	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YRS.)	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
$19.00	187,045	5.6	$19.00	187,045	$19.00
$24 5/8-$26 7/16	163,750	8.3	$25.95	41,211	$25.96
$31 3/8-$34	25,200	6.9	$31.15	17,150	$33.95
$43 1/8-$44 7/8	114,200	7.1	$43.28	57,701	$43.29
	490,195			303,107	

At March 31, 2000 and 2001, 747,381 options and 779,752 options, respectively, were available for issuance under the plans.

The Company uses the accounting method under APB Opinion No. 25 ("APB 25") and related interpretations for its employee stock options. Under APB 25, when the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized. The Company adopted the disclosure-only option under SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123").

Pro forma disclosure, as required by SFAS 123, regarding net income and earnings per share has been determined as if the Company had accounted for its employee stock options under the fair value method.

The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions: risk-free interest rate of 5.5% for 1999, 5.6% for 2000 and 6.2% for 2001; no dividends; a volatility factor of the expected market price of the Company's Common stock of .30, .36 and .34 for 1999, 2000 and 2001, respectively, and a weighted-average expected life of the options of 6 years.

For purposes of pro forma disclosures, the weighted average fair value of the options ($17.79 for the 1999 issuance, $11.66 for the 2000 issuance and $14.13 for the 2001 issuance) is amortized to expense over the options' assumed vesting period. The following pro forma information has been prepared assuming the Company accounted for its stock options under the fair value method:

PRO FORMA NET INCOME AND EARNINGS PER SHARE

	YEAR ENDED MARCH 31,		
	1999	2000	2001
Pro forma net income	$32,008	$33,079	$38,015
Pro forma earnings per share:			
Basic	2.69	2.83	3.14
Diluted	2.56	2.71	3.03

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

10. LEASES

At March 31, 2001, future minimum payments under noncancelable operating leases with initial or remaining terms of more than one year were as follows: 2002--$12,654; 2003--$11,613; 2004--$9,474; 2005--$7,758; 2006--$6,808; thereafter, $15,445 through 2018. In the normal course of business, operating leases are generally renewed or replaced by other leases.

Total rental expense was $3,679, $7,387 and $9,670 for the years ended March 31, 1999, 2000 and 2001, respectively.

11. PROPERTY AND EQUIPMENT

Net property and equipment at March 31, 2000 and 2001 is:

	MARCH 31, 2000	MARCH 31, 2001
Land	$ 7,653	$ 9,029
Buildings and improvements	27,450	45,981
Machinery and equipment	126,215	152,474
	161,318	207,484
Less accumulated depreciation	38,531	49,965
	$122,787	$157,519

Depreciation expense for the years ended March 31, 1999, 2000 and 2001 was $9,558, $13,278 and $15,903, respectively.

12. COMMITMENTS AND CONTINGENCIES

Certain of the Company's business operations and facilities are subject to a number of federal, state and local environmental laws and regulations. The Company is indemnified for environmental liabilities related to assets purchased from IKON Office Solutions, Inc. (formerly Alco Standard Corporation) which existed prior to the acquisition of the assets and any unidentified environmental liabilities which arose subsequent to the date of settlement through July 22, 2000, from conditions or activities existing at these facilities prior to the acquisition. In the opinion of management, there are no significant environmental concerns which would have a material effect on the financial condition or operating results of the Company which are not covered by such indemnification.

The Company is involved in certain litigation matters arising out of its normal business activities. In the opinion of management, the ultimate resolution of such litigation will not have a material effect on the financial condition or operating results of the Company.

13. COLLECTIVE BARGAINING AGREEMENTS

Approximately 12% of the Company's labor force is covered under collective bargaining agreements. These collective bargaining agreements expire over the next several years, with the exception of one operating location in the Aviation segment which expired and is currently being negotiated and one operating location in the Metals segment which will expire in the next twelve months.

14. SEGMENT REPORTING

The Company is organized based on the products and services that it provides. Under this organizational structure, the Company has two reportable segments: Aviation and Metals. The Company's Aviation segment consists of thirty-two operating units and the Metals segment consists of two operating units at March 31, 2001.

The Aviation segment revenue is generated from the manufacture, repair and overhaul of sub-assembly and structural components and flight controls and instrumentation for aircraft and related products.

The sub-assembly components revenues are derived from repair and overhaul services on auxiliary power units for both commercial airlines and OEMs. The Company also repairs and overhauls aircraft accessories, including constant-speed drives, cabin compressors, starters and generators, and pneumatic drive units. Further, the Company provides precision machining services primarily to various OEMs for other sub-assembly components manufactured from refractory and other metals for the aviation and aerospace industry. The structural components revenues are derived from stretch forming, die forming, milling, bonding, machining, welding and assembly and fabrication on aircraft wings, fuselages and skins for aircraft produced by OEMs such as Boeing and Bombardier. The Company also manufactures metallic and composite bonded honeycomb assemblies for fuselage, wings and flight control surface parts for airlines and other aircraft operators. The flight controls and instrumentation revenues are derived from designing and engineering of mechanical and electromechanical controls, such as hydraulic systems, main engine gearbox assemblies and mechanical cable for OEMs and commercial airlines. The Company also performs repair and overhaul services, and supplies spare parts, for various types of cockpit instruments and gauges for a broad range of commercial airlines on a worldwide basis.

The Metals segment produces and distributes electrogalvanized steel, which can be stamped, formed, welded and painted and coated steel. The Company also operates a steel service center specializing in flat rolled products and their processing, including hot and cold rolled sheet and galvanized sheet and coil. In addition, the Company operates a business engaged in the erection of structural frameworks for buildings and bridges.

Segment operating income is total segment revenue reduced by operating expenses identifiable with that segment. Corporate includes general corporate administrative costs and any other costs not identifiable with one of the Company's segments.

The Company evaluates performance and allocates resources based on operating income of each reportable segment, rather than at the operating unit level. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies (see Note 2). There are no intersegment sales.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

14. SEGMENT REPORTING (CONTINUED)

Selected financial information for each reportable segment is as follows:

	YEAR ENDED MARCH 31,		
	1999	2000	2001
Net sales:			
Aviation	$328,577	$368,614	$500,201
Metals	71,531	73,085	60,414
	$400,108	$441,699	$560,615
Income before income taxes:			
Operating income (expense):			
Aviation	$ 58,622	$ 62,509	$ 84,743
Metals	4,440	4,171	2,312
Special charge	--	(734)	--
Corporate	(4,490)	(4,273)	(5,561)
	58,572	61,673	81,494
Interest expense and other	5,144	9,521	20,709
	$ 53,428	$ 52,152	$ 60,785
Capital expenditures:			
Aviation	$ 18,676	$ 13,429	$ 20,495
Metals	808	1,220	6,469
Corporate	5	87	109
	$ 19,489	$ 14,736	$ 27,073
Depreciation and amortization:			
Aviation	$ 13,301	$ 18,630	$ 25,012
Metals	1,036	1,054	1,100
Corporate	49	53	78
	$ 14,386	$ 19,737	$ 26,190

	MARCH 31,	
	2000	2001
Total Assets:		
Aviation	$477,374	$694,278
Metals	27,410	29,768
Corporate	2,147	7,323
	$506,931	$731,369

During fiscal years 1999, 2000 and 2001, the Company had foreign sales of $53,400, $83,544 and $116,141, respectively.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

15. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	FISCAL 2000(1)				FISCAL 2001(2)			
	JUNE 30	SEPT. 30	DEC. 31	MAR. 31	JUNE 30	SEPT. 30	DEC. 31	MAR. 31
Net sales	$104,894	$110,276	$110,376	$116,153	$128,996	$131,563	$143,163	$156,893
Gross profit	32,983	33,906	34,885	38,943	41,354	42,275	46,667	51,771
Net income	8,235	8,190	8,776	9,401	8,271	9,173	10,002	11,768
Earnings per share:								
Basic	0.70	0.70	0.75	0.81	0.71	0.79	0.83	0.90
Diluted	0.66	0.66	0.71	0.76	0.67	0.74	0.80	0.89

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(1) In fiscal 2000, the Company acquired Ralee, CBA, Lee and Triumph Components-San Diego, Inc. on April 1, 1999, July 1, 1999, October 1, 1999, and November 7, 1999, respectively.

(2) In fiscal 2001, the Company acquired ACR, Chem-Fab and Airborne Nacelle all on April 1, 2001, the Anadite Assets on June 1, 2000 and the New Product Lines on September 30, 2000. The quarter ended March 31, 2001 earnings per share amounts reflect the impact of the issuance of Common stock (see note 7).

16. SUPPLEMENTAL CASH FLOW INFORMATION

	YEAR ENDED MARCH 31,		
	1999	2000	2001
Changes in other current assets and liabilities, excluding the effects of acquisitions:			
Accounts receivable	$ 4,149	$ (3,590)	$(28,109)
Inventories	(19,007)	(12,621)	(26,555)
Prepaid expenses and other current assets	(950)	(477)	(1,098)
Accounts payable, accrued expenses, and income taxes payable	(1,420)	(7,349)	6,404
	$(17,228)	$(24,037)	$(49,358)
Noncash investing and financing activities:			
Seller note related to acquired business	$ --	$ 6,047	$ 2,000

TRIUMPH GROUP, INC.

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

(DOLLARS IN THOUSANDS)

	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO EXPENSE	ADDITIONS(1) (DEDUCTIONS)(2)	BALANCE AT END OF YEAR
For year ended March 31, 2001:			280	
Allowance for doubtful accounts receivable...	2,509	1,096	(763)	3,122
For year ended March 31, 2000:			561	
Allowance for doubtful accounts receivable...	1,907	499	(458)	2,509
For year ended March 31, 1999:			207	
Allowance for doubtful accounts receivable...	1,840	508	(648)	1,907

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(1) Additions consist of accounts receivable recoveries, miscellaneous adjustments and amounts recorded in conjunction with the acquisitions of Nu-Tech Industries, Inc., DG Industries, Inc., DV Industries, Inc., Triumph Air Repair (Europe) Ltd., HTD Aerospace, Inc., Triumph Precision, Inc., Ralee Engineering Company, Construction Brevitees d'Alfortville, Lee Aerospace, Inc., Triumph Components-San Diego, Inc., ACR Industries, Inc., Chem-Fab Corporation, Airborne Nacelle Services, Inc. and the Anadite Assets.

(2) Deductions represent write-offs of related account balances.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT

DIRECTORS

The information required for Directors is included in the Proxy Statement of Triumph in connection with its 2001 Annual Meeting of Stockholders to be held on July 16, 2001, under the heading "Proposal No. 1--Election of Directors" and is incorporated herein by reference.

EXECUTIVE OFFICERS

NAME	AGE	POSITION	EFFECTIVE DATE OF ELECTION TO PRESENT POSITION
Richard C. Ill	58	President and Chief Executive Officer	July 1, 1993
John R. Bartholdson	56	Senior Vice President, Chief Financial Officer and Treasurer	July 1, 1993
Lawrence J. Resnick	43	Vice President	August 1, 2000
Richard M. Eisenstaedt	55	Vice President, General Counsel and Secretary	October 1, 1996
Kevin E. Kindig	44	Vice President and Controller	July 1, 1993

RICHARD C. ILL has been President and Chief Executive Officer and a director of Triumph since 1993. Mr. Ill is a member of the board of directors of the Aerospace Industry Association, the board of directors of Derrman and Davis, Inc. and the advisory board of Outward Bound, USA.

JOHN R. BARTHOLDSON has been Senior Vice President, Chief Financial Officer and Treasurer and a director of Triumph since 1993. Mr. Bartholdson serves on the board of directors and is a member of the compensation committee of PBHG Funds, Inc.

LAWRENCE J. RESNICK has been a Vice President of Triumph since August 2000. Mr. Resnick was the President of Triumph Controls, Inc., one of Triumph's subsidiaries from January 1996 through July 2000.

RICHARD M. EISENSTAEDT has been a Vice President and Triumph's General Counsel and Secretary since October 1996. Mr. Eisenstaedt was general counsel of Unisource Worldwide, Inc. from February 1996 until October 1996.

KEVIN E. KINDIG has been Controller of Triumph since 1993 and Vice President since April 1999.

ITEM 11. EXECUTIVE COMPENSATION

The information required regarding executive compensation is included in the Proxy Statement of Triumph in connection with its 2001 Annual Meeting of Stockholders to be held on July 16, 2001, under the heading "Executive Compensation" and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required regarding security ownership is included in the Proxy Statement of Triumph in connection with its 2001 Annual Meeting of Stockholders to be held on July 16, 2000, under the heading "Security Ownership of Principal Stockholders and Management" and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required regarding certain relationships and related transactions is included in the Proxy Statement of Triumph in connection with its 2001 Annual Meeting of Stockholders to be held on July 16, 2001, under the heading "Certain Relationships and Related Transactions" and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

FINANCIAL STATEMENTS

(a)(1) The following consolidated financial statements are included in Item 8 of this report:

	PAGE
Triumph Group, Inc., Report of Ernst &Young LLP, Independent Auditors...........................	25
Consolidated Balance Sheets as of March 31, 2000 and 2001......................................	26
Consolidated Statements of Income for the Fiscal Years Ended March 31, 1999, 2000 and 2001.......	27
Consolidated Statements of Stockholders' Equity for the Fiscal Years Ended March 31, 1999, 2000 and 2001......................................	28
Consolidated Statements of Cash Flows for the Fiscal Years Ended March 31, 1999, 2000 and 2001..	29
Notes to Consolidated Financial Statements........	30

(a)(2) The following financial statement schedule is included in this report:

	PAGE
Schedule II--Valuation and Qualifying Accounts....	44

All other schedules have been omitted as not applicable or because the information is included elsewhere in the Consolidated Financial Statements or notes thereto.

(a)(3) The following is a list of exhibits. Where so indicated by footnote, exhibits which were previously filed are incorporated by reference.

EXHIBIT NUMBER	DESCRIPTION
3.1	Amended and Restated Certificate of Incorporation of Triumph Group, Inc.(1)
3.2	Bylaws of Triumph Group, Inc.(1)
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Triumph Group, Inc.(3)
4	Form of certificate evidencing Common Stock of Triumph Group, Inc.(1)
10.1	Form of Employment Agreement with Richard C. Ill.(2)
10.2	Form of Employment Agreement with John R. Bartholdson.(2)
10.3	Form of Employment Agreement with Richard M. Eisenstaedt.(2)
10.4	Form of Employment Agreement with Lawrence J. Resnick(4)
10.5	Purchase Agreement dated as of July 22, 1993 between Triumph and Citicorp Venture Capital, Ltd.(1)

EXHIBIT NUMBER	DESCRIPTION
10.6	Asset Purchase Agreement dated as of December 31, 1995 among Triumph, Triumph Control Systems, Inc. and Teleflex Incorporated.(1)
10.7	Subordinated Promissory Note dated December 31, 1995 payable to Teleflex Incorporated.(1)
10.8	Non-Competition Agreement dated July 31, 1996 between Triumph and Jay Donkersloot.(1)
10.9	Form of 1996 Stock Option Plan.(1)
10.10	Directors' Stock Option Plan.(3)
10.11	Agreement of Sale and Purchase of Stock dated as of March 31, 2000 among ACR Industries, Inc., Roger Blanchard as trustee for certain trusts and Triumph Group Acquisition Corp.(5)
10.12	Amended and Restated Credit Agreement dated October 16, 2000 among Triumph Group, Inc., PNC Bank National Association, as Administrative Agent, Bank of America, N.A., as Documentation Agent, First Union National Bank, as Syndication Agent, and Mellon Bank, N.A., as Co-Agent.(4)
10.13	Agreement for Triumph Group, Inc. Restricted Stock between Triumph Group, Inc. and Richard C. Ill dated January 3, 2001.
10.14	Agreement for Triumph Group, Inc. Restricted Stock between Triumph Group, Inc. and John R. Bartholdson dated January 3, 2001.
21.1	Subsidiaries of Triumph Group, Inc.
23.1	Consent of Ernst &Young LLP.

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(1) Incorporated by reference to Triumph's Registration Statement on Form S-1 (Registration No. 333-10777), declared effective on October 24, 1996.

(2) Incorporated by reference to Triumph's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999.

(3) Incorporated by reference to Triumph's Annual Report on Form 10-K for the year ended March 31, 1999.

(4) Incorporated by reference to Triumph's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000.

(5) Incorporated by reference to Triumph's Annual Report on Form 10-K for the year ended March 31, 2000.

REPORTS ON FORM 8-K

Triumph filed no reports on Form 8-K during the quarter ended March 31, 2001.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed by the undersigned thereunto duly authorized.

TRIUMPH GROUP, INC.

Dated: June 5, 2001

By: /s/ RICHARD C. ILL

Richard C. Ill
PRESIDENT AND CHIEF EXECUTIVE OFFICER
(PRINCIPAL EXECUTIVE OFFICER)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ RICHARD C. ILL Richard C. Ill	President, Chief Executive Officer and Director (Principal Executive Officer)	June 5, 2001
/s/ JOHN R. BARTHOLDSON John R. Bartholdson	Senior Vice President, Chief Financial Officer, Treasurer and Director (Principal Financial Officer)	June 5, 2001
/s/ KEVIN E. KINDIG Kevin E. Kindig	Vice President and Controller (Principal Accounting Officer)	June 5, 2001
/s/ RICHARD C. GOZON Richard C. Gozon	Director	June 5, 2001
/s/ CLAUDE F. KRONK Claude F. Kronk	Director	June 5, 2001
/s/ JOSEPH M. SILVESTRI Joseph M. Silvestri	Director	June 5, 2001
/s/ WILLIAM O. ALBERTINI William O. Albertini	Director	June 5, 2001

EXHIBIT 10.13

AGREEMENT FOR TRIUMPH GROUP, INC.
RESTRICTED STOCK

This agreement, by and between Triumph Group, Inc. (the "Company") and Richard C. Ill (the "Participant"), is dated as of January 3, 2001.

ARTICLE I

Definitions

Unless otherwise defined above, for purposes of this term sheet, the following terms shall have the following meanings:

1.1 "CHANGE OF CONTROL" shall mean the occurrence of any one of the following:

(a) Any person or group of persons acting in concert shall have acquired ownership of or the right to vote or to direct the voting of shares of capital stock of the Company representing 30% or more of the total voting power of the Company (except with respect to any such ownership by Citicorp Venture Capital, Ltd, individually or together with its affiliates, which ownership shall not constitute a Change in Control), or

(b) The Company shall have merged into or consolidated with another corporation, or merged another corporation into the Company, on a basis whereby less than 50% of the total voting power of the surviving corporation is represented by shares held by former stockholders of the Company prior to such merger or consolidation, or

(c) The Company shall have sold more than 50% of its assets to another corporation or other entity or person, or

(d) As the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, the persons who were directors of the Company before such transaction cease to constitute a majority of directors of the Company.

1.2 "COMMON STOCK" shall mean the common stock, par value $.001 per share, of the Company.

1.3 "DISABILITY" shall mean Total Disability as defined in the Company's long-term disability plan.

1.4 "RETIREMENT" shall mean retirement from employment with the Company or one of its subsidiaries.

1.5 "TERMINATION OF EMPLOYMENT" shall mean termination of the Participant's employment with the Company and all of its subsidiaries for reasons other than a military or personal leave of absence granted by the Company.

ARTICLE II

Award of Restricted Stock

2.1 AWARD. The Company hereby grants to Participant 17,000 shares of Restricted Stock, which Restricted Stock shall be subject to forfeiture as set forth in Article III hereof.

ARTICLE III

Terms and Conditions

3.1 STOCK CERTIFICATES. The stock certificates representing the Restricted Stock shall be issued and registered in the name of the Participant. Such stock certificates shall be held in custody by the Company as long as the Restricted Stock is subject to forfeiture. When the Restricted Stock, or any portion thereof, ceases to be subject to forfeiture, the stock certificate or stock certificates representing such shares shall be released from custody and delivered to the Participant.

3.2 RIGHTS OF PARTICIPANT. Except as otherwise provided herein, the Participant shall have all of the rights of a holder of Common Stock with respect to shares of Restricted Stock, including the right to vote such shares and to receive dividends thereon.

3.3 PROHIBITION ON TRANSFER. The Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock as long as such shares are held in custody by the Company.

3.4 FORFEITURE PERIOD. The number of shares of Restricted Stock set forth below will be forfeited to the Company upon the Participant's Termination of Employment for any reason, other than the death, Disability or Retirement of the Participant, prior to the corresponding dates set forth below:

(a) 17,000 shares prior to January 3, 2002;

(b) 11,334 shares prior to January 3, 2003; and

(c) 5,667 shares prior to January 3, 2004.

Upon any such forfeiture, stock certificates representing all outstanding Restricted Stock shall be forfeited to the Company.

3.5 REMOVAL OF FORFEITURE. Any and all shares of Restricted Stock subject to the forfeiture provisions of Section 3.4 shall cease to be subject to such provisions immediately upon the Participant's Termination of Employment for reason of the death, Disability or Retirement of the Participant or upon a Change in Control, and stock certificates representing such shares of Common Stock shall be released from custody and delivered to the Participant or the Participant's estate, as the case may be.

3.6 DISTRIBUTIONS. In the event of a dividend or distribution payable in stock or a reclassification, stock split or split-up, the shares issued or declared in respect of Restricted Stock shall be subject to the same terms and conditions relating to forfeiture as the Restricted Stock to which they relate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 3rd day of January, 2001.

TRIUMPH GROUP, INC.

By: /s/ JOHN R. BARTHOLDSON

Name: John R. Bartholdson
Title: Senior Vice President, Chief Financial Officer, Treasurer

/s/ RICHARD C. ILL

Name: Richard C. Ill

EXHIBIT 10.14

AGREEMENT FOR TRIUMPH GROUP, INC.
RESTRICTED STOCK

This agreement, by and between Triumph Group, Inc. (the "Company") and John R. Bartholdson (the "Participant"), is dated as of January 3, 2001.

ARTICLE I

Definitions

Unless otherwise defined above, for purposes of this term sheet, the following terms shall have the following meanings:

1.1 "CHANGE OF CONTROL" shall mean the occurrence of any one of the following:

(a) Any person or group of persons acting in concert shall have acquired ownership of or the right to vote or to direct the voting of shares of capital stock of the Company representing 30% or more of the total voting power of the Company (except with respect to any such ownership by Citicorp Venture Capital, Ltd, individually or together with its affiliates, which ownership shall not constitute a Change in Control), or

(b) The Company shall have merged into or consolidated with another corporation, or merged another corporation into the Company, on a basis whereby less than 50% of the total voting power of the surviving corporation is represented by shares held by former stockholders of the Company prior to such merger or consolidation, or

(c) The Company shall have sold more than 50% of its assets to another corporation or other entity or person, or

(d) As the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, the persons who were directors of the Company before such transaction cease to constitute a majority of directors of the Company.

1.2 "COMMON STOCK" shall mean the common stock, par value $.001 per share, of the Company.

1.3 "DISABILITY" shall mean Total Disability as defined in the Company's long-term disability plan.

1.4 "RETIREMENT" shall mean retirement from employment with the Company or one of its subsidiaries.

1.5 "TERMINATION OF EMPLOYMENT" shall mean termination of the Participant's employment with the Company and all of its subsidiaries for reasons other than a military or personal leave of absence granted by the Company.

ARTICLE II

Award of Restricted Stock

2.1 AWARD. The Company hereby grants to Participant 10,000 shares of Restricted Stock, which Restricted Stock shall be subject to forfeiture as set forth in Article III hereof.

ARTICLE III

Terms and Conditions

3.1 STOCK CERTIFICATES. The stock certificates representing the Restricted Stock shall be issued and registered in the name of the Participant. Such stock certificates shall be held in custody by the Company as long as the Restricted Stock is subject to forfeiture. When the Restricted Stock, or any portion thereof, ceases to be subject to forfeiture, the stock certificate or stock certificates representing such shares shall be released from custody and delivered to the Participant.

3.2 RIGHTS OF PARTICIPANT. Except as otherwise provided herein, the Participant shall have all of the rights of a holder of Common Stock with respect to shares of Restricted Stock, including the right to vote such shares and to receive dividends thereon.

3.3 PROHIBITION ON TRANSFER. The Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock as long as such shares are held in custody by the Company.

3.4 FORFEITURE PERIOD. The number of shares of Restricted Stock set forth below will be forfeited to the Company upon the Participant's Termination of Employment for any reason, other than the death, Disability or Retirement of the Participant, prior to the corresponding dates set forth below:

(a) 10,000 shares prior to January 3, 2002;

(b) 6,667 shares prior to January 3, 2003; and

(c) 3,333 shares prior to January 3, 2004.

Upon any such forfeiture, stock certificates representing all outstanding Restricted Stock shall be forfeited to the Company.

3.5 REMOVAL OF FORFEITURE. Any and all shares of Restricted Stock subject to the forfeiture provisions of Section 3.4 shall cease to be subject to such provisions immediately upon the Participant's Termination of Employment for reason of the death, Disability or Retirement of the Participant or upon a Change in Control, and stock certificates representing such shares of Common Stock shall be released from custody and delivered to the Participant or the Participant's estate, as the case may be.

3.6 DISTRIBUTIONS. In the event of a dividend or distribution payable in stock or a reclassification, stock split or split-up, the shares issued or declared in respect of Restricted Stock shall be subject to the same terms and conditions relating to forfeiture as the Restricted Stock to which they relate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 3rd day of January, 2001.

TRIUMPH GROUP, INC.

By: /s/ RICHARD C. ILL

Name: Richard C. Ill
Title: President, Chief Executive Officer

/s/ JOHN R. BARTHOLDSON

Name: John R. Bartholdson

EXHIBIT 21.1

Subsidiaries of Triumph Group, Inc.

Triumph Brands, Inc.

Triumph Group Acquisition Corp.

Triumph Group Acquisition Holdings, Inc.

The Triumph Group Operations, Inc.

The Triumph Group Operations Holdings, Inc.

ACR Industries, Inc.

Aerospace Technologies, Inc.

Advanced Materials Technologies, Inc.

Chem-Fab Corporation

CBA Acquisition LLC

Triumph Controls (Europe) SAS

MGP Holding SA

CBA Marine SA

Constructions Brevetees d'Alfortville SA

CBA Applicaciones SA

DG Industries, Inc.

DV Industries, Inc.

Frisby Aerospace, Inc.

HTD Aerospace, Inc.

Hydro-Mill Co.

Kilroy Steel, Inc.

Kilroy Structural Steel Co.

Lee Aerospace, Inc.

Nu-Tech Industries, Inc.

Nu-Tech Brands, Inc.

Ralee Engineering Co.

Special Processes of Arizona, Inc.

Stolper-Fabralloy Company

Triumph Components - San Diego, Inc.

Triumph Controls, Inc.

Triumph Air Repair (Europe) Limited

Triumph Industrial Gas Turbine Services, Inc.

Triumph Metals Group Sales Co.

Triumph Precision, Inc.

Triumph Precision Castings Co.

Triumph/JDC Company

Triumph Thermal Processing Company

TriWestern Metals Co.

Triumph Group Foreign Sales Corporation

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 333-36957 and Form S-8 No. 333-50056) pertaining to the Triumph Group, Inc. 1996 Stock Option Plan and the Registration Statement (Form S-8 No. 333-81665) pertaining to the Triumph Group, Inc. Directors' Stock Option Plan of our report dated April 17, 2001, with respect to the consolidated financial statements and schedule of Triumph Group, Inc. included in the Annual Report (Form 10-K) for the year ended March 31, 2001.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
June 1, 2001