2001
Annual
Report

Triumph Group, Inc.

Fiscal 2001 Highlights

New Acquisitions
Continued our successful acquisition program designed to enhance Triumph's capabilities with the addition of three product lines from Honeywell, as well as ACR Industries, Inc., Chem-Fab Corporation and Airborne Nacelle Services, Inc.

Follow-On Equity Offering
Completed follow-on equity offering of 3.45 million shares, which provided Triumph with $122 million in net proceeds.

New Financing
Increased revolving credit facility to $350 million, providing Triumph with resources to continue expanding operating capacity and acquiring aggressively in order to pursue long-term growth objectives.

New Markets
Enhanced Triumph's long-term growth prospects through the continued development of new products and services, as evidenced by the launch in Fiscal 2002 of our Gas Turbine Services Group.

New Capabilities
In order to enhance internal growth and expand capabilities, Triumph invested approximately $27 million in capital expenditures.

CONTENTS

TM

structural components

STRUCTURAL COMPONENTS

Performs complex manufacturing, machining and forming processes and provides assembly and kitting services.

- Wing spars and stringers
- Stretch-formed leading edges and fuselage skins
- Floor beams
- Landing gear components and assemblies
- Composite and metal bonding
- Windows and window assemblies

operational components

OPERATIONAL COMPONENTS

Performs advanced manufacturing and fabrication processes, including coating and plating functions, to produce detail precision parts and complete component assemblies for turbine engines.

- Propulsion and auxiliary power unit – stators, vanes and combustors
- DER repair development for aerospace components
- Industrial gas turbine combustors and transition ducts

control systems

CONTROL SYSTEMS

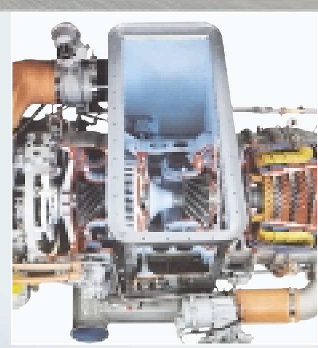
Designs, develops, manufactures, tests and repairs complex mechanical, electro-mechanical, and hydraulic systems.

- Engine gearbox assemblies
- Flight control actuation systems
- Landing gear actuation systems
- Cockpit control levers and mechanical cable controls
- Fixed and variable displacement hydraulic pumps and motors

AFTERMARKET SERVICES

Provides FAA-certified maintenance repair and overhaul services on components and instruments.

- Cockpit instrumentation
- Auxiliary power units
- Thrust reversers
- Constant speed drives, air cycle machines and integrated drive generators and engine accessories



aftermarket services

gas turbine services

GAS TURBINE SERVICES

Provides repair services, aftermarket parts and services to utility operators, independent power producers, and third-party overhaul facilities.

- Manufactures equiax, directionally solidified and single crystal superalloy castings
- Repair of turbine blades, vanes, combustors and transitions
- High temperature coatings, fluoride ion cleaning and hot isostatic pressing

Siemens-Westinghouse

metals

METALS SEGMENT

Distributes, processes and converts metal products.

- Develops, produces and markets specialty electrogalvanized products
- Steel service center specializing in flat rolled products
- Erects structural steel fabrications

Financial Highlights

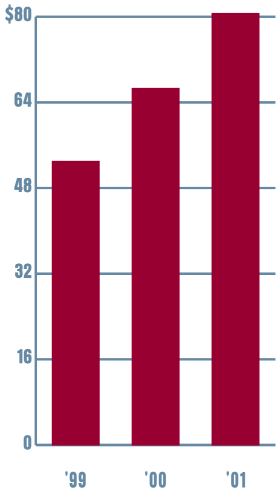
(dollars in thousands, except per share amounts; per share amounts assume dilution)

Year Ended March 31,		1999		2000		2001
Net Sales	$	400,108	$	441,699	$	560,615
Net Income	$	33,147	$	34,602	$	39,214
Earnings Per Share	$	2.62	$	2.79	$	3.11
Cash Earnings Per Share*	$	2.90	$	3.19	$	3.69

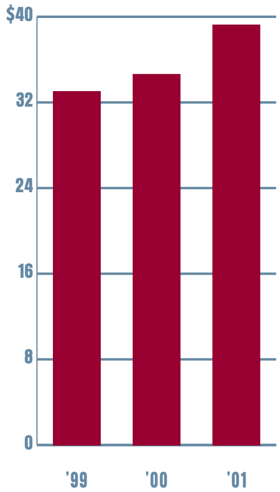
March 31,		1999		2000		2001
Working Capital	$	93,457	$	124,287	$	179,411
Net Debt To Capital Ratio**		29%		35%		31%
Shareholders' Equity	$	214,777	$	244,370	$	389,891
Book Value Per Common Share	$	17.19	$	19.83	$	25.38

* Net income plus after-tax effect of amortization
** Net debt equals total debt less cash

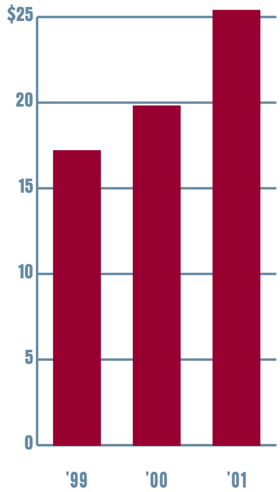
Operating Cash Flow (EBITDA LESS CAPEX)
(in millions)



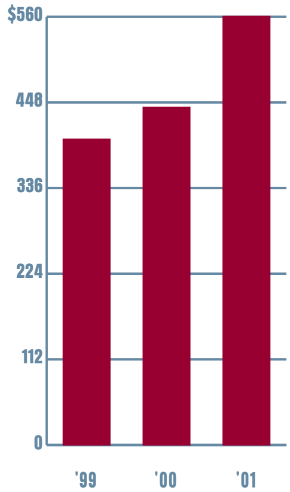
Net Income
(in millions)



Book Value Per Common Share



Net Sales
(in millions)



01

Fellow Shareholders,

The twelve months ended March 31, 2001 concluded another record year. I am very pleased to report that for the fiscal year ended March 31, 2001, net sales were $560.6 million, an increase of 27 percent over fiscal 2000 revenues of $441.7 million. Net income for the period was $39.2 million, an increase of 13 percent over prior comparable period earnings of $34.6 million. Fully diluted earnings per share was $3.11, up more than 11 percent over fully diluted earnings per share of $2.79 for the prior period.

We believe Fiscal Year 2001's record sales and earnings performance, as well as the healthy increase in our stock price during the year, are a result of the unwavering focus on our strategy, which has been in place since the Company's formation in 1993.

One of our core strategies is to increase our international presence through internal program development and acquisition. The addition of Honeywell's hydraulic pumps, motors and power transfer units product line enhances the already strong position of our Control Systems Group (which saw strong internal growth due to a significant contract award for mechanical control cables) and Structural Components Group on the Airbus A320 family of aircraft during a period of increasing production rates.

Additionally, we feel that our focus on providing our customers with solutions that combine the expertise of several TGI companies serves their desire to partner with a smaller number of more capable suppliers. Specifically, in the past year we expanded our capabilities in the Auxiliary Power Unit ("APU") repair and overhaul market by adding the rights to exclusively distribute new parts for the Honeywell 660 APU product line. We also announced our designation as the exclusive Factory Service Center to overhaul, repair and service the Honeywell 700 product lines. This complements our existing exclusive repair and overhaul license for the Honeywell 660 APU product line. These two product lines, along with our already extensive capabilities, allow our Aftermarket Services Group to market a more complete package of products and services to the world's airlines and air cargo carriers. Similarly, the acquisition of Chem-Fab, a manufacturer and processor of complex sheet metal components and assemblies, broadens the offerings of our Structural Components Group.

Execution of these strategies was aided by the Group structure implemented in FY 2000, which was developed in response to Triumph's continued growth and our customers' desire to partner with fewer, more capable suppliers. This organization continued to evolve during FY 2001 with a primary focus on cross-selling our capabilities to our international customer base. Our Group presidents are also responsible for directing programs that will maintain our internal growth rate

strategy

adding products & services

expanding operating capacity

acquiring aggressively

$1 billion

Richard C. Ill,
President and
Chief Executive Officer

through the expansion of operating capacity, such as the expansion at our Frisby Aerospace facility in Clemmons, North Carolina; the installation of a new electrogalvanizing line in our Bridgeview, Illinois facility; and the continued implementation of lean manufacturing systems.

The success of this approach is evidenced by the growth of our products and services for the industrial gas turbines market, which is a natural extension of our aerospace technological expertise. I am pleased to announce that, effective April 1, 2001, we expanded our group structure with the addition of the Gas Turbine Services Group. This new group consists of Triumph Industrial Gas Services, Triumph Thermal Processing, and Triumph Precision Castings. Our new casting facility, which will have equiax, directionally solidified and single crystal casting capabilities, will become operational during FY 2002. Triumph Gas Turbine Services Group will provide new replacement parts and repair services directly to utilities, power generation companies, and third-party overhaul facilities. Additionally, we continue to grow our OEM business in this market through Stolper-Fabralloy's relationship with one of the two major land-based turbine manufacturers.

These achievements would not be possible without the dedication and commitment of our employees. We believe that one of the real indications of our success is the quality of our employees and depth of our management. Accordingly, we remain committed to the continued development of our personnel and will, where appropriate, fill senior management positions from within. One of the critical elements to maintaining our internal growth has been our policy of maintaining an entrepreneurial management style by preserving the individual integrity of our operating companies and their products and services while maximizing the benefit of being part of a larger organization.

We think it is appropriate that the year culminated in the completion of a successful follow-on equity offering. Not only did the offering provide the resources to ensure the future growth and maintain a strong balance sheet, but it also underscored the success of Triumph's business strategy. We are pleased that, as stock markets reflect a return to so-called old-economy companies, the achievements of our companies are recognized and our shareholders are rewarded. We believe we are well positioned for continued growth and fully intend to take advantage of the tremendous opportunities our markets present to us, as we move toward our goal of one billion dollars in revenues by 2003.

Sincerely,

Richard C. Ill

marketing our complete capabilities
increasing our international presence
in sales by 2003, balanced across our aviation groups

01 Questions & Answers

How has Triumph improved its financial strength over the last year in a difficult financial environment?

Since last year, the Company further solidified its financial foundation. In October, we expanded our revolving credit facility from $250 million to $350 million. This increase gives us the resources to continue our strategy of expanding operating capacity and growing the Company through acquisitions. In addition, we sold 3.45 million common shares at $37.50 per share in a successful follow-on equity offering. The net proceeds of approximately $122 million allowed us to repay existing indebtedness and strengthen our balance sheet. With a debt-to-capital ratio of under 30% and more than $200 million of available funds, we are confident that we have the financial stability and resources to take advantage of future opportunities and continue the Company's growth.

Has the new Group operating structure been successful?

We clearly benefited from the shift to the Group operating structure. From an internal standpoint, the growth of Triumph into a multinational corporation comprised of 34 companies and 42 operating locations led to a span-of-control issue for our corporate staff. The shift to the Group structure allows the Group presidents to assume much of the burden of providing the operating focus for each of the companies within their Group. We have quarterly meetings with the Group presidents and our senior corporate staff to ensure that our goals are being achieved and our strategies and tactics implemented.

From an external perspective, we believe that the structure allows us to be much more responsive to the changing needs of our customers by allowing our Group presidents to respond as a single entity (across their companies and other groups).

How is Triumph responding to the large mergers taking place among the airlines, airframers and equipment suppliers?

One of the most significant results of these large mergers is the need for Triumph to supply a more complete package of goods and services to the merged entity, whether it be an airline, airframer or mega-supplier, as it increases the level of outsourcing. Part of the reason for our move to the Group operating structure was to facilitate providing more complete packages across our companies and groups. Our acquisition of Chem-Fab, Airborne Nacelle and the Honeywell APU and hydraulic product lines all added to the capabilities we can offer to our customers, allowing Triumph to be a more complete supplier in both the OEM and aftermarket segments of our business. We will continue our strategy of expanding our capabilities through the development of new products and services, as well as through acquisition, to ensure that we provide the range of products and services our customers require.

Has Triumph benefited from the tremendous growth in the regional jet and business jet markets?

Absolutely. Triumph enjoys an excellent position in regional aircraft, particularly the Bombardier family of jets, which represents one of our top five backlog positions. We also participate in the Embraer and Fairchild Dornier regional jet programs with products from our Structural Components and Control Systems Groups. Our products include leading edge and fuselage skins, cabin windows, and hydraulic and mechanical control systems for landing gear systems, flight controls and water systems. Given our current success, we are very focused on expanding our position within this exciting market segment.

Business jets also represent a very important market segment for Triumph. We have extensive applications on the Bombardier, Raytheon, Cessna and Dassault business jets and continue to develop new products and services to foster growth in this segment. In Fiscal 2001, we opened the Triumph Wichita Support Center, which is specifically geared toward providing outstanding commercial, technical and logistics support to our Wichita-based customers.

How will Triumph benefit from the new Administration's plan to increase defense spending?

Triumph has always maintained a presence on key military programs that will now benefit from the increased spending climate of the Bush Administration. The C-17 transport aircraft, the F-16 tactical fighter, the F/A-18 E/F fighter and the E-2C reconnaissance aircraft all contain a significant amount of Triumph components and should benefit from the new Defense Budget.

Our position on key military programs is a great example of the balance and diversity of our products and markets. This diversity allows us to be well positioned across a wide range of products and markets, which allows us to respond quickly and effectively to market shifts.

What is behind Triumph's move to provide products and services for the industrial gas turbine market?

Triumph's entrance into the industrial gas turbine market is a natural extension of our aerospace expertise. We are currently producing and repairing many similar components for manufacturers of auxiliary power units and are able to utilize our existing manufacturing capabilities.

The industrial gas turbine market also represents a source of tremendous potential growth. Over the next three years, industrial gas turbines are expected to be responsible for approximately 90% of the new electrical generating capacity. The demand for industrial gas turbines far exceeds the supply, which creates a unique opportunity for us to play a significant role in the production process.

Has your acquisition strategy changed?

Triumph continues to adhere to the same acquisition policy it has followed since the inception of the Company in 1993. As always, we seek to grow through the acquisition of highly successful companies with leading market positions and strong management teams. We believe in paying sensible valuations for companies that provide entry into additional markets through new customers, processes or capabilities and immediately enhance earnings.

In the past, Triumph has traditionally acquired companies of $5 million to $50 million in revenue. While we will continue to add complementary product lines of this size, we would anticipate that, as the Company grows, we would pursue larger stand-alone transactions. While the size of potential acquisitions might increase, our evaluation criteria remains the same.

What is Triumph doing to ensure that it maximizes the talent of its employees?

Triumph's principal operating culture preserves the individual integrity of the operating companies and the products and services they provide, while maximizing the benefit of being part of a larger entity. We believe that this decentralized operating philosophy is the key to maximizing opportunities for our employees.

At Triumph, we regard our personnel as our greatest asset. Our employees contribute not only the highest levels of talent and professionalism, but also years of industry experience. Supporting this unique advantage is one of the highest priorities of the Company. Rather than alter a proven method of success, we believe our decentralized operating philosophy allows and encourages our employees to do what they do best.

We are also proud of the fact that we are able to challenge our employees with new assignments and satisfy our personnel requirements from within the Company. For example, when we reorganized the Company along the operating group structure, all of our new Group presidents were promoted from existing company presidents. Last year, when one of our company presidents joined the corporate office, we were able to seamlessly fill the vacancy with another long-time employee. Similarly, when we began to search for an individual to promote lean manufacturing techniques, we quickly found the most qualified person within our organization. Clearly there are more opportunities for our people to grow, as a result of our decentralized approach.

How do you see the future for the Triumph Group?

We are very optimistic that our culture, our strategies, and our people will enable us to continue to grow our company and enhance shareholder value.

01 Reports of Management and Independent Auditors

Report of Management

To the Stockholders of Triumph Group, Inc.

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States. They necessarily include some amounts based on informed judgments and estimates.

Management is responsible for the integrity and objectivity of the financial statements and for the representations they contain. To meet this responsibility, management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that accounting records are reliable.

The Audit Committee of the Board of Directors, composed entirely of outside directors, meets periodically with the independent auditors and management to review accounting, auditing, internal accounting controls and financial matters. The independent auditors have free access to this committee without management present.

Richard C. Ill
President and Chief Executive Officer

John R. Bartholdson
Senior Vice President, Chief Financial Officer and Treasurer

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. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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.

Ernst + Young LLP

Philadelphia, Pennsylvania
April 17, 2001

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.

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.

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.

Consolidated Statements of Stockholders' Equity

(dollars in thousands)

	Common Stock All Classes	Capital in Excess of Par 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**

(1) equals comprehensive income for the year.

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

(dollars in thousands, except per share data)

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.

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 fluoride coating, passivation, liquid penetrant inspection, hardness testing, conductivity testing, thermal optical properties testing and painting to the aerospace industry. The combined purchase price for the 2001 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.

(dollars in thousands, except per share data)

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"). 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	March 31, 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%**

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	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	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. 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.

(dollars in thousands, except per share data)

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 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 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**

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	

(dollars in thousands, except per share data)

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**

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	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

(dollars in thousands, except per share data)

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.

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**

(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**

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

(dollars in thousands)

	2002	2003	2004	2005	2006	Thereafter	Total
Fixed rate ($)	5,338	8,559	9,406	2,030	379	286	25,998
Weighted average interest rate (%)	7.35	9.18	9.07	8.20	9.68	10.50	
Variable rate ($)	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.

01

Selected Financial Data

(dollars in thousands, except per share)

	Year ended March 31, 1997	1998(1)	1999(2)	2000(3)	2001(4)
Net sales	$ 250,478	$ 329,458	$ 400,108	$ 441,699	**$ 560,615**
Operating income	27,607	43,526	58,572	61,673	**81,494**
Income from continuing operations, before extraordinary item	12,555	24,002	33,147	34,602	**39,214**
Per Share Data:					
Income from continuing operations, before extraordinary item					
Basic	1.39	2.29	2.79	2.96	**3.23**
Diluted	1.27	2.14	2.62	2.79	**3.11**

	March 31, 1997	1998	1999	2000	2001
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**

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

(2) 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.

(3) 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 acquisition.

(4) Results include the acquisitions of ACR Industries, Inc., Chem-Fab Corporation, Airborne Nacelle Services, Inc., the Anadite Assets and the hydraulic systems and APU product lines from the date of each respective acquisition.

Market Price Information

The Common stock of the Company is traded on the New York Stock Exchange under the trading symbol "TGI."

Quarter	Fiscal 2000 Market Prices High	Fiscal 2000 Market Prices Low	Fiscal 2001 Market Prices High	Fiscal 2001 Market Prices Low
First	$ 31.063	$ 22.500	**$ 29.500**	**$ 26.563**
Second	28.750	23.375	**35.875**	**28.125**
Third	26.250	23.688	**41.375**	**33.625**
Fourth	32.563	22.750	**41.625**	**35.700**

01

Executive Officers and Directors

Executive Officers

Richard C. Ill
President and Chief Executive Officer

John R. Bartholdson
Senior Vice President, Chief Financial Officer and Treasurer

Richard M. Eisenstaedt
Vice President, General Counsel and Secretary

Kevin E. Kindig
Vice President and Controller

Lawrence J. Resnick
Vice President

Directors

William O. Albertini
Executive Vice President
Chief Financial Officer
Bell Atlantic Global Wireless, Inc. (Retired)

John R. Bartholdson
Senior Vice President, Chief Financial Officer and Treasurer
Triumph Group, Inc.

Richard C. Gozon
Executive Vice President,
Weyerhaeuser Company

Richard C. Ill
President and Chief Executive Officer,
Triumph Group, Inc.

Claude F. Kronk
Vice Chairman and Director,
J & L Specialty Steel, Inc. (Retired)

Joseph M. Silvestri
Vice President,
Citicorp Venture Capital, Ltd.

AVIATION SEGMENT

AFTERMARKET SERVICES GROUP

Provides FAA certified overhaul and repair services for a wide range of APUs, accessories and instruments for the world's airlines.

COMPONENT REPAIR AND OVERHAUL

John M. Brasch, Group President
E-mail: jbrasch@triumphgroup.com

Airborne Nacelle Services, Inc.
Repairs and overhauls thrust reversers, nacelle components and other aerostructures.
Tony McAnly, President
Phone: 510-262-1555
E-mail: tmcanly@triumphgroup.com
Hot Springs, Arkansas

Triumph Accessory Services
A leading provider of maintenance services for aircraft heavy accessories and airborne electrical power generation devices, including constant speed drives, integrated drive generators, air cycle machines, and electrical generators.
Michael W. Hansen, President
Phone: 316-326-2235
E-mail: mhansen@triumphgroup.com
Wellington, Kansas

Triumph Aftermarket Services Division
Provides distribution, exchange and lease programs for APUs, APU components, and components supported by Triumph Accessory Services and Airborne Nacelle.
Lee Jacobs, General Manager
Phone: 602-470-7226
E-mail: ljacobs@triumphgroup.com
Phoenix, Arizona

Triumph Air Repair
Repairs and overhauls auxiliary power units and supplemental equipment.
Richard Wisnewski, President
Phone: 602-437-1144
E-mail: rwisnewski@triumphgroup.com
Phoenix, Arizona

Triumph Air Repair (Europe) Limited
Repairs and overhauls auxiliary power units for commercial transport carriers and the commuter aviation industry.
Gary Smith, General Manager
Phone: 011 44 1256 381507
E-mail: gsmith@triumphgroup.com
Lasham Alton Hampshire, England

INSTRUMENT REPAIR AND OVERHAUL

Richard R. Rockwood, Group President
E-mail: rrockwood@triumphgroup.com

A. Biederman
Repairs and overhauls aircraft instruments and avionics and serves as an authorized stocking distributor for a variety of aircraft components.
Richard R. Rockwood, Group President
Phone: 818-246-8431
E-mail: rrockwood@triumphgroup.com
Glendale, California

JDC Company
Specializes in the repair, overhaul and exchange of electromechanical and pneumatic aircraft instruments.
David G. Vorsas, President
Phone: 954-772-4559
E-mail: dvorsas@triumphgroup.com
Fort Lauderdale, Florida
Phone: 512-218-1900
Round Rock, Texas

CONTROL SYSTEMS GROUP

Designs, develops, manufactures and repairs mechanical, electromechanical and hydraulic systems for a broad international customer base.
Jeffry D. Frisby, Group President
E-mail: jfrisby@triumphgroup.com

ACR Industries, Inc.
Manufacturer of complex geared assemblies, gears and other components servicing the aerospace industry.
Gregory Blanchard, President
Phone: 810-781-2800
E-mail: gblanchard@triumphgroup.com
Macomb, Michigan

Construction Brevitees d'Alfortville (C.B.A.)
Manufacturer of mechanical ball bearing control assemblies for the aerospace, ground transportation, defense and marine industries.
Michel Pommey, President
Phone: 011 331 4375 2053
E-mail: mpommey@triumphgroup.com
Paris, France
Barcelona, Spain

Frisby Aerospace, Inc.
Designs, manufactures, and repairs complex hydraulic and hydromechanical aircraft components and systems such as variable displacement pumps and motors, linear actuators, and valves.
Jeffry D. Frisby, President
Phone: 336-766-9036
E-mail: jfrisby@triumphgroup.com
Clemmons, North Carolina
Phone: 516-378-0162
Freeport, New York

HTD Aerospace, Inc.
Manufactures precision components and assemblies for commercial and military jet engines.
Thomas Holzthum, General Manager
Phone: 860-242-5568
E-mail: tholzthum@triumphgroup.com
Bloomfield, Connecticut

Triumph Controls, Inc.
International leader in designing and manufacturing mechanical and electromechanical control systems.
William Bernardo, President
Phone: 215-699-4861
E-mail: wbernardo@triumphgroup.com
North Wales, Pennsylvania

GAS TURBINE SERVICES GROUP

Provides repair services, aftermarket parts and services to utility operators, independent power producers, and third-party overhaul facilities.
Jay Donkersloot, Group President
E-mail: jdonkersloot@triumphgroup.com

Triumph Industrial Gas Turbine Services, Inc.
Provides repair services and aftermarket parts and services to utility operators, independent power producers and third-party overhaul facilities.
Allen Bracket, General Manager
Phone: 602-272-1331
E-mail: abracket@triumphgroup.com
Phoenix, Arizona

Triumph Precision Castings Co.
Produces complex investment castings of turbine blades and vanes for gas turbine engines.
Richard Ransom, General Manager
Phone: 520-796-6300
E-mail: rransom@triumphgroup.com
Chandler, Arizona

Triumph Thermal Processing Company
Provides high temperature coatings, chemical stripping, fluoride ion cleaning, hot isostatic pressing and heat treatments for hot section, gas turbine components.
Chuck Banner, General Manager
Phone: 520-796-3000
E-mail: cbanner@triumphgroup.com
Chandler, Arizona

OPERATIONAL COMPONENTS GROUP

A leader in the design, engineering, original equipment manufacture, repair and overhaul of aircraft and industrial gas turbine engine components.
William J. Hinz, Group President
E-mail: whinz@triumphgroup.com

Advanced Materials Technologies, Inc.
Repairs and manufactures components for auxiliary power units and gas turbine engines.
Phone: 602-438-8760
Tempe, Arizona

DG Industries, Inc.
Specializes in precision machining of aerospace components.
William Rogers, General Manager
Phone: 602-233-0355
E-mail: wrogers@triumphgroup.com
Phoenix, Arizona

Special Processes of Arizona, Inc.
Produces and applies thermal spray coatings for gas turbines and industrial applications
Ron Marasco, General Manager
Phone: 602-243-0225
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Phoenix, Arizona

Stolper-Fabralloy Co.
Designs and manufactures gas turbine engine sheet metal components with a broad range of processing options from aluminum and titanium to super high temp alloys.
William J. Hinz, President
Phone: 602-220-4416
E-mail: whinz@triumphgroup.com
Phoenix, Arizona
Phone: 414-786-3400
Brookfield, Wisconsin

Triumph Components – San Diego, Inc.
Produces close tolerance, complex sheet metal assemblies made from all types of aerospace materials using forming and joining techniques.
Paul Aube, General Manager
Phone: 619-440-2504
E-mail: paube@triumphgroup.com
San Diego, California

Triumph Precision Inc.
Specializes in aerospace tube bending and machining.
Wayde Patton, General Manager
Phone: 602-269-7551
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Phoenix, Arizona

STRUCTURAL COMPONENTS GROUP

One of the leading structural component suppliers, Triumph provides a full range of structural components and higher-level assemblies.
Robert Perry, Group President
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Aerospace Technologies, Inc.
Manufactures and repairs metallic/composite bonded components and assemblies.
Clyde Wilson, President
Phone: 817-451-0620
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Fort Worth, Texas

Chem-Fab Corporation
Manufacturer and processor of complex sheet metal parts and assemblies.
Tom Butler, President
Phone: 501-321-9325
E-mail: tbutler@triumphgroup.com
Hot Springs, Arkansas

DV Industries, Inc.
Provides high-quality finishing services to the aerospace, military, and commercial industries.
Peter J. LaBarbera, President
Phone: 213-563-1338
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Lynwood, California

Hydro-Mill Co.
Machines, welds and assembles large complex precision structural components.
Robert Perry, President
Phone: 818-341-1314
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Chatsworth, California

K-T Corporation
Produces aircraft fuselage skins, leading edges and web assemblies through the stretch forming of sheet, extrusion, rolled shape, and light plate metals.
Donald E. Kendall, President
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E-mail: dkendall@triumphgroup.com
Shelbyville, Indiana

L.A. Gauge Co.
Manufactures ultra-precision machined components and assemblies to the aviation, defense and commercial industries.
Gregory Westbrook, General Manager
Phone: 818-767-7193
E-mail: gwestbrook@triumphgroup.com
Sun Valley, California

Lee Aerospace, Inc.
Manufactures windshields, flight deck and cabin windows to the general aviation and corporate jet market.
James E. Lee, President
Phone: 316-636-9200
E-mail: jlee@triumphgroup.com
Wichita, Kansas

Northwest Industries
Machines and fabricates refractory, reactive, heat and corrosion-resistant precision products.
Frederick W. Kuebrich, President
Phone: 541-926-5517
E-mail: fkuebrich@triumphgroup.com
Albany, Oregon

Nu-Tech Industries, Inc.
Manufactures precision machine parts and mechanical assemblies for the aviation, aerospace, and defense industries.
Dan L. Phillips, President
Phone: 816-763-8600
E-mail: dphillips@triumphgroup.com
Grandview, Missouri

Ralee Engineering Company
Manufactures long structural components such as stingers, cords, floor beams and spar parts for the aviation industry.
Kevin Dahlin, President
Phone: 626-965-1630
E-mail: kdahlin@triumphgroup.com
City of Industry, California

Triumph Wichita Support Center
Provides commercial, technical, and logistics support for Triumph Group companies and Wichita based customers.
James E. Lee, President
Phone: 316-636-9200
E-mail: jlee@triumphgroup.com
Wichita, Kansas

METALS SEGMENT

Distribute, process, and convert metal products.
John W. Malec, Group President
E-mail: jmalec@triumphgroup.com

Kilroy Structural Steel, Inc.
Erects structural steel frameworks.
Nick Dorony, General Manager
Phone: 216-883-3000
E-mail: ndorony@triumphgroup.com
Cleveland, Ohio

TriWestern Metals Co.
Steel service center that develops, produces and markets specialty electrogalvanized products and flat rolled products.
John W. Malec, President
Phone: 773-434-5800
E-mail: jmalec@triumphgroup.com
Chicago, Illinois
Bridgeview, Illinois

Shareholder Information

Triumph Group, Inc.
Corporate Headquarters
1255 Drummers Lane
Suite 200
Wayne, PA 19087
(610) 975-0420
www.triumphgroup.com

ANNUAL MEETING

July 16, 2001, 9:30 a.m.
1255 Drummers Lane, Wayne, PA 19087

FINANCIAL INFORMATION

A copy of the Company's Form 10-K filed with the Securities and Exchange Commission may be obtained without charge upon written request.

Requests for Triumph Group, Inc.'s 10-K or other shareholder inquiries should be directed to:

John R. Bartholdson
Senior Vice President, Chief Financial Officer
Triumph Group, Inc.
1255 Drummers Lane
Suite 200
Wayne, PA 19087
(610) 975-0420

FISCAL 2001 STOCK PRICES PER COMMON SHARE

High	$ 41.625
Low	$ 26.563
Year-End	$ 38.000

COMMON STOCK

Triumph Group, Inc. Common stock is listed on the NYSE.
Ticker symbol: TGI
Shareholders of record: 3,028 as of May 31, 2001

INDEPENDENT AUDITORS

Ernst & Young LLP
2001 Market Street
Suite 4000
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TRANSFER AGENT

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