TRIUMPH GROUP INC
Form 10-K/A
July 29, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Mark One)

x- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2010

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 1-12235

Triumph Group, Inc.

(Exact name of registrant as specified in its charter)

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

1550 Liberty Ridge Drive, Suite 100, Wayne, Pennsylvania 19087

(Address of principal executive offices, including zip code)

Registrant s telephone number, including area code: **(610) 251-1000**

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $.001 per share (Title of each class)	**New York Stock Exchange** (Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes o No x

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Securities Exchange Act of 1934. (Check one)

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes o No x

As of September 30, 2009, the aggregate market value of the shares of Common Stock held by non-affiliates of the Registrant was approximately $778 million. Such aggregate market value was computed by reference to the closing price of the Common Stock as reported on the New York Stock Exchange on September 30, 2009. For purposes of making this calculation only, the Registrant has defined affiliates as including all directors and executive officers.

The number of outstanding shares of the Registrant s Common Stock, par value $.001 per share, on April 30, 2010 was 16,686,373.

Documents Incorporated by Reference

None.

EXPLANATORY NOTE

This amendment on Form 10-K/A (this Amendment) amends the Triumph Group, Inc. (Triumph, the Company, we, us or our) Annual Re
Form 10-K for the fiscal year ended March 31, 2010, originally filed on May 14, 2010 (the Initial Filing). We are filing this Amendment to include the information required by Part III of Form 10-K that was not included in the Initial Filing, as we will not be filing our definitive proxy statement within 120 days after the end of our fiscal year ended March 31, 2010.

Except as described above, no other changes have been made to the Initial Filing. The Initial Filing continues to speak as of the date filed.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Board of Directors

The Board currently consists of nine directors: Paul Bourgon, Elmer L. Doty, Ralph E. Eberhart, Richard C. Gozon, Richard C. Ill, Claude F. Kronk, Adam J. Palmer, Joseph M. Silvestri and George Simpson.

Name	**Age**	**Year First Elected a Director**
Paul Bourgon	53	2008
Elmer L. Doty	56	2010
Ralph E. Eberhart	63	2010
Richard C. Gozon	71	1993
Richard C. Ill	67	1993
Claude F. Kronk	78	1993
Adam J. Palmer	37	2010
Joseph M. Silvestri	49	2008
George Simpson	68	2002

The principal occupations of each director and the experience, qualifications, attributes or skills that led to the conclusion that such nominee should serve as a director for the coming year are as follows:

Richard C. Ill has been President and Chief Executive Officer and a Director of Triumph since 1993. Mr. Ill is a director of P.H. Glatfelter Company, Airgas, Inc. and Baker Industries and a trustee of the Eisenhower Fellowships. Mr. Ill led the management buyout pursuant to which Triumph was founded in 1993 and has led the Company as its Chief Executive Officer and a Director since that time. He serves a key leadership role on the Board, provides the Board with a detailed knowledge of each of Triumph s businesses and its industry, challenges and opportunities, and communicates management s perspective on important matters to the Board. His experience in serving on the boards of other public companies provides additional insights that are valuable in the management and oversight of Triumph s business.

Richard C. Gozon has been a Director of Triumph since 1993. Prior to his retirement in 2002, Mr. Gozon served as Executive Vice President of Weyerhaeuser Company (Weyerhaeuser), a position which he held for more than five years. Weyerhaeuser is an international forest products company. He was responsible for Weyerhaeuser s Pulp, Paper, Container Board Packaging, Newsprint, Recycling and Ocean Transportation businesses. He also served as Chairman of Norpac, a joint venture between Weyerhaeuser and Nippon Paper Industries. Mr. Gozon is Chairman and director of AmerisourceBerger Corporation and serves on the boards of directors of AmeriGas Partners, L.P. and UGI Corporation.

Mr. Gozon s service on Triumph s Board since the Company s inception as a separate company provides him with a deep familiarity with the Company s business and industry. His own extensive experience as a senior executive in public companies has included broad management responsibility, including supervisory responsibility for the preparation of complex public company financial statements. This management experiences enables Mr. Gozon to contribute substantially to the oversight of all aspects of Triumph s operation, including service as the Company s lead independent director and Chair of the Board s audit committee. The Company also benefits from Mr. Gozon s insights drawn from his long experience as a director of several other public companies.

Claude F. Kronk has been a Director of Triumph since 1993. Prior to his retirement in 1998, Mr. Kronk served as Vice Chairman and Chief Executive Officer of J&L Specialty Steel, Inc., which is primarily a manufacturer of flat rolled stainless steel in the United States. Mr. Kronk has also served on Triumph s Board since the Company s inception as a separate company and, accordingly, possesses a deep understanding of the Company s business and development. His own extensive experience as the chief executive officer of a publicly-held manufacturing company enables him to contribute to a broad range of management and governance issues facing the Company, including those he addresses as Chair of the Board s nominating and corporate governance committee.

George Simpson has been a Director of Triumph since 2002. Prior to his retirement in 2001, Mr. Simpson served as Chief Executive Officer of Marconi Corporation plc, formerly GEC plc, a position which he held since September 1996. Marconi Corporation plc was a communications and information technology company. In addition, within the past five years, Mr. Simpson has also served on the boards of directors of Nestlé SA and Alstom SA. Mr. Simpson s long and successful career leading or serving on the boards of directors of manufacturing enterprises doing business internationally provides Triumph with advice and insights on a wide range of management issues, including issues of operational and financial discipline, resource allocation and executive and senior management compensation. As a citizen of the United Kingdom resident in Europe, Mr. Simpson also brings an international perspective and the benefits of international business contacts to the Board s deliberations.

Paul Bourgon has been a Director of Triumph since October 2008. Mr. Bourgon has served as President of the Aeroengine division of SKF Aeroengine since 2006. SKF Group supplies products, solutions and services within rolling bearings, seals, mechatronics, services and lubrication systems and SKF Aeroengine, a division of SKF Group, focuses on providing services in bearing repair and overhaul. Prior to joining SKF Aeroengine, Mr. Bourgon served as Vice President Marketing of Heroux-Devtex Inc., a company which supplies the commercial and military sectors with landing gear, airframe structural components, including kits, and aircraft engine components. Mr. Bourgon also serves on the board of directors of Venture Aerobearing LLC. Mr. Bourgon s current experience as a chief executive officer of a significant aerospace business and his past experience within the aerospace industry enables him to serve as an additional point of reference on trends and developments affecting Triumph s business and its customers, suppliers and competitors. In addition, his background as a Chartered Accountant, member of the Canadian Institute of Chartered Accountants since 1983, articling with Coopers & Lybrand in Montreal in the Auditing and Taxes departments, as well as his ongoing responsibility for the financial statements of the business he manages, enables him to lend additional financial expertise to the deliberations of the Board and the audit committee.

Joseph M. Silvestri has been a Director of Triumph since October 2008 and previously served as a Director of Triumph from 1995 to 2005. Mr. Silvestri is currently a Managing Partner of Court Square Capital Partners, an independent private equity firm, and has been employed by Court Square Capital Partners and its predecessors since 1990. Mr. Silvestri also serves on the board of directors of SGS International, a digital imaging company that provides design-to-print graphic services to the international consumer products packaging market in North America, Europe and Asia. Through his two periods of service on the Board, Mr. Silvestri has acquired a deep understanding of Triumph s background and development. He also lends to the Board s deliberations the benefit of his own knowledge and understanding of the operation of the capital markets, financial matters and mergers and acquisitions generally gained through his years of participation in private equity investments. In addition, as an experienced private equity investor, he is able to share with the Board insights on corporate management and best practices derived from his experience with the many portfolio companies with which he has been associated.

Elmer L. Doty is the President of Triumph Aerostructures Vought Aircraft Division, which represents a substantial majority of the business recently acquired by Triumph in the acquisition (the Vought Acquisition) of Vought Aircraft Industries, Inc. (Vought). From February 2006 until the closing of the Vought Acquisition, Mr. Doty served as President and Chief Executive Officer of Vought and as a member of Vought s board of directors. Prior to joining Vought, Mr. Doty served as the Vice President & General Manager of BAE Systems Ground Systems Division, a position he held since July 2005, when BAE acquired United Defense Inc. (UDI). Mr. Doty had served in the identical position with UDI since April 2001, with the additional duties of an executive officer of UDI. Prior to that time, he had served in other senior executive positions with UDI and its predecessor company FMC Corporation. Mr. Doty brings to the Board not only his knowledge of Vought and its business but the benefit of years of management experience as a senior executive and a deep knowledge of the aerospace industry.

Ralph E. Eberhart served as Commander of the North American Aerospace Defense Command (NORAD) and U.S. Northern Command from October 2002 to January 2005. General Eberhart s active military career spanned 36 years. He is also member of the board of directors of Rockwell Collins, Inc. and VSE Corporation and is a director of several private companies. He is also Chairman and President of the Armed Forces Benefit Association. Given the significant share of Triumph s business focused on serving the militaries of the United States and other countries, General Eberhart is expected to provide the Board with valuable insight into military operations that will enable the Company to better serve its military customers. Moreover, the Board expects that his senior leadership experience will enable him to provide management with valuable advice on management issues.

Adam J. Palmer has been a Partner of The Carlyle Group (Carlyle), a global private investment firm, since 2005, and since 2004 has served as a Managing Director of Carlyle, where he has focused on U.S. buyout opportunities in the aerospace, defense and information technology sectors. Prior to joining Carlyle in 1996, Mr. Palmer was with Lehman Brothers focusing on mergers, acquisitions and financings for defense electronics and information services companies. Mr. Palmer also serves on the boards of directors of Sequa Corporation and Wesco Holdings, Inc. Mr. Palmer served as a member of Vought s board of directors beginning in 2000 and led the negotiations on behalf of Carlyle that culminated in Triumph s recent acquisition of Vought from equity funds affiliated with Carlyle. The Board expects to benefit from Mr. Palmer s deep familiarity with Vought s business acquired through his years of involvement in developing its business as a Carlyle investment. The Board also expects to benefit from Mr. Palmer s knowledge and understanding of the aerospace and defense industry, acquired through his years of active involvement as an investor, as well as his understanding of management issues derived from his participation on corporate boards.

Executive Officers

Name	Age	Position
Richard C. Ill	67	Chairman and Chief Executive Officer
Jeffry D. Frisby	54	President and Chief Operating Officer
M. David Kornblatt	50	Executive Vice President, Chief Financial Officer and Treasurer
John B. Wright, II	56	Vice President, General Counsel and Secretary
Kevin E. Kindig	53	Vice President and Controller

Richard C. Ill was elected Chairman in July 2009, and had been our President and Chief Executive Officer and a director since 1993. Mr. Ill continues to serve as Chief Executive Officer. Mr. Ill is a director of P.H. Glatfelter Company, Airgas Inc. and Baker Industries and a trustee of the Eisenhower Fellowships.

Jeffry D. Frisby has been our President and Chief Operating Officer since July 2009. Before that, for a period in excess of five years, Mr. Frisby served as Group President of our Aerospace Systems Group. Mr. Frisby serves on the board of directors of Quaker Chemical Corporation.

M. David Kornblatt became Executive Vice President in July 2009 and had been Senior Vice President and Chief Financial Officer since June 2007. Mr. Kornblatt continues to serve as Chief Financial Officer. From 2006 until joining us, Mr. Kornblatt served as Senior Vice President Finance and Chief Financial Officer at Carpenter Technology

Corporation, a manufacturer and distributor of specialty alloys and various engineered products. From 2003 to 2005, he was Vice President and Chief Financial Officer at York International, prior to its acquisition by Johnson Controls in December 2005. Before that, Mr. Kornblatt was the Director of Taxes-Europe for The Gillette Company in London, England for three years. Mr. Kornblatt is a director of Universal Stainless & Alloy Products, Inc.

John B. Wright, II has been a Vice President and our General Counsel and Secretary since 2004. From 2001 until he joined us, Mr. Wright was a partner with the law firm of Ballard Spahr LLP, where he practiced corporate and securities law.

Kevin E. Kindig has been our Controller since 1993 and a Vice President since April 1999.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, officers (including a person performing a principal policy-making function) and persons who own more than 10% of a registered class of our equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Directors, officers and 10% holders are required by SEC regulations to send us copies of all of the Section 16(a) reports they file. Based solely upon a review of the copies of the forms sent to us and the representations made by the reporting persons to us, we believe that during the fiscal year ended March 31, 2010, our directors, officers and 10% holders complied with all filing requirements under Section 16(a) of the Securities Exchange Act of 1934.

Code of Business Conduct

Our Board adopted a Code of Business Conduct in February 2004, which applies to each of our employees, officers and directors, including, but not limited to, our Chief Executive Officer, Chief Financial Officer and Controller (principal accounting officer). The Code of Business Conduct is reviewed at least annually by the Board s nominating and corporate governance committee. A copy of the Code of Business Conduct is posted on our website at *www.triumphgroup.com* and is available in print to any stockholder upon request.

Audit Committee

The audit committee, currently consisting of Messrs. Bourgon, Gozon (Chair), Silvestri and Simpson, met four times during the last fiscal year. The audit committee assists the Board in its oversight of the integrity of our financial statements, the operations and effectiveness of our internal controls, our compliance with legal and regulatory requirements, the independent registered public accounting firm s qualifications and independence, and the performance of our internal audit function and the independent registered public accounting firm. The Board has determined that Mr. Gozon is an audit committee financial expert and is independent as independence for audit committee members is defined in the listing standards of the New York Stock Exchange.

Compensation and Management Development Committee

The compensation and management development committee, consisting of Messrs. Gozon, Kronk and Simpson (Chair), met four times during the last fiscal year. The compensation and management development committee periodically reviews and evaluates the compensation of our officers and senior management, administers our 1996 Stock Option Plan and the 2004 Stock Incentive Plan, establishes guidelines for compensation of other personnel and oversees our management development and succession plans.

The compensation and management development committee determines the compensation of the chief executive officer. The compensation and management development committee also reviews and approves the compensation proposed by the chief executive officer to be awarded to Triumph s other executive officers, as well as the presidents and certain key senior officers of each of Triumph s operating companies and divisions. The chief executive officer generally attends compensation and management development committee meetings, but does not attend executive sessions or any discussion of his own compensation. The compensation and management development committee may form subcommittees and delegate authority to them, as it deems appropriate, provided that such subcommittees are composed entirely of independent directors.

Neither Triumph nor the compensation and management development committee has any contractual arrangement with any compensation consultant who has a role in determining or recommending the amount or form of senior executive or director compensation. Periodically, however, the committee has engaged a compensation consultant, whose selection and fees or charges are recommended and approved by the compensation and management development committee, to assist the compensation and management development committee and the chief executive officer in assessing and modifying elements of our management compensation programs. In such instances, the compensation and management development committee receives comprehensive data and analyses comparing Triumph s compensation program against industry and peer group norms. We last engaged a compensation consultant to review the cash compensation levels of our executive officers in the summer of 2005.

In 2010, however, acting at the direction of the compensation and management development committee, Triumph engaged Towers Watson, a consulting firm, to analyze Triumph s executive compensation to assess the competitiveness of the Company s executive compensation levels in the current market. In part, this analysis is intended to assess what adjustments are appropriate in light of Triumph s acquisition of Vought, which has resulted in the Company becoming substantially larger by almost any measure with the attendant increase in responsibility and risk borne by senior management. In addition, the compensation and management development committee has received the benefit of a compensation analysis conducted by Vought s board of directors in the year prior to its acquisition, which similarly benchmarked the compensation of its management against an industry peer group. The results of these analyses have been preliminarily reviewed with the compensation and management development committee, but have not yet been acted upon by the committee or the Board.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee, currently consisting of Messrs. Bourgon, Kronk (Chair), Silvestri and Simpson, met three times during the last fiscal year. The nominating and corporate governance committee assists the Board in identifying individuals qualified to become Board members, recommending the nominees for directors, reviewing and evaluating the compensation of non-employee directors, developing and recommending our corporate governance guidelines and overseeing the evaluation of the Board and management.

Finance Committee

The finance committee, currently consisting of Messrs. Gozon, Ill (Chair) and Silvestri, met two times during the last fiscal year. The finance committee reviews our capital structure and policies, financial forecasts, operations and capital budgets, pension fund investments and employee savings plans and corporate insurance coverage as well as other financial matters deemed appropriate by the Board.

Item 11. **Executive Compensation**

Compensation Discussion and Analysis

Executive Compensation Overview

Our executive compensation programs are intended to achieve several business objectives:

- to help us recruit and retain executives with the talent required to successfully manage our business
- to motivate our executives to achieve our business objectives
- to instill in our executives a long-term commitment to Triumph s success by providing elements of compensation that align the executives interests with those of our stockholders
- to provide compensation that recognizes individual contributions as well as overall business results
- to avoid or minimize the risks of incentivizing management behavior that is inconsistent with the interests of our stockholders

Our compensation strategy is to place the major portion of total executive compensation at risk in the form of annual incentives and long-term, stock-based compensation programs.

The components of our current executive compensation program are:

- annual salary
- annual cash bonus compensation

- long-term equity incentive compensation
- pension benefits and deferral of compensation
- perquisites
- benefits generally available to all Triumph corporate employees

Each of these components is discussed separately below. While the elements of compensation described below are considered separately, the compensation and management development committee takes into account the full compensation package we provide each executive, including matching contributions under our 401(k) plan, insurance and other benefits generally available to all Triumph employees, as well as the programs described below.

In structuring each element of compensation and the executive compensation package as a whole, the compensation and management development committee strives to create incentives for management to act in accordance with the interests of our stockholders. The compensation and management development committee also considers the risk that executive compensation may inadvertently provide incentives for management to make decisions that are not in the interests of the stockholders. In addition, in examining proposed payments to be approved under the compensation programs, the compensation and management development committee assesses whether the proposed payments achieved the desired objectives or demonstrated the influence of inappropriate compensation incentives. Where appropriate, the compensation and management development committee has sought the advice of compensation consultants to assist in the development of appropriate incentives while minimizing the risk of creating or encouraging incentives that are inconsistent with the interests of stockholders.

Base Salaries

We initially set base salaries for an executive officer by evaluating the responsibilities of the position and the experience of the individual. In doing so, we consider the competitive marketplace for executive talent, including a comparison to base salaries for comparable positions at companies of similar size in the aviation and general manufacturing industries. We determine annual salary adjustments by evaluating the performance of Triumph and of each executive officer, taking into account changes in responsibilities.

In establishing the base salary granted to Mr. Ill for the fiscal year ended March 31, 2010, the compensation and management development committee took into account a number of subjective and objective considerations, including the following:

- the extent of our success in meeting our financial objectives for the previous fiscal year
- how our financial performance compared with that of similar companies engaged in providing products and services to the aviation industry
- current economic conditions in the aviation industry generally
- the performance of the common stock and management s ability to enhance stockholder value generally
- Mr. Ill s individual performance
- as appropriate, a comparison of base salaries of chief executive officers of our industry group

The compensation and management development committee also took into account the longevity of Mr. Ill s service to Triumph and its belief that Mr. Ill is an excellent representative of Triumph to the public by virtue of his stature in the community and the industry. For the fiscal year ended March 31, 2010, Mr. Ill s base salary was established at an annual rate of $725,000. After considering Mr. Ill s and Triumph s performance, Mr. Ill s base salary was increased as of April 1, 2010 to an annual rate of $800,000.

With respect to our other executive officers, Mr. Ill made his recommendations based upon considerations similar to those outlined above, as they apply to each executive officer and his individual performance and the compensation and management development committee approved salary increases based on a review of Mr. Ill s recommendations.

Annual Cash Bonus Compensation

We provide significant incentive opportunities for our executive officers. Our target for executive salaries is to be at approximately the median for our industry group, while our target for cash bonus compensation is to be nearer the 75th percentile for our industry group. The purpose of seeking this balance is to provide an incentive to our executives by providing the potential for above average compensation but only if our performance objectives are met or exceeded. Nevertheless, significant variations are possible depending upon the performance of Triumph and the executive s individual performance. We do not formally benchmark the salaries of our executive officers every year, however, but only as the compensation and management development committee may request. The salaries of our executive officers were last formally benchmarked in the summer of 2005, and another benchmarking process is currently underway.

Our annual cash bonus plan for executive officers is tied to the annual business plan. The business plan for a given fiscal year is developed at the business unit, group and corporate levels in a formal process taking place over several months beginning generally in the third fiscal quarter of the prior fiscal year. The business plan is then reviewed and approved by our Board of Directors in the first month of the fiscal year. Our business plan for the fiscal year ending March 31, 2010 was developed beginning in the late fall of 2008 and approved by the Board of Directors in April 2009.

The amount of annual cash bonus compensation awarded to our executive officers is tied to the business plan by initially measuring actual company performance against the target for earnings per share set in the business plan. While no financial performance measure or measures can perfectly reflect company performance, we believe earnings per share is a fair measure of performance that also focuses our executives on the measure of perhaps greatest significance to our stockholders, thus aligning our executives interests with those of our stockholders. Where appropriate, individual non-financial performance measures are also considered in determining annual cash bonus compensation.

For the chief executive officer and the chief financial officer, the target amount of their annual cash incentive awards is equal to 80% and 60%, respectively, of their annual base salaries, and the maximum amount of their annual cash incentive awards (subject to discretionary increases by the committee) is equal to 160% and 120%, respectively, of their annual base salaries. Our other executive officers have annual cash bonus award targets that are set by the chief executive officer, with the approval of the compensation and management development committee, according to the executive officer s job function and level within Triumph. These target and maximum bonus amounts are set and, from time to time, adjusted based upon a consideration of each executive s compensation level to provide a balance between fixed compensation and compensation at risk that is appropriate in our judgment in each case, taking into consideration the significance of the position and the executive s record of performance against company objectives. For example, an executive with an established record of successful performance is likely to receive an increase in target and maximum bonus opportunities rather than significant increases in base salary. No payment under the annual cash bonus plan to any one executive officer in any fiscal year may exceed $3.0 million.

The compensation and management development committee determines the amount of the annual cash bonus award of the chief executive officer. The chief executive officer determines the amount of the award to each other executive officer and the other members of management, subject to the review and approval of the compensation and management development committee.

For the fiscal year ended March 31, 2010, the financial performance goal established for the year by the compensation and management development committee, in addition to any individual performance goals, was the achievement by the Company of earnings per share of at least $5.12. Ultimately, for fiscal 2010, we reported fully diluted earnings per share of $5.12. Based upon our performance and its evaluation of other aspects of Mr. Ill s performance as described above, the compensation and management development committee approved a bonus for Mr. Ill of $1,225,000 for the fiscal year ended March 31, 2010 (169% of salary), an increase of 7% from the prior year s bonus of $1,160,000. For similar reasons, the compensation and management development committee approved bonuses of $450,000, $500,000, $240,000 and $130,000 for Messrs. Frisby, Kornblatt, Wright and Kindig, respectively, for the fiscal year ended March 31, 2010 (191%, 125%, 103% and 68% of their annual salaries, respectively). With respect to Messrs. Kornblatt, Wright and Kindig, the bonus represented an increase of 4% and 0% and 0% from their prior year s bonuses.

Long-Term Equity Compensation

We award stock options and restricted stock to executive officers and other management employees to align management s interest with that of its stockholders. Under Triumph s 2004 Stock Incentive Plan, the compensation and management development committee can grant stock options and restrictive stock awards to our executive officers as well as to other employees. The compensation and management development committee sets guidelines for the size of stock option awards and restricted stock awards based on factors, including competitive compensation data, similar to those used to determine base salaries and annual cash incentive compensation. The compensation and management development committee determines the size of any grant made to the chief executive officer. The compensation and management development committee also approves the amounts of the grants made to the other executive officers and other members of management, based upon the recommendation of the chief executive officer. In the event of poor corporate performance, the compensation and management development committee may elect not to make equity awards.

Until our 2007 fiscal year, we generally made equity compensation awards under the 2004 Stock Incentive Plan in the form of incentive or nonqualified stock options. The awards were generally made to our executive officers and other senior management employees. The stock options were granted with an exercise price equal to the market price of the common stock on the date of grant, vest over four years and may be exercised for up to ten years from the date of grant. This approach was designed to incentivize the creation of stockholder value over the long term because the full benefit of the compensation package could not be realized unless stock price appreciation occurs over a number of years.

Beginning with our 2006 fiscal year, the compensation and management development committee awarded grants of performance-based restricted stock to our executive officers under the 2004 Stock Incentive Plan. For the grants made for fiscal 2006 and fiscal 2007, the target number of shares covered by each award was subject to increase or decrease based upon the extent to which we achieved an established earnings per share target for the fiscal year, and there was the possibility that the grant would be eliminated altogether if Triumph s performance for that fiscal year was sufficiently below that objective. In addition, an executive who received an award forfeits the award altogether if the executive voluntarily resigns from Triumph within four years of the grant. This approach was designed to incentivize the creation of stockholder value over the long term because the number of shares covered by the award, and whether the award would be made at all, would depend upon the extent of management s achievement of the performance target set for the given fiscal year. It was also designed to induce management to remain with Triumph because the award is forfeited if the grant recipient voluntarily resigns. For restricted stock awards granted in fiscal 2007, the target number of shares covered by each award was equal to 50% of the executive officer s annual base salary on the date of grant, based upon the closing price per share of our common stock as of the date the compensation and management development committee approved the grants.

For the fiscal years ended March 31, 2008, March 31, 2009 and March 31, 2010, the compensation and management development committee awarded a combination of grants of performance-based restricted stock to our executive officers under the 2004 Stock Incentive Plan and deferred cash payments. Under the terms of the grants, if we achieve a target level of earnings per share for the fiscal year, then the executive officers will receive a combination of restricted stock and deferred cash of a total value equal to 50% of their respective base salaries as adjusted at the beginning of that fiscal year. The portion of the grant represented by restricted stock grant will be a number of shares having a value equal to 70% of the total value of the combined grant (using the stock value as of the date the compensation and management development committee determines that the performance objective has been achieved). The remaining portion of the grant will be paid in cash at the same time that the restrictions on the stock grant lapse. If we fail to achieve the target performance objective for the fiscal year, the grant would be eliminated altogether. If the executive remains with Triumph for an additional three years, he will receive the shares of stock free of restrictions as well as the cash payment. This approach was designed to incentivize the creation of stockholder value over the long term because the achievement of the award depends upon the extent of management s achievement of the performance target set for the given fiscal year. Moreover, we believe the desire to increase the value of the stock to be received upon expiration of the restrictions will induce management both to remain with Triumph to avoid forfeiture of the grant and to achieve superior performance to increase the value of the stock ultimately received.

We generally make awards of long-term equity compensation at a regularly scheduled meeting of the compensation and management development committee held in April of each year. However, for fiscal 2008, the grants were not approved until June 2007 when the final details of the structure of the grants were determined.

Also at the April meeting, the compensation and management development committee acts upon the annual cash incentive awards to management made with respect to Triumph s performance in the fiscal year just ended and usually approves the salary adjustments to be made for management for the new fiscal year. There is a regularly scheduled meeting of the full Board of Directors held shortly thereafter at which the compensation and management development committee reports on its actions with respect to executive and senior management compensation.

In April 2010, the compensation and management development committee determined that, subject to the full Board s approval of our financial results for the fiscal year ended March 31, 2010, Triumph had achieved earnings per share of $5.12 established by the compensation and management development committee for the performance-based

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restricted stock grants made in April 2009. Accordingly, based upon the then current price of a share of Triumph common stock, the number of shares covered by the performance-based restricted stock grants awarded in April 2009 amounted to a total of 34,743 shares of restricted stock, of which 8,632 shares were awarded to our executive officers. The shares will remain restricted until April 2013.

We have never made equity compensation awards other than at a regularly scheduled meeting of the Board of Directors or the compensation and management development committee.

Pension Benefits

We have a split dollar life insurance program and supplemental executive retirement plan under which certain of our executive officers participate. Benefits are payable upon normal retirement, which is age 65. Early retirement benefits are available with an actuarial reduction for early commencement. The pension benefits are intended to provide competitive retirement benefits to our executives when considered in conjunction with the other retirement benefits we offer.

Deferred Compensation

We offer all of our executives the opportunity to defer all or any part of their bonus for any year, to be paid out over the following two years. Further information about the deferred compensation plan is set forth below. We believe that the deferred compensation is consistent with competitive practices in our industry.

Perquisites

We provide certain of our executive officers with other benefits, reflected in the All Other Compensation column in the Summary Compensation Table below. We believe the additional benefits are reasonable, competitive and consistent with Triumph s overall executive compensation program. We believe that these benefits generally allow our executives to work more efficiently and in the case of the tax preparation and counseling services, help them to optimize the value received from the compensation and benefit programs offered. The costs of these benefits constitute only a small percentage of each executive s total compensation. Included among the benefits are personal use of the company plane (valued based on the incremental cost to Triumph for fuel, landing fees and other variable costs of operating the airplane, but not including fixed costs that do not change based on usage, such as pilots salaries, depreciation of the purchase cost of the aircraft and the cost of general maintenance), payment of club dues for Mr. Ill, tax preparation for Mr. Ill and Kornblatt, and housing expense for Mr. Kornblatt. Set forth below is the aggregate value of perquisites received by each of our executive officers during fiscal 2010.

Name	**Total ($)**
Richard C. Ill	26,398
Jeffry D. Frisby	0
M. David Kornblatt	12,253

John B. Wright, II	0
Kevin E. Kindig	0

Employment Agreements

In June 2007, the compensation and management development committee determined that it would be appropriate to provide employment agreements to the executive officers effective only upon the occurrence of a change of control of Triumph. The prospect of a change of control, such as a possible acquisition by another company, causes executives two problems: the executives may be distracted by the need to obtain employment elsewhere; and their personal interest may be at cross purposes with the stockholders interest in realizing maximum share value. The executives should have a reasonable level of incentive to consummate the deal. A reasonable level of incentive means they have the security to know that there will be sufficient compensation to cover an extended period of seeking comparable jobs in the event that the acquiror terminates their employment. We believe that the change of control employment agreements will afford the executive a reasonable level of incentive to consummate the deal, and Triumph accordingly entered into the agreements with Messrs. Ill, Frisby, Kornblatt, Wright and Kindig on March 7, 2008.

Since the change of control employment agreements would not be effective until a change of control takes place, the executives will continue to serve at the will of the Board. This allows Triumph to terminate their employment with discretion as to the terms of any severance arrangement except upon the occurrence of a change of control. We believe these agreements recognize the executives legitimate concern that a transaction in Triumph s long-term interest may necessitate their loss of employment while preserving Triumph s flexibility in retaining executive management in the absence of such a transaction.

Stock Ownership Guidelines

In June 2007, the Board of Directors adopted stock ownership guidelines prescribing minimum levels of Triumph stock ownership our senior executives are expected to meet. The ownership target is expressed as a multiple of base salary. There are four tiers within senior management covered by the guidelines. For the chief executive officer, the multiple is five. For the chief financial officer, the multiple is three. For other executive officers and members of senior management, the multiple is two or one depending on the level of the position. An executive is required to achieve the guideline within five years of assuming a position subject to the guidelines or assuming a new position subject to a higher level of ownership. The executives serving in positions subject to the guidelines at the time of their adoption and not already meeting the guidelines must achieve the guidelines within five years of the date of their adoption.

Of the executive officers named in the Summary Compensation Table, Messrs. Ill, Frisby and Kindig already met the guidelines at the date of their adoption, and Messrs. Wright and Kornblatt have until June 2012 to meet the guidelines.

Executive Compensation Tables

Summary Compensation Table

The following table summarizes the total compensation we paid to Richard C. Ill, Chairman and Chief Executive Officer, Jeffry D. Frisby, President and Chief Operating Officer, M. David Kornblatt, Executive Vice President, Chief Financial Officer and Treasurer, and to each of the three most highly compensated executive officers of Triumph, other than the chief executive officer and chief financial officer, for the fiscal years ended March 31, 2008, March 31, 2009 and March 31, 2010. We refer to these individuals as the executive officers elsewhere in this Annual Report on Form 10-K.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Total ($)
Richard C. Ill	2010	725,000	1,225,000	300,489		(202,496)	59,469	2,107,462
Chairman and Chief	2009	725,000	1,160,000	304,258	4,418	56,162	32,524	2,282,362
Executive Officer	2008	680,000	1,088,000	240,812	53,010	508,283	69,644	2,639,749
Jeffry D. Frisby	2010	235,166	450,000	140,249		88,587		914,002
President and Chief	2009							
Operating Officer	2008							
M. David Kornblatt	2010	401,000	500,000	297,569			24,385	1,222,954
Executive Vice	2009	401,000	481,200	262,471			43,152	1,187,823
President, Chief	2008	316,667	546,000(6)	195,023			36,203	1,093,893
Financial Officer								
and								
Treasurer								
John B. Wright, II	2010	234,000	240,000	98,515			8,826	581,341
Vice President,	2009	234,000	240,000	102,180	1,583		8,196	585,959
General Counsel	2008	222,600	215,000	81,698	19,000		7,644	543,942
and								
Secretary								
Kevin E. Kindig	2010	190,000	130,000	79,579		19,490	6,694	425,763
Vice President and	2009	190,000	130,000	83,185	1,330	1,859	6,693	413,067
Controller	2008	180,000	120,000	66,556	15,960	10,053	6,084	398,653

(1) Bonus consists of cash bonuses earned in the fiscal year identified. Such bonuses were earned pursuant to Triumph s annual cash bonus plan for executive officers.

(2) The Stock Awards and Option Awards columns reflect the grant date fair value for all stock or option awards granted under the 2004 Stock Incentive Plan during fiscal 2008, 2009, and 2010. These amounts are determined in accordance with Accounting Standards Codification 718 (previously known as Statement of Financial Accounting Standards No. 123(R)) (FAS 123R), without regard to any estimate of forfeiture for service vesting. The amounts for 2007 and 2008 have been restated to comply with new disclosure rules of the SEC. Assumptions used in the calculation of the amounts in these columns for fiscal 2008, 2009, and 2010 are included in footnote 15 to the Company s audited financial statements for the fiscal year ended March 31, 2010, included in the Company s Annual Report on Form 10-K.

(3) Represents changes in value under our Supplemental Retirement Plan (the SERP) and the split dollar life insurance program (the Split Dollar Program). See Pension Benefits for additional information, including the present value assumptions used in this calculation.

(4) All Other Compensation includes (i) Triumph s match for contributions to the 401(k) plan; (ii) income imputed to the executive officer under Triumph s group s term life insurance policy; (iii) for Messrs. Ill, Frisby and Kindig, income imputed to the executive officers for the death benefit portion of the Split Dollar Program; (iv) for Messrs. Ill and Kornblatt, personal use of Triumph s airplane; (v) for Mr. Ill, payment of club dues; (vi) for Mr. Ill, tax preparation allowance; and (vii) for Mr. Kornblatt, housing expenses.

(5) Mr. Kornblatt received a $90,000 signing bonus upon joining Triumph Group, Inc. and a year end bonus of $456,000.

Grants of Plan-Based Awards

The following table lists, for each of the executive officers named in the Summary Compensation Table, information about plan-based awards granted during fiscal 2010.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ($)(1)(2) Target	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards ($)
Richard C. Ill	4/22/09	362,500		
Jeffry D. Frisby	4/22/09	166,000		