

TRANSDIGM INC
Form S-4/A
November 08, 2006

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As filed with the Securities and Exchange Commission on November 7, 2006

Registration No. 333-137937

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

**TransDigm Inc.
TransDigm Group Incorporated
Subsidiary Guarantors Listed on Schedule A Hereto**

(Exact name of registrant as specified in its charter)

TransDigm Inc.

3728

TransDigm Group Incorporated

Delaware
(State or other jurisdiction of
incorporation or organization)

(Primary Standard Industrial
Classification Code Number)

Delaware
(State or other jurisdiction of
incorporation or organization)

34-1750032
(I.R.S. Employer Identification No.)

51-0484716
(I.R.S. Employer Identification No.)

**1301 East 9th Street, Suite 3710
Cleveland, Ohio 44114
(216) 706-2939**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**W. Nicholas Howley
Chairman and Chief Executive Officer
TransDigm Group Incorporated
1301 East 9th Street, Suite 3710
Cleveland, Ohio 44114
(216) 706-2939**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

**Steven J. Gartner, Esq.
Christopher Greer, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019**

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(212) 728-8000

Approximate date of commencement of proposed sale to the public:

As soon as practicable following the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(6) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class Of Securities to Be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit ⁽¹⁾	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee ⁽¹⁾
7 ³ / ₄ % Senior Subordinated Notes due 2014	\$275,000,000	100%	\$275,000,000	\$29,425 ⁽³⁾
Guarantees ⁽²⁾	N/A	N/A	N/A	N/A

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(f) of the Securities Act of 1933, as amended.

(2) Pursuant to Rule 457(n) of the Securities Act of 1933, as amended, no separate fee is payable for the guarantees.

(3) Previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SCCHEDULE A

CHAMPION AEROSPACE INC.

(Name as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

3722

(Primary Standard Industrial Classification Code Number)

58-2623644

(I.R.S. Employer Identification Number)

1230 OLD NORRIS ROAD

LIBERTY, SC 29657

(864) 843-1162

(Address, including zip code, and telephone number, including area code, of principal executive offices)

ADAMS RITE AEROSPACE, INC.

(Name as specified in its charter)

CALIFORNIA

(State or other jurisdiction of incorporation or organization)

3728

(Primary Standard Industrial Classification Code Number)

95-4056812

(I.R.S. Employer Identification Number)

4141 NORTH PALM STREET

FULLERTON, CA 92835

(714) 278-6500

(Address, including zip code, and telephone number, including area code, of principal executive offices)

MARATHONNORCO AEROSPACE, INC.

(formerly Marathon Power Technologies Company)

(Name as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

3691

(Primary Standard Industrial Classification Code Number)

74-2707437

(I.R.S. Employer Identification Number)

8301 IMPERIAL DRIVE

WACO, TX 76712

(254) 776-0650

(Address, including zip code, and telephone number, including area code, of principal executive offices)

ZMP, INC.

(Name as specified in its charter)

CALIFORNIA

(State or other jurisdiction of incorporation or organization)

3728

(Primary Standard Industrial Classification Code Number)

95-4056651

(I.R.S. Employer Identification Number)

4141 NORTH PALM STREET

FULLERTON, CA 92635

(714) 278-6500

(Address, including zip code, and telephone number, including area code, of principal executive offices)

CHRISTIE ELECTRIC CORP.

(Name as specified in its charter)

CALIFORNIA

(State or other jurisdiction of incorporation or organization)

3629

(Primary Standard Industrial Classification Code Number)

95-0987760

(I.R.S. Employer Identification Number)

8301 IMPERIAL DRIVE

WACO, TX 76712

(254) 776-0650

(Address, including zip code, and telephone number, including area code, of principal executive offices)

AVIONIC INSTRUMENTS INC.

(Name as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

336410

(Primary Standard Industrial Classification Code Number)

13-2666109

(I.R.S. Employer Identification Number)

1414 RANDOLPH AVENUE

AVENEL, NEW JERSEY 07001-2402

(732) 388-3500

(Address, including zip code, and telephone number, including area code, of principal executive offices)

DAC REALTY CORP.

(Name as specified in its charter)

NEW JERSEY

(State or other jurisdiction of incorporation or organization)

531120

(Primary Standard Industrial Classification Code Number)

11-2821284

(I.R.S. Employer Identification Number)

1414 RANDOLPH AVENUE

AVENEL, NEW JERSEY 07001-2402

(732) 388-3500

(Address, including zip code, and telephone number, including area code, of principal executive offices)

SWEENEY ENGINEERING CORP.

(Name as specified in its charter)

CALIFORNIA

(State or other jurisdiction of incorporation or organization)

336410

(Primary Standard Industrial Classification Code Number)

95-3561481

(I.R.S. Employer Identification Number)

17224 GRAMERCY PLACE

GARDENA, CALIFORNIA 90247-5211

(310) 324-4961

(Address, including zip code, and telephone number, including area code, of principal executive offices)

SKURKA AEROSPACE INC.

(Name as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

336410

(Primary Standard Industrial Classification Code Number)

20-2042650

(I.R.S. Employer Identification Number)

4600 CALLE BOLERO, P.O. BOX 2869

CAMARILLO, CALIFORNIA 93011-2869

(805) 484-8884

(Address, including zip code, and telephone number, including area code, of principal executive offices)

CDA INTERCORP.

(Name as specified in its charter)

FLORIDA

(State or other jurisdiction of incorporation or organization)

335312

(Primary Standard Industrial Classification Code Number)

59-1285683

(I.R.S. Employer Identification Number)

450 GOOLSBY BLVD.

DEERFIELD, FLORIDA 33442

(954) 698-6000

(Address, including zip code, and telephone number, including area code, of principal executive offices)

The information in this prospectus is not complete and may be changed. We may not sell securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated November 7, 2006.

PROSPECTUS

TransDigm Inc.

OFFER TO EXCHANGE

**Up to \$275,000,000 aggregate principal amount of its 7³/₄% Senior Subordinated Notes due 2014
registered under the Securities Act of 1933 for
any and all outstanding 7³/₄% Senior Subordinated Notes due 2014**

We are offering to exchange new registered 7³/₄% senior subordinated notes due 2014, which we refer to herein as the "exchange notes," for all of our outstanding unregistered 7³/₄% senior subordinated notes due 2014, which we refer to herein as the "original notes." We refer herein to the exchange notes and the original notes, collectively, as the "notes."

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2006, unless extended.

The exchange offer is subject to customary conditions that we may waive.

All outstanding original notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer will be exchanged for the exchange notes.

Tenders of outstanding notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

We believe that the exchange of original notes for exchange notes should not be a taxable exchange for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The terms of the exchange notes to be issued are substantially identical to the terms of the original notes, except that the exchange notes will not have transfer restrictions and you will not have registration rights.

If you fail to tender your original notes, you will continue to hold unregistered securities and it may be difficult for you to transfer them.

There is no established trading market for the exchange notes, and we do not intend to apply for listing of the exchange notes on any securities exchange or market quotation system.

See "Risk Factors" beginning on page 19 for a discussion of matters you should consider before you participate in the exchange offer.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2006.

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This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. We will provide this information to you at no charge upon written or oral request directed to Chief Financial Officer, TransDigm Inc., 1301 East 9th Street, Suite 3710, Cleveland, Ohio 44114 (telephone number (216) 706-2939). In order to ensure timely delivery of this information, any request should be made by _____, 2006, five business days prior to the expiration date of the exchange offer.

No dealer, salesperson or other individual has been authorized to give any information or to make any representations not contained in this prospectus in connection with the exchange offer. If given or made, such information or representations must not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create any implications that there has not been any change in the facts set forth in this prospectus or in our affairs since the date hereof.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended, or the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection

with resales of the exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resales. See "Plan of Distribution."

NOTICE TO INVESTORS

This prospectus contains summaries of the terms of certain agreements that we believe to be accurate in all material respects. However, we refer you to the actual agreements for complete information relating to those agreements. All summaries of such agreements contained in this prospectus are qualified in their entirety by this reference. To the extent that any such agreement is attached as an exhibit to this registration statement, we will make a copy of such agreement available to you upon request.

The notes will be available in book-entry form only. The notes exchanged pursuant to this prospectus will be issued in the form of one or more global certificates, which will be deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates will be shown on, and transfer of the global certificates will be effected only through, records maintained by DTC and its participants. After the initial issuance of the global certificates, notes in certificated form will be issued in exchange for global certificates only in the limited circumstances set forth in the indenture governing the notes, or the Indenture. See "Book-Entry, Delivery and Form."

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you. You should read the entire prospectus carefully together with our consolidated financial statements and the related notes appearing elsewhere in this prospectus before you decide to participate in the exchange offer. This prospectus contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those discussed in the "Risk Factors" and other sections of this prospectus.

Our Company

General Company Information

We believe we are a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Our business is well diversified due to the broad range of products we offer to our customers. Some of our more significant product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include ignition systems and components, gear pumps, mechanical/electro-mechanical actuators and controls, NiCad batterieschargers, power conditioning devices, hold-open rods and locking devices, engineered connectors, engineered latches and cockpit security devices, lavatory hardware and components, specialized AC/DC electric motors and specialized valving. Each of these product offerings consists of many individual products that are typically customized to meet the needs of a particular aircraft platform or customer.

For fiscal year 2005, we generated net sales of \$374.3 million and net income of \$34.7 million. In addition, for fiscal year 2005, our EBITDA was \$154.5 million, or 41.3% of net sales, our EBITDA As Defined was \$164.2 million, or 43.9% of net sales, and our capital expenditures were \$8.0 million, or 2.1% of net sales.

We estimate that over 90% of our net sales for fiscal year 2005 were generated by proprietary products for which we own the design. In addition, for fiscal year 2005, we estimate that we generated approximately 75% of our net sales from products for which we are the sole source provider.

Most of our products generate significant aftermarket revenue. Once our parts are designed into and sold as original equipment on an aircraft, we generate net sales from recurring aftermarket consumption over the life of that aircraft, which is generally estimated to be approximately 30 years. We estimate that approximately two-thirds of our net sales in fiscal year 2005 were generated from aftermarket sales, the vast majority of which come from the commercial and military aftermarkets. These aftermarket revenues have historically produced a higher gross margin and been more stable than sales to original equipment manufacturers, or OEMs.

We provide components for a large, diverse installed base of aircraft and, therefore, we are not overly dependent on any single airframe. For example, we estimate that sales to support any single OEM airframe production requirement did not exceed 4.0% of our net sales for fiscal year 2005, and sales to support any single aftermarket airframe platform did not exceed 5.5% of our net sales for this same period.

Organizational Structure and Related Matters

TransDigm Inc. was formed in July 1993 in connection with the acquisition of certain companies from IMO Industries Inc. TransDigm Group Incorporated (formerly known as TD Holding Corporation), or TD Group, was formed in July 2003 at the direction of Warburg Pincus Private Equity VIII, L.P., or Warburg Pincus, to facilitate the acquisition of TransDigm Holding Company, or TransDigm Holdings. On July 22, 2003, TD Acquisition Corporation, a newly formed, wholly-owned

subsidiary of TD Group, was merged with and into TransDigm Holdings with TransDigm Holdings continuing as the surviving corporation. Contemporaneously with the completion of that merger, a newly formed, wholly-owned subsidiary of TD Acquisition Corporation was merged with and into TransDigm Inc., with TransDigm Inc. continuing as the surviving corporation. These mergers are sometimes referred to in this prospectus as the "Mergers." Upon the completion of the Mergers, TransDigm Holdings became a wholly-owned subsidiary of TD Group, and TransDigm Inc. continued to be a wholly-owned subsidiary of TransDigm Holdings. In an effort to simplify our organizational structure, on June 26, 2006, TransDigm Holdings was merged with and into TransDigm Inc., with TransDigm Inc. continuing as the surviving corporation. TransDigm Holdings did not conduct any operations and did not have any significant assets other than its ownership interest in TransDigm Inc. Accordingly, as of the date of this prospectus, TransDigm Inc. is a wholly-owned subsidiary of TD Group.

On March 20, 2006, certain stockholders of TD Group and certain members of our management sold an aggregate of 12,597,756 shares of TD Group common stock in an underwritten initial public offering, or the Initial Public Offering, at a price of \$21.00 per share. TD Group did not offer any shares of common stock for sale in the Initial Public Offering and TD Group did not receive any of the proceeds from the sale of shares by the selling stockholders. As a result of the Initial Public Offering, TD Group's common stock is publicly traded on the New York Stock Exchange under the ticker symbol "TDG."

Industry and Market Overview

We primarily compete in the commercial and military aerospace industry. The commercial aftermarket, where we have historically derived the majority of our net sales, has generally been more stable and has exhibited steady growth compared to the commercial OEM market, which has historically exhibited cyclical swings due to changes in production rates for new aircraft. Commercial aftermarket revenue is driven primarily by the number of miles flown by paying customers of commercial airlines, which is known in the industry and referred to in this prospectus as revenue passenger miles, or RPMs, and by the size and age of the worldwide aircraft fleet.

Historically, aftermarket and OEM sales in the military sector tend to follow defense spending. Military aftermarket revenue is driven primarily by the operational tempo of the military, while military OEM revenue is driven primarily by spending on new systems and platforms.

Our Competitive Strengths

We believe our key competitive strengths include:

Large and Growing Installed Product Base with Aftermarket Revenue Stream. We provide components to a large and growing installed base of aircraft to which we supply aftermarket products. We estimate that our products are installed on more than 40,000 commercial transport, regional transport, military and general aviation fixed wing turbine aircraft and over 15,000 rotary wing aircraft.

Diversified Revenue Base. Our diversified revenue base reduces our dependence on any particular product, platform or market segment and has been a significant factor in maintaining our financial performance. Our products are installed on almost all of the major commercial aircraft platforms now in production. We expect to continue to develop new products for military and commercial applications. For example, we expect to be certified and provide a range of components for the new Boeing 787 and Airbus A380 and A400M.

Significant Barriers to Entry. We believe that the niche nature of our markets, the industry's stringent regulatory and certification requirements, the large number of products that we sell and the investments necessary to develop and certify products create barriers to entry for potential competitors.

Strong Cash Flow Generation. We generate strong cash flow from operations as a result of our high margins and low capital expenditure requirements. For fiscal years 2005 and 2004 and for the twelve-month period ended September 30, 2003, our EBITDA As Defined margins were 43.9%, 46.3% and 42.4%, respectively. In addition, our low recurring capital expenditure requirements, which have historically been between approximately \$5 million to \$8 million per year, or approximately 2% of net sales per year, coupled with our consistent installed revenue base, provide a stable stream of cash flows.

Consistent Track Record of Financial Success and Strong Growth. From fiscal year 1994 to fiscal year 2005, our net sales grew at a Compound Annual Growth Rate, or CAGR, of 19.7%, and during this same period our EBITDA As Defined grew at a CAGR of 29.1%.

Value-Driven Management Team with a Successful Track Record. Our operations are managed by a very experienced, value-driven management team with a proven record of growing our business organically, reducing overhead, rationalizing costs and integrating acquisitions.

Our Business Strategy

Our business strategy is made up of two key elements: (1) a value-driven operating strategy focused around our three core value drivers; and (2) a selective acquisition strategy.

Value-Driven Operating Strategy. Our three core value drivers are:

Obtaining Profitable New Business. We attempt to obtain profitable new business by using our technical expertise, unique application skill and our detailed knowledge of our customer base and the individual niche markets in which we operate. We have regularly been successful in identifying and developing both aftermarket and OEM products to drive our growth. For example, Airbus S.A.S. selected us to design the security bolting system that has been installed on all Airbus cockpit doors to comply with the Federal Aviation Administration, or the FAA, and European regulatory requirements adopted after the events of September 11, 2001.

Improving Our Cost Structure. We attempt to make steady improvements to our cost structure through detailed attention to the cost of each of the products that we offer and our organizational structure, with a focus on steadily reducing the cost of each.

Providing Highly Engineered Value-Added Products to Customers. We focus on the engineering, manufacturing and marketing of a broad range of highly engineered niche products that we believe provide unique value to our customers. We have been consistently successful in communicating to our customers the value of our products. This has generally enabled us to price our products to fairly reflect the value we provide and the resources required to do so.

Selective Acquisition Strategy. We selectively pursue the acquisition of proprietary component businesses when we see an opportunity to create value through the application of our three core value-driven operating strategies. The aerospace industry, in particular, remains highly fragmented, with many of the companies in the industry being small private businesses or small non-core operations of larger businesses. We have significant experience among our management team in executing acquisitions and integrating acquired businesses into our company and culture, having successfully acquired and integrated seventeen businesses and/or product lines since our formation in 1993.

Financing Transaction

On May 25, 2006, we commenced a tender offer to purchase for cash any and all of our outstanding 8³/₈% senior subordinated notes due 2011, or our 8³/₈% Senior Subordinated Notes, and, in connection therewith, we solicited consents to amend the indenture governing such notes to, among other things, eliminate substantially all of the restrictive covenants and eliminate or modify certain events of default. On June 23, 2006, we closed the tender offer and consent solicitation for the 8³/₈%

Senior Subordinated Notes. In connection with the closing, we purchased all of the issued and outstanding 8³/₈% Senior Subordinated Notes that were validly tendered, totaling \$399,670,000 in aggregate principal amount.

In addition, simultaneously with the closing of the tender offer and consent solicitation for the 8³/₈% Senior Subordinated Notes, we entered into a new senior secured credit facility, or the New Senior Secured Credit Facility, which consists of a \$650 million term loan facility, all of which was funded at the closing of the Financing Transaction (as defined below), and a revolving loan facility with a total borrowing availability of \$150 million, none of which was drawn at the closing of the Financing Transaction.

On June 23, 2006, simultaneously with the consummation of the transactions described above, we consummated the offering and sale of the original notes. We used the net proceeds from the offering and sale of the original notes, together with the initial borrowings under the New Senior Secured Credit Facility and a portion of our existing cash balances, to fund (1) the repayment of the entire \$288.4 million of principal amount outstanding under our senior secured credit facility that was in effect prior to the consummation of the Financing Transaction, or the Former Senior Secured Credit Facility, (2) the repayment of the entire \$200 million of principal amount outstanding under a term loan facility under which TD Group was the borrower, or the TD Group Loan Facility, (3) the purchase of all of the 8³/₈% Senior Subordinated Notes that were tendered in connection with the tender offer for such notes totaling \$399,670,000, (4) the payment of accrued and unpaid interest on all such indebtedness and (5) the payment of all premiums and transaction expenses associated therewith.

We collectively refer to the repayment of our Former Senior Secured Credit Facility, the repayment of the TD Group Loan Facility, the purchase of any and all of our 8³/₈% Senior Subordinated Notes in connection with the tender offer referred to above, the entry into the New Senior Secured Credit Facility and all related transactions, including the offering and sale of the original notes, as the "Financing Transaction." For a more detailed description of these transactions, see "Financing Transaction" on page 107.

On August 7, 2006, we redeemed all of the 8³/₈% Senior Subordinated Notes that remained outstanding after the consummation of the tender offer for such notes.

Recent Development

On October 3, 2006, TransDigm Inc. acquired all of the issued and outstanding capital stock of CDA InterCorp., or CDA, for an aggregate purchase price of approximately \$45 million. CDA designs and manufactures specialized controllable drive actuators, motors, transducers and gearing. CDA's products are used on a range of defense, space and commercial aircraft applications. On November 2, 2006, and in accordance with the terms of the Indenture and the New Senior Secured Credit Facility, CDA entered into a supplemental indenture and a joinder agreement pursuant to which it became a guarantor in respect of the obligations of TransDigm Inc. under the Indenture and the New Senior Secured Credit Facility.

Summary of the Exchange Offer

On June 23, 2006, we completed an offering of \$275,000,000 aggregate principal amount of 7³/₄% senior subordinated notes due 2014, which we refer to herein as the "original notes," in a transaction exempt from registration under the Securities Act of 1933, as amended, or the Securities Act. In connection with the offering of the original notes, we entered into a registration rights agreement, dated as of June 23, 2006, with the initial purchasers of the original notes. In the registration rights agreement, we agreed to offer our new 7³/₄% senior subordinated notes due 2014, which will be registered under the Securities Act, and which we refer to herein as the "exchange notes," in exchange for the original notes. The exchange offer is intended to satisfy our obligations under the registration rights agreement. We also agreed to deliver this prospectus to the holders of the original notes. In this prospectus, we refer to the original notes and the exchange notes collectively as the "notes." You should read the discussions under the headings "Prospectus Summary Summary of the Terms of the Exchange Notes" and "Description of the Exchange Notes" for information regarding the exchange notes.

The Exchange Offer

This is an offer to exchange \$1,000 in principal amount of the exchange notes for each \$1,000 in principal amount of original notes. The exchange notes are substantially identical to the original notes, except that the exchange notes generally will be freely transferable. Based upon interpretations by the staff of the Securities and Exchange Commission, or the SEC, set forth in no actions letters issued to unrelated third parties, we believe that you can transfer the exchange notes without complying with the registration and prospectus delivery provisions of the Securities Act if you:

- acquire the exchange notes in the ordinary course of your business;
- are not and do not intend to become engaged in a distribution of the exchange notes;
- are not an "affiliate" (within the meaning of the Securities Act) of ours;
- are not a broker-dealer (within the meaning of the Securities Act) that acquired the original notes from us or our affiliates; and
- are not a broker-dealer (within the meaning of the Securities Act) that acquired the original notes in a transaction as part of its market-making or other trading activities.

If any of these conditions are not satisfied and you transfer any exchange note without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. See "The Exchange Offer Purpose of the Exchange Offer."

Registration Rights Agreement	Under the registration rights agreement, we have agreed to use our reasonable best efforts to consummate the exchange offer or cause the original notes to be registered under the Securities Act to permit resales. If we are not in compliance with our obligations under the registration rights agreement, liquidated damages will accrue on the original notes in addition to the interest that otherwise is due on the original notes. If the exchange offer is completed on the terms and within the time period contemplated by this prospectus, no liquidated damages will be payable on the original notes. The exchange notes will not contain any provisions regarding the payment of liquidated damages. See "The Exchange Offer Liquidated Damages."
Minimum Condition	The exchange offer is not conditioned on any minimum aggregate principal amount of original notes being tendered in the exchange offer.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2006, unless we extend it.
Exchange Date	We will accept original notes for exchange at the time when all conditions of the exchange offer are satisfied or waived. We will deliver the exchange notes promptly after we accept the original notes.
Conditions to the Exchange Offer	Our obligation to complete the exchange offer is subject to certain conditions. See "The Exchange Offer Conditions to the Exchange Offer." We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of certain specified events.
Withdrawal Rights	You may withdraw the tender of your original notes at any time before the expiration of the exchange offer on the expiration date. Any original notes not accepted for any reason will be returned to you without expense as promptly as practicable after the expiration or termination of the exchange offer.
Procedures for Tendering Original Notes	See "The Exchange Offer How to Tender."
United States Federal Income Tax Consequences	We believe that the exchange of the original notes for the exchange notes should not be a taxable exchange for U.S. federal income tax purposes, and holders will not recognize any taxable gain or loss as a result of such exchange.
Effect on Holders of Original Notes	If the exchange offer is completed on the terms and within the period contemplated by this prospectus, holders of original notes will have no further registration or other rights under the registration rights agreement, except under limited circumstances. See "The Exchange Offer Other."

Holders of original notes who do not tender their original notes will continue to hold those original notes. All untendered, and tendered but unaccepted original notes, will continue to be subject to the transfer restrictions provided for in the original notes and the Indenture. To the extent that original notes are tendered and accepted in the exchange offer, the trading market, if any, for the original notes could be adversely affected. See "Risk Factors Risks Associated with the Exchange Offer You may not be able to sell your original notes if you do not exchange them for registered exchange notes in the exchange offer," " Your ability to sell your original notes may be significantly more limited and the price at which you may be able to sell your original notes may be significantly lower if you do not exchange them for registered exchange notes in the exchange offer" and "The Exchange Offer Other."

Appraisal Rights

Holders of original notes do not have appraisal or dissenters' rights under applicable law or the Indenture. See "The Exchange Offer Terms of the Exchange Offer."

Use of Proceeds

We will not receive any proceeds from the issuance of the exchange notes pursuant to the exchange offer.

Exchange Agent

The Bank of New York Trust Company, N.A., the trustee under the Indenture, is serving as the exchange agent in connection with this exchange offer.

Summary of the Terms of the Exchange Notes

Issuer	TransDigm Inc.
Exchange Notes	\$275,000,000 in aggregate principal amount of 7 ³ / ₄ % Senior Subordinated Notes due 2014.
Maturity Date	July 15, 2014.
Interest	We will pay interest on the exchange notes at a rate of 7 ³ / ₄ % per annum. We will pay interest due on the exchange notes semi-annually on January 15 and July 15 of each year. We will make the first such payment on January 15, 2007.
Guarantees	The exchange notes will be fully and unconditionally guaranteed, on a joint and several and senior subordinated basis, by TD Group, our parent company, and, other than immaterial subsidiaries, all of our existing and future domestic subsidiaries. Our foreign subsidiaries will not guarantee the exchange notes. As of the date of this prospectus, we only have one foreign subsidiary, which has minor assets and liabilities.
Ranking	The exchange notes will be our unsecured senior subordinated obligations. The exchange notes and guarantees will rank: <ul style="list-style-type: none"> junior to all of our and the guarantors' existing and future senior indebtedness, including any borrowings under the New Senior Secured Credit Facility; equally with any of our and the guarantors' existing and future senior subordinated indebtedness; and senior to any of our and the guarantors' existing and future subordinated indebtedness. As of July 1, 2006, the exchange notes would rank junior to approximately \$651 million of senior indebtedness, all of which is secured, excluding amounts that may be drawn under the revolving credit line under the New Senior Secured Credit Facility, which would all rank senior to the exchange notes.

Optional Redemption	<p>We may redeem the exchange notes at any time and from time to time on or after July 15, 2009 in whole or in part in cash at the redemption prices described in this prospectus, plus accrued and unpaid interest to the date of redemption. We may also redeem the exchange notes at any time and from time to time prior to July 15, 2009 in whole or in part at a make-whole redemption price described in this prospectus, plus accrued and unpaid interest to the date of redemption. In addition, at any time and from time to time prior to July 15, 2009, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings at the redemption price described in this prospectus, plus accrued and unpaid interest to the date of redemption, provided that (i) at least \$150 million of the aggregate principal amount of the notes remain outstanding immediately after the occurrence of each such redemption and (ii) each such redemption occurs within 90 days after the date of the related equity offering. See "Description of the Exchange Notes Optional Redemption."</p>
Change of Control	<p>If a change of control event occurs, each holder of exchange notes will have the right to require us to purchase all or a portion of its exchange notes at a purchase price equal to 101% of the principal amount of the exchange notes, plus accrued and unpaid interest to the date of purchase. See "Description of the Exchange Notes Change of Control."</p>
Certain Covenants	<p>The Indenture contains covenants that, among other things, limit the ability of TransDigm Inc. and its restricted subsidiaries to:</p> <ul style="list-style-type: none"> incur or guarantee additional indebtedness or issue preferred stock; pay distributions on, redeem or repurchase capital stock or redeem or repurchase subordinated debt; make investments; sell assets; enter into agreements that restrict distributions or other payments from restricted subsidiaries to TransDigm Inc.; incur or suffer to exist liens securing indebtedness; consolidate, merge or transfer all or substantially all of our assets; engage in transactions with affiliates; create unrestricted subsidiaries; and engage in certain business activities.

	<p>These limitations are subject to a number of important qualifications and exceptions, including a qualification that, upon the achievement of a specified financial threshold, will remove most of the limitations on the ability of TransDigm Inc. and its restricted subsidiaries to pay distributions on or redeem or repurchase capital stock, repurchase subordinated debt or make investments. See "Description of the Exchange Notes - Certain Covenants."</p>
Covenant Suspension	<p>At any time when the notes are rated investment grade by Moody's Investors Service, Inc. and Standard & Poor's and no default has occurred and is continuing under the Indenture, TransDigm Inc. and its restricted subsidiaries will not be subject to many of the foregoing covenants. However, if TransDigm Inc. and its restricted subsidiaries are not subject to such covenants and on any subsequent date, one or both of such rating agencies withdraws its investment grade ratings assigned to the notes or downgrades the rating assigned to the notes below an investment grade rating or if a default or event of default occurs and is continuing, then TransDigm Inc. and its restricted subsidiaries will again become subject to such covenants. See "Description of the Exchange Notes - Certain Covenants."</p>
	<p>In addition, subject to certain exceptions, if either TransDigm Inc. or TD Group is acquired by an entity that has received an investment grade rating from both Moody's Investors Service, Inc. and Standard & Poor's and that files current and periodic reports with the SEC, the requirement in the Indenture that either TransDigm Inc. or TD Group file current and periodic reports with the SEC will be suspended. See "Description of the Exchange Notes - Certain Covenants."</p>
Use of Proceeds	<p>We will not receive any proceeds from the issuance of the exchange notes pursuant to the exchange offer.</p>
Trustee	<p>The Bank of New York Trust Company, N.A. is the trustee for the holders of the exchange notes.</p>
Governing Law	<p>The exchange notes, the Indenture and the other documents for the offering of the exchange notes are governed by the laws of the State of New York.</p>

For additional information about the exchange notes, see the section of this prospectus entitled "Description of the Exchange Notes."

Regulatory Approvals

Other than the federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the exchange offer.

Risk Factors

Participating in the exchange offer involves certain risks. You should carefully consider the information under "Risk Factors" and all other information included in this prospectus before participating in the exchange offer.

Principal Offices

Our executive offices are located at 1301 East 9th Street, Suite 3710, Cleveland, Ohio 44114 and our telephone number is (216) 706-2939. Our website address is <http://www.transdigm.com>. Our website and the information contained on, or that can be accessed through, our website are not part of this prospectus.

Summary Historical Consolidated Financial Data

TD Group was formed in July 2003 under the name TD Holding Corporation to facilitate the consummation of the Mergers. TD Group does not have any operations other than through its ownership of its direct and indirect subsidiaries.

The following table sets forth summary historical consolidated financial and other data of TD Group or its predecessor (i) as of September 30, 2005, 2004 and 2003 and for the fiscal years ended September 30, 2005 and September 30, 2004, the period from July 8, 2003 (date of formation of TD Group) through September 30, 2003 and the period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers), which have been derived from TD Group's or its predecessor's audited consolidated financial statements, and (ii) as of July 1, 2006 and for the thirty-nine week periods ended July 1, 2006 and July 2, 2005, which have been derived from TD Group's unaudited condensed consolidated financial statements. TD Group's consolidated financial statements for the periods subsequent to the Mergers reflect a new basis of accounting incorporating the fair value adjustments made in recording the Mergers while the period prior to the Mergers reflect the historical cost basis of the Company. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Accordingly, the accompanying summary historical consolidated financial and other data as of dates and for the period prior to the Mergers is labeled as "Predecessor." Separate historical financial information for TransDigm Inc. is not presented since TD Group has no operations or assets separate from its investment in TransDigm Inc. and since the exchange notes will be fully and unconditionally guaranteed, on a joint and several and senior subordinated basis, by TD Group and, other than immaterial subsidiaries, all direct and indirect domestic subsidiaries of TransDigm Inc.

On February 24, 2003, we acquired certain assets and assumed certain liabilities of the Norco, Inc. business, or Norco, from TransTechnology Corporation. On July 9, 2004, TransDigm Inc. acquired all of the outstanding capital stock of Avionic Instruments, Inc., or Avionic. On December 31, 2004, Skurka Aerospace, Inc., or Skurka, a wholly-owned subsidiary of TransDigm Inc., acquired certain assets and assumed certain liabilities of Skurka Engineering Company. On January 28, 2005, TransDigm Inc. acquired all of the outstanding capital stock of Fluid Regulators Corporation, or Fluid Regulators. On June 30, 2005, Skurka acquired an aerospace motor product line from Eaton Corporation. On May 1, 2006, Skurka acquired certain assets and assumed certain liabilities of Electra-Motion, Inc. On June 12, 2006, TransDigm Inc. acquired all of the outstanding capital stock of Sweeney Engineering Corp., or Sweeney. All of the acquisitions were accounted for as purchases. The results of operations of the acquired entities, businesses and product lines are included in TD Group's or its predecessor's consolidated financial statements from the date of each of the acquisitions.

We present below certain financial information based on our EBITDA and EBITDA As Defined. We note that neither EBITDA nor EBITDA As Defined is a measurement of financial performance under accounting principles generally accepted in the United States of America, or GAAP, and neither should be considered as an alternative to net income or operating cash flows determined in accordance with GAAP, and our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies. While we believe that the presentation of EBITDA and EBITDA As Defined will enhance an investor's understanding of our operating performance, the use of EBITDA and EBITDA As Defined as an analytical tool has limitations and you should not consider either of them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with GAAP. For a reconciliation of EBITDA and EBITDA As Defined to net income, please refer to the table below. For additional information regarding these non-GAAP financial measures, including a more detailed description with respect to the limitations of these non-GAAP financial measures, please refer to footnotes 9 and 10 below.

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The information presented below should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes included elsewhere in this prospectus.

	Thirty-Nine Week Periods Ended		Fiscal Years Ended September 30,		July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor October 1, 2002 Through July 22, 2003 (Closing Date of the Mergers)
	July 1, 2006	July 2, 2005	2005	2004		
	(unaudited)					
	(dollars in thousands)					
Statement of Operations Data:						
Net sales	\$ 319,272	\$ 269,289	\$ 374,253	\$ 300,703	\$ 52,083	\$ 241,185
Gross profit ⁽¹⁾	162,827	132,423	184,270	136,505	11,684	114,669
Operating expenses:						
Selling and administrative	37,059	27,841	38,943	31,201	5,205	20,167
Amortization of intangibles	4,681	5,836	7,747	10,325	1,975	945
Refinancing costs ⁽²⁾	48,456					
Merger expenses ⁽³⁾						176,003
Income (loss) from operations ⁽¹⁾	72,631	98,746	137,580	94,979	4,504	(82,446)
Interest expense, net	58,686	59,228	80,266	74,675	14,233	28,224
Income (loss) before income taxes	13,945	39,518	57,314	20,304	(9,729)	(110,670)
Income tax provision (benefit)	4,050	14,858	22,627	6,682	(3,970)	(40,701)
Net income (loss)	\$ 9,895	\$ 24,660	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (69,969)
Net income (loss) available to common stockholders	\$ 9,895	\$ 24,660	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (72,638)
Basic earnings (loss) per share computation:						
Weighted-average common shares outstanding ⁽⁴⁾	44,344	44,202	44,202	44,193	43,608	119.8
Net income (loss) per share ⁽⁵⁾	\$ 0.22	\$ 0.56	\$ 0.78	\$ 0.31	\$ (0.13)	\$ (606.38)
Diluted earnings (loss) per share computation:						
Weighted-average common shares outstanding ⁽⁴⁾	47,285	46,408	46,544	46,300	43,608	119.8
Net income (loss) per share ⁽⁶⁾	\$ 0.21	\$ 0.53	\$ 0.75	\$ 0.29	\$ (0.13)	\$ (606.38)
			As of September 30,			
	As of July 1, 2006		2005	2004	2003	

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As of September 30,

(unaudited)

(in thousands)

Balance Sheet Data:

Cash and cash equivalents ⁽⁷⁾	\$ 22,091	\$ 104,221	\$ 48,498	\$ 18,902
Marketable securities			50,601	
Working capital	175,875	118,559	179,385	133,622
Total assets	1,395,524	1,427,748	1,345,912	1,315,395
Long-term debt, including current portion	925,330	889,846	892,788	894,997
Stockholders equity	346,755	333,107	297,412	283,551

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	Thirty-Nine Week Periods Ended		Fiscal Years Ended September 30,		July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor October 1, 2002 Through July 22, 2003 (Closing Date of the Mergers)
	July 1, 2006	July 2, 2005	2005	2004		
	(unaudited)		(dollars in thousands)			
Other Financial Data:						
Cash flows provided by (used in):						
Operating activities	\$ (39,792)	\$ 60,971	\$ 80,695	\$ 111,139	\$ 16,852	\$ (34,184)
Investing activities	(32,724)	(65,567)	(20,530)	(77,619)	(469,319)	(57,267)
Financing activities	(9,614)	(3,706)	(4,442)	(3,924)	471,369	82,450
Depreciation and amortization	11,962	12,503	16,956	18,303	3,333	6,355
Capital expenditures	(5,567)	(5,520)	7,960	5,416	968	4,241
Ratio of earnings to fixed charges ⁽⁸⁾	1.2x	1.7x	1.7x	1.3x		
Other Data:						
EBITDA ⁽⁹⁾	\$ 84,593	\$ 111,249	\$ 154,536	\$ 113,282	\$ 7,837	\$ (76,091)
EBITDA, margin ⁽¹⁰⁾	26.5%	41.3%	41.3%	37.7%	15.0%	(31.5)%
EBITDA As Defined ⁽⁹⁾	\$ 142,198	\$ 118,233	\$ 164,240	\$ 139,084	\$ 22,062	\$ 102,306
EBITDA As Defined, margin ⁽¹⁰⁾	44.5%	43.9%	43.9%	46.3%	42.4%	42.4%

- (1) Gross profit and income (loss) from operations include the effect of charges relating to purchase accounting adjustments to inventory associated with the Mergers, the acquisition of various entities, businesses and a product line for the thirty-nine week periods ended July 1, 2006 and July 2, 2005, the fiscal years ended September 30, 2005 and September 30, 2004, the period from July 8, 2003 (date of formation) through September 30, 2003 and the period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers) of \$0, \$1,325,000, \$1,493,000, \$18,471,000, \$12,038,000 and \$855,000, respectively.
- (2) Represents costs incurred in connection with the Financing Transaction, including the premium paid to redeem the 8³/₈% Senior Subordinated Notes of \$25.6 million and the write off of debt issue costs of \$22.9 million.
- (3) One-time merger-related charges were incurred in connection with the Mergers in July 2003.
- (4) The weighted-average common shares outstanding for the successor periods presented have been adjusted to give effect to the 149.60 for 1.00 stock split that occurred on March 14, 2006 in connection with the Initial Public Offering.
- (5) Net income (loss) per share is calculated by dividing net income (loss) available to common stockholders by the basic weighted-average common shares outstanding.
- (6) Net income (loss) per share is calculated by dividing net income (loss) available to common stockholders by the diluted weighted-average common shares outstanding. However, stock options and restricted stock totaling 0.1 million outstanding at July 1, 2006, were excluded from the diluted earnings per share computation for the thirty-nine week period ended July 1, 2006 due to the anti-dilutive effect of such options and restricted stock. Stock options totaling 7.3 million outstanding at September 30, 2003, were excluded from the diluted earnings per share computation for the period from July 8, 2003 (date of formation) through September 30, 2003 due to the anti-dilutive effect of such options.
- (7) On November 10, 2005, TransDigm Inc. paid a cash dividend of approximately \$98.0 million to TransDigm Holdings and made bonus payments of approximately \$6.2 million to certain members of our management. TransDigm Holdings used all of the proceeds received from TransDigm Inc. to pay a cash

dividend to TD Group. On November 10, 2005, TD Group entered into the TD Group Loan Facility and used the net proceeds received from borrowings thereunder of approximately \$193.8 million, together with substantially all of the proceeds received from the dividend payment from TransDigm Holdings, to (i) prepay the entire outstanding principal amount and all accrued and unpaid interest on its senior unsecured promissory notes issued in connection with its acquisition of TransDigm Holdings in July 2003, which payments in the aggregate were equal to approximately \$262.7 million, and (ii) make certain distributions to members of our management who participated in our deferred compensation plans, which distributions in the aggregate were equal to approximately \$26.0 million.

(8)

For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings before income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of debt issuance costs and the portion (approximately 33%) of rental expense that management believes is representative of the interest component of rental expense. Earnings were insufficient by \$9,729,000 and \$110,670,000 to cover fixed charges for the period from July 8, 2003 (date of formation) through September 30, 2003 and the period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers), respectively.

(9)

EBITDA represents earnings before interest, taxes, depreciation and amortization. We present EBITDA because we believe it is a useful indicator of our operating performance. Our management believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to measure a company's operating performance without regard to items such as interest and debt expense, income tax expense and depreciation and amortization, which can vary substantially from company to company depending upon, among other things, accounting methods, book value of assets, capital structure and the method by which assets are acquired. We also believe EBITDA is useful to our management and investors as a measure of comparative operating performance between time periods and among companies as it is reflective of changes in pricing decisions, cost controls and other factors that affect operating performance.

EBITDA As Defined represents EBITDA plus, as applicable for the relevant period, inventory purchase accounting adjustments, acquisition integration costs, non-cash compensation and deferred compensation costs, certain non-recurring expenses incurred in connection with the Mergers, one-time special bonus payments made to members of our management and certain acquisition earnout costs, and as more fully described below, for the thirty-nine week period ended July 1, 2006, any and all expenses or charges incurred by us in connection with equity offerings, permitted investments, acquisitions, dispositions, recapitalizations or permitted debt transactions, including all of the expenses or charges relating to the Financing Transaction. Our management uses EBITDA As Defined to review and assess our operating performance and management team in connection with our employee incentive programs and the preparation of our annual budget and our financial projections. In addition, the revolving credit facility under the New Senior Secured Credit Facility requires compliance, on a pro forma basis, with a first lien leverage ratio, which is measured based on our Consolidated EBITDA (as defined therein). The New Senior Secured Credit Facility defines Consolidated EBITDA in a manner equal to how we defined EBITDA As Defined for the thirty-nine week period ended July 1, 2006. This financial covenant is a material term of the New Senior Secured Credit Facility as failure to comply with such financial covenant could result in an event of default in respect of the revolving credit facility (and, in turn, such an event of default could result in an event of default under the Indenture). In addition, our Former Senior Secured Credit Facility required compliance, on a pro forma basis, with a leverage ratio, a fixed charge coverage ratio and an interest coverage ratio, all of which were measured based on our Consolidated EBITDA (as defined therein). The Former Senior Secured Credit Facility defined Consolidated EBITDA in a manner equal to how we defined EBITDA As Defined for the periods presented prior to the thirty-nine week period ended July 1, 2006, and such historical definition was substantially similar to the definition of Consolidated EBITDA under the New Senior Secured Credit Facility, except that for purposes of computing Consolidated EBITDA under

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the New Senior Secured Credit Facility, we are permitted to add back to net income any and all expenses or charges incurred by us in connection with equity offerings, permitted investments, acquisitions, dispositions, recapitalizations or permitted debt transactions, including all of the expenses or charges related to the Financing Transaction.

Although we use EBITDA and EBITDA As Defined as measures to assess the performance of our business and for the other purposes set forth above, the use of EBITDA and EBITDA As Defined as an analytical tool has limitations, and you should not consider either of them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with GAAP. Some of these limitations are:

neither EBITDA nor EBITDA As Defined reflects the significant interest expense, or the cash requirements necessary to service interest payments, on our indebtedness;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and neither EBITDA nor EBITDA As Defined reflects any cash requirements for such replacements;

the omission of the substantial amortization expense associated with our intangible assets further limits the usefulness of EBITDA and EBITDA As Defined;

neither EBITDA nor EBITDA As Defined includes the payment of taxes, which is a necessary element of our operations; and

EBITDA As Defined excludes the cash expense we have incurred to integrate acquired businesses into our operations, which is a necessary element of certain of our acquisitions.

Because of these limitations, EBITDA and EBITDA As Defined should not be considered as measures of discretionary cash available to us to invest in the growth of our business. Management compensates for these limitations by not viewing EBITDA or EBITDA As Defined in isolation, and specifically by using other GAAP measures, such as net income, net sales and operating profit, to measure our operating performance. Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under GAAP and neither should be considered as an alternative to net income or cash flow from operations determined in accordance with GAAP, and our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

(10)

The EBITDA margin represents the amount of EBITDA as a percentage of net sales. The EBITDA As Defined margin represents the amount of EBITDA As Defined as a percentage of net sales.

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The following is a reconciliation of EBITDA and EBITDA As Defined to net income:

	<u>Thirty-Nine Week Periods Ended</u>		<u>Fiscal Years Ended September 30,</u>		<u>July 8, 2003 (Date of Formation) Through September 30, 2003</u>	<u>Predecessor October 1, 2002 Through July 22, 2003 (Closing Date of the Mergers)</u>
	<u>July 1, 2006</u>	<u>July 2, 2005</u>	<u>2005</u>	<u>2004</u>		
	(in thousands)					
	(unaudited)					
Net income (loss)	\$ 9,895	\$ 24,660	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (69,969)
Add:						
Depreciation and amortization	11,962	12,503	16,956	18,303	3,333	6,355
Interest expense, net	58,686	59,228	80,266	74,675	14,233	28,224
Income tax provision (benefit)	4,050	14,858	22,627	6,682	(3,970)	(40,701)
EBITDA	84,593	111,249	154,536	113,282	7,837	(76,091)
Add:						
Inventory purchase accounting adjustments ⁽¹⁾		1,325	1,493	18,471	12,038	855
Acquisition integration costs ⁽²⁾	455	802	1,363	1,162	1,154	1,539
Non-cash compensation and deferred compensation costs ⁽³⁾	(514)	4,857	6,848	6,169	1,033	
Merger expenses ⁽⁴⁾						176,003
One-time special bonus payments ⁽⁵⁾	6,222					
Acquisition earnout costs ⁽⁶⁾	336					
Refinancing costs ⁽⁷⁾	48,456					
Non-recurring IPO expenses ⁽⁸⁾	2,650					
EBITDA As Defined	\$ 142,198	\$ 118,233	\$ 164,240	\$ 139,084	\$ 22,062	\$ 102,306

- (1) This represents the portion of the purchase accounting adjustments to inventory associated with the Mergers and to the acquisitions of various entities, businesses and a product line that were charged to cost of sales when the inventory was sold.
- (2) This represents costs incurred to integrate various entities, businesses and a product line into the Company's operations.
- (3) Represents the expense (income) recognized by us under our 2003 stock option plan and our deferred compensation plans. The amount reflected above for the thirty-nine week period ended July 1, 2006 includes (i) a reversal of previously recorded amounts charged to expense of \$3.8 million resulting from the termination of two of our deferred compensation plans during such period and (ii) expense recognized by us under a new deferred compensation plan adopted by us during such period. See "Management's Discussion and Analysis of Financial Condition and Results of Operation."
- (4) Represents one-time charges incurred in connection with the Mergers in July 2003.
- (5) Represents the aggregate amount of one-time special bonuses paid on November 10, 2005 to members of management. On November 10, 2005, we entered into an amendment to the Former Senior Secured Credit Facility pursuant to which the lenders thereunder agreed to exclude these one-time special bonus payments from the calculation of EBITDA As Defined.

- (6) Represents the amount recognized for the potential earnout payment to Howard Skurka pursuant to the terms of the retention agreement entered into with him in connection with Skurka's

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acquisition of substantially all of the assets of Skurka Engineering Company in December 2004. Pursuant to the amendment to the Former Senior Secured Credit Facility described above, the lenders thereunder agreed to exclude earnout payments and deferred purchase price payments made in connection with certain permitted acquisitions from the calculation of EBITDA As Defined.

- (7) Represents costs incurred in connection with the Financing Transaction, including the premium paid to redeem the 8³/₈% Senior Subordinated Notes of \$25.6 million and the write off of debt issue costs of \$22.9 million.
- (8) Represents non-recurring costs and expenses incurred by TD Group related to the Initial Public Offering.

RISK FACTORS

Participating in the exchange offer involves a high degree of risk. You should carefully consider the risks described below, together with the other information contained in this prospectus, before you decide to participate in the exchange offer. Any of the following risks, as well as other risks and uncertainties, could harm the value of the notes directly, or our business and financial results and thus indirectly cause the value of the notes to decline. The risks described below are not the only ones that could impact our company or the value of the notes. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition or results of operations. As a result of any of these risks, known or unknown, you may lose all or part of your investment in the notes.

Risks Relating to the Notes

Our substantial indebtedness could adversely affect our financial health, harm our ability to react to changes to our business and could prevent us from fulfilling our obligations under our indebtedness, including the notes.

As a result of the Financing Transaction, we have a significant amount of indebtedness. As of July 1, 2006, after giving effect to the redemption of the remaining 8³/₈% Senior Subordinated Notes that were not tendered in connection with the Financing Transaction, our total indebtedness was approximately \$925 million, excluding unused commitments under our new revolving loan facility, which would have represented approximately 73% of our total capitalization.

Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our substantial debt could also have other important consequences. For example, it could:

increase our vulnerability to general economic downturns and adverse competitive and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, research and development efforts and other general corporate purposes;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

place us at a competitive disadvantage compared to competitors that have less debt; and

limit our ability to raise additional financing on satisfactory terms or at all.

In addition, all of our debt under the New Senior Secured Credit Facility, which includes a \$650 million term loan facility and a revolving loan facility of \$150 million, will bear interest at floating rates. Accordingly, in the event that interest rates increase, our debt service expense will also increase. See "Description of the New Senior Secured Credit Facility."

We cannot be certain that our earnings will be sufficient to allow us to pay principal and interest on our debt, including the notes, and to meet our other obligations. If we do not have sufficient earnings, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell more securities, none of which we can guarantee we will be able to do.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. For example, as of July 1, 2006, approximately \$148.8 million of borrowings were available under the

revolving loan facility under the New Senior Secured Credit Facility. Although the Indenture and the New Senior Secured Credit Facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and the indebtedness incurred in compliance with these qualifications and exceptions could be substantial. Any additional borrowings could be senior to the notes and the related guarantees. If we incur additional debt above current levels, the risks associated with our substantial leverage would increase.

See "Capitalization," "Selected Historical Consolidated Financial Data," "Description of the New Senior Secured Credit Facility" and "Description of the Exchange Notes."

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control and any failure to meet our debt service obligations could harm our business, financial condition and results of operations.

Our ability to make payments on our indebtedness, including the notes and amounts borrowed under the New Senior Secured Credit Facility, and to fund our operations, will depend on our ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you, however, that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized on schedule or at all or that future borrowings will be available to us under the New Senior Secured Credit Facility or otherwise in amounts sufficient to enable us to service our indebtedness, including the notes and amounts borrowed under the New Senior Secured Credit Facility, or to fund our other liquidity needs. If we cannot service our debt, we will have to take actions such as reducing or delaying capital investments, selling assets, restructuring or refinancing our debt or seeking additional equity capital. We cannot assure you that any of these remedies could, if necessary, be effected on commercially reasonable terms, or at all. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, the Indenture and the New Senior Secured Credit Facility may restrict us from adopting any of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on acceptable terms and would otherwise adversely affect the notes.

See "Description of the New Senior Secured Credit Facility" and "Description of the Exchange Notes."

Repayment of our debt, including the notes, is dependent on cash flow generated by our subsidiaries.

Our subsidiaries own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our indebtedness, including the notes, is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the Indenture limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not

receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

The terms of the New Senior Secured Credit Facility and the Indenture may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The New Senior Secured Credit Facility and the Indenture contain a number of restrictive covenants that impose significant operating and financial restrictions on TD Group, TransDigm Inc. and its subsidiaries (in the case of the New Senior Secured Credit Facility) and TransDigm Inc. and its subsidiaries (in the case of the Indenture) and may limit their ability to engage in acts that may be in our long-term best interests. The New Senior Secured Credit Facility and Indenture include covenants restricting, among other things, the ability of TD Group, TransDigm Inc. and its subsidiaries (in the case of the New Senior Secured Credit Facility) and TransDigm Inc. and its subsidiaries (in the case of the Indenture) to:

- incur or guarantee additional indebtedness or issue preferred stock;
- pay distributions on, redeem or repurchase our capital stock or redeem or repurchase our subordinated debt;
- make investments;
- sell assets;
- enter into agreements that restrict distributions or other payments from our restricted subsidiaries to us;
- incur or suffer to exist liens;
- consolidate, merge or transfer all or substantially all of our assets;
- engage in transactions with affiliates;
- create unrestricted subsidiaries; and
- engage in certain business activities.

A breach of any of these covenants could result in a default under the New Senior Secured Credit Facility or the Indenture. If any such default occurs, the lenders under the New Senior Secured Credit Facility and the holders of the notes may elect to declare all outstanding borrowings, together with accrued interest and other amounts payable thereunder, to be immediately due and payable. The lenders under the New Senior Secured Credit Facility also have the right in these circumstances to terminate any commitments they have to provide further borrowings. In addition, following an event of default under the New Senior Secured Credit Facility, the lenders under that facility will have the right to proceed against the collateral granted to them to secure the debt, which includes our available cash, and they will also have the right to prevent us from making debt service payments on the notes. If the debt under the New Senior Secured Credit Facility or the notes were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full the notes and our other debt.

Many of the covenants in the Indenture will not be applicable during any period when the notes are rated investment grade by Moody's Investors Service, Inc. and Standard & Poor's and no default has occurred and is continuing.

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Many of the covenants contained in the Indenture will not be applicable during any period when the notes are rated investment grade by both Moody's Investors Service, Inc. and Standard & Poor's and no default has occurred and is continuing. These covenants restrict, among other things, the ability of TransDigm Inc. and its restricted subsidiaries to incur or guarantee additional indebtedness or issue preferred stock, to pay distributions on, redeem or repurchase capital stock or redeem or repurchase subordinated debt, sell assets, consolidate, merge or transfer all or substantially all of our assets and

enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain such ratings. However, suspension of these covenants will allow TransDigm Inc. and its restricted subsidiaries to engage in certain actions that would not have been permitted while these covenants were in force, and the effects of any such actions that TransDigm Inc. and its restricted subsidiaries take while these covenants are not in force will be permitted to remain in place even if the notes are subsequently downgraded below investment grade and the covenants are reinstated.

Your right to receive payments on the notes will be subordinated to the borrowings under the New Senior Secured Credit Facility and possibly all of our future borrowings. Further, the guarantees of the notes are junior to all of the guarantors' existing senior indebtedness and possibly to all of the guarantors' future borrowings.

The notes and the guarantees rank behind all of our and the guarantors' existing senior indebtedness, including the New Senior Secured Credit Facility, and will rank behind all of our and the guarantors' future borrowings, in each case, except any future indebtedness that expressly provides that it ranks equal with, or junior in right of payment to, the notes and the guarantees, as applicable. As of July 1, 2006, after giving effect to the redemption of the remaining 8³/₈% Senior Subordinated Notes that were not tendered in connection with the Financing Transaction, the notes and the guarantees would have been subordinated to approximately \$651 million of outstanding senior debt. In addition, as of July 1, 2006, approximately \$148.8 million of borrowings were available under the revolving loan facility under the New Senior Secured Credit Facility, subject to compliance with the covenants and conditions to borrowings under the New Senior Secured Credit Facility, which borrowings would be senior to the notes and the guarantees. We also may be able to incur substantial additional indebtedness, including senior indebtedness, in the future.

As a result of this subordination, upon any distribution to our creditors or the creditors of the guarantors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors or our or their property, the holders of our senior debt and the senior debt of the guarantors will be entitled to be paid in full and in cash before any payment may be made with respect to the notes or the guarantees.

In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors, holders of the notes will participate with the trade creditors and all other holders of our and the guarantors' senior subordinated indebtedness in the assets remaining after we and the guarantors have paid all of the senior indebtedness. However, because the Indenture requires that amounts otherwise payable to holders of the notes in a bankruptcy or similar proceeding be paid to holders of senior indebtedness instead, holders of the notes may receive less, ratably, than holders of trade payables or other unsecured, unsubordinated creditors in any such proceeding. In any of these cases, we and the guarantors may not have sufficient funds to pay all of our creditors, and holders of the notes may receive less, ratably, than the holders of senior indebtedness.

The notes are not secured by our assets or those of the guarantors, and the lenders under the New Senior Secured Credit Facility will be entitled to remedies available to a secured lender, which gives them priority over you to collect amounts due to them.

In addition to being subordinated to all our existing and future senior debt, the notes and the guarantees will not be secured by any of our assets or any of the assets of the guarantors. Our obligations under the New Senior Secured Credit Facility are secured by, among other things, a first priority pledge of all of TransDigm Inc.'s and its subsidiaries' capital stock (subject to exception specified in the facility), substantially all of our assets and substantially all the assets of the guarantors. If we become insolvent or are liquidated, or if payment under the New Senior Secured Credit Facility or in respect of any other secured indebtedness is accelerated, the lenders under the New Senior Secured Credit Facility or holders of other secured indebtedness will be entitled to exercise the

remedies available to a secured lender under applicable law (in addition to any remedies that may be available under documents pertaining to the New Senior Secured Credit Facility or other secured debt). Upon the occurrence of any default under the New Senior Secured Credit Facility (and even without accelerating the indebtedness under the New Senior Secured Credit Facility), the lenders may be able to prohibit the payment of the notes and guarantees either by limiting our ability to access our cash flow or under the subordination provisions contained in the Indenture. See "Description of the New Senior Secured Credit Facility" and "Description of the Exchange Notes Ranking Subordination; Payment of Notes."

Federal and state fraudulent transfer laws permit a court to void the notes and the guarantees, and if that occurs, you may not receive any payments on the notes.

Our issuance of the notes and the issuance of the guarantees by the guarantors may be subject to review under federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including circumstances in which bankruptcy is not involved, were commenced at some future date by, or on behalf of, our unpaid creditors or unpaid creditors of our guarantors. While the relevant laws may vary from state to state, under such laws the issuance of the notes and the guarantees and the application of the proceeds therefrom will be a fraudulent conveyance if (1) we issued the notes and the guarantees with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the notes or a guarantee, and, in the case of clause (2) only, one of the following is true:

we or any of the guarantors were or was insolvent, or rendered insolvent, by reason of such transactions;

we or any of the guarantors were or was engaged in a business or transaction for which our or the applicable guarantor's assets constituted unreasonably small capital; or

we or any of the guarantors intended to, or believed that we or it would, be unable to pay debts as they matured.

If a court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes or such guarantee or subordinate the notes or such guarantee to presently existing and future indebtedness of ours or of the applicable guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any payment on the notes.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

the sum of its debts was greater than the fair value of all its assets;

the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities as they become due; or

it cannot pay its debts as they become due.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its subsidiary guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the notes. Each subsidiary guarantee will contain a provision intended to limit the subsidiary guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer. This provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent transfer laws.

An active trading market for the exchange notes may not develop.

The exchange notes are a new issue of securities and there is no established trading market for the exchange notes. We do not intend to apply to list the exchange notes for trading on any securities exchange or to arrange for quotation on any automated dealer quotation system.

As a result of this and the other factors listed below, an active trading market for the exchange notes may not develop, in which case the market price and liquidity of the exchange notes may be adversely affected.

In addition, you may not be able to sell your exchange notes at a particular time or at a price favorable to you. Future trading prices of the exchange notes will depend on many factors, including:

our operating performance and financial condition;

our prospects or the prospects for companies in our industry generally;

the interest of securities dealers in making a market in the notes;

the market for similar securities; and

prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the exchange notes will be subject to disruptions. A disruption may have a negative effect on you as a holder of the exchange notes, regardless of our prospects or performance.

Although the initial purchasers of the original notes have advised us that they intend to make a market in the notes, they are not obligated to do so. The initial purchasers may also discontinue any market making activities at any time, in their sole discretion, which could further negatively impact your ability to sell the exchange notes or the prevailing market price at the time you choose to sell.

We may not be able to fulfill our repurchase obligations in the event of a change of control.

Except in limited circumstances specified in the Indenture, upon the occurrence of any change of control, we will be required to make a change of control offer to repurchase the notes. Upon the occurrence of a change of control, we would also be required to repay all of the indebtedness outstanding under the New Senior Secured Credit Facility. Also, as the New Senior Secured Credit Facility will generally prohibit us from purchasing any notes, if we do not repay all borrowings under the New Senior Secured Credit Facility first or obtain the consent of the lenders thereunder, we will be prohibited from purchasing the notes upon a change of control.

In addition, if a change of control occurs, there can be no assurance that we will have available funds sufficient to pay the change of control purchase price for any of the notes that might be delivered by holders of the notes seeking to accept the change of control offer and, accordingly, none of the holders of the notes may receive the change of control purchase price for their notes. Our failure to make the change of control offer or to pay the change of control purchase price when due would result in a default under the Indenture. See "Description of the Exchange Notes Events of Default."

Risks Associated with the Exchange Offer

You may not be able to sell your original notes if you do not exchange them for registered exchange notes in the exchange offer.

If you do not exchange your original notes for exchange notes in the exchange offer, your original notes will continue to be subject to the restrictions on transfer as stated in the legends on the original

notes. In general, you may not offer, sell or otherwise transfer the original notes in the United States unless they are:

registered under the Securities Act:

offered or sold under an exemption from the Securities Act and applicable state securities laws; or

offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

Currently, we do not anticipate that we will register the original notes under the Securities Act. Except for limited instances involving the initial purchasers or holders of original notes who are not eligible to participate in the exchange offer or who receive freely transferable exchange notes in the exchange offer, we will not be under any obligation to register the original notes under the Securities Act under the registration rights agreement or otherwise. Also, if the exchange offer is completed on the terms and within the time period contemplated by this prospectus, no liquidated damages will be payable on your original notes.

Your ability to sell your original notes may be significantly more limited and the price at which you may be able to sell your original notes may be significantly lower if you do not exchange them for registered exchange notes in the exchange offer.

To the extent that original notes are exchanged in the exchange offer, the trading market for the original notes that remain outstanding may be significantly more limited. As a result, the liquidity of the original notes not tendered for exchange in the exchange offer could be adversely affected. The extent of the market for original notes will depend upon a number of factors, including the number of holders of original notes remaining outstanding and the interest of securities firms in maintaining a market in the original notes. An issue of securities with a similar outstanding market value available for trading, which is called the "float," may command a lower price than would be comparable to an issue of securities with a greater float. As a result, the market price for original notes that are not exchanged in the exchange offer may be affected adversely to the extent that original notes exchanged in the exchange offer reduce the float. The reduced float also may make the trading price of the original notes that are not exchanged more volatile.

There are state securities law restrictions on the resale of the exchange notes.

In order to comply with the securities laws of certain jurisdictions, the exchange notes may not be offered or resold by any holder, unless they have been registered or qualified for sale in such jurisdictions or an exemption from registration or qualification is available and the requirements of such exemption have been satisfied. Currently, we do not intend to register or qualify the resale of the exchange notes in any such jurisdictions. However, generally an exemption is available for sales to registered broker-dealers and certain institutional buyers. Other exemptions under applicable state securities laws also may be available.

Some holders who exchange their original notes may be deemed to be underwriters.

If you exchange your original notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

We will not accept your original notes for exchange if you fail to follow the exchange offer procedures and, as a result, your original notes will continue to be subject to existing transfer restrictions and you may not be able to sell your original notes.

We will issue exchange notes as part of the exchange offer only after a timely receipt of your original notes, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, if you want to tender your original notes, please allow sufficient time to ensure timely delivery. If we do not receive your original notes, letter of transmittal and other required documents by the expiration date of the exchange offer, we will not accept your original notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of original notes for exchange. If there are defects or irregularities with respect to your tender of original notes, we will not accept your original notes for exchange. See "The Exchange Offer."

Risks Relating to Our Business

Future terrorist attacks may have a material adverse impact on our business.

Following the September 11, 2001 terrorist attacks, passenger traffic on commercial flights was significantly lower than prior to the attacks and many commercial airlines reduced their operating schedules. Overall, the terrorist attacks resulted in billions of dollars in losses to the airline industry. Any future acts of terrorism and any military response to such acts could result in further acts of terrorism and additional hostilities, including possible retaliatory attacks on sovereign nations, as well as financial, economic and political instability. While the precise effects of any such terrorist attack, military response or instability on our industry and our business is difficult to determine, it could result in further reductions in the use of commercial aircraft. If demand for new aircraft and spare parts decreases, demand for certain of our products would also decrease.

Our business is sensitive to the number of flight hours that our customers' planes spend aloft, the size and age of the worldwide aircraft fleet and our customers' profitability. These items are, in turn, affected by general economic conditions.

Our business is directly affected by, among other factors, changes in revenue passenger miles, or RPMs, the size and age of the worldwide aircraft fleet and, to a lesser extent, changes in the profitability of the commercial airline industry. Revenue passenger miles and airline profitability have historically been correlated with the general economic environment, although national and international events also play a key role. For example, RPMs declined primarily as a result of increased security concerns among airline customers following the events of September 11, 2001. In addition to the events of September 11, 2001, in recent years, the airline industry has been severely affected by the downturn in the global economy, higher fuel prices, the Severe Acute Respiratory Syndrome, or SARS, epidemic and the conflicts in Afghanistan and Iraq. As a result of the substantial reduction in airline traffic resulting from these events, the airline industry incurred, and some in the industry continue to incur, large losses and financial difficulties. Some carriers have also parked or retired a portion of their fleets and have reduced workforces and flights. During periods of reduced airline profitability, some airlines may delay purchases of spare parts, preferring instead to deplete existing inventories. If demand for new aircraft and spare parts decreases, there would be a decrease in demand for certain of our products.

Our sales to manufacturers of large aircraft are cyclical, and a downturn in sales to these manufacturers may adversely affect us.

Our sales to manufacturers of large commercial aircraft, which accounted for approximately 13% of our net sales in fiscal year 2005, have historically experienced periodic downturns. In the past, these sales have been affected by airline profitability, which is impacted by, among other things, fuel and

labor costs, price competition, downturns in the global economy and national and international events, such as the events of September 11, 2001. Prior downturns have adversely affected our net sales, gross margin and net income.

We rely heavily on certain customers for much of our sales.

Our three largest customers for fiscal year 2005 were the U.S. Government (through various agencies and buying organizations), Aviall, Inc. (a distributor of commercial aftermarket parts to airlines throughout the world) and Honeywell International Inc. These customers accounted for approximately 11%, 10% and 9%, respectively, of our net sales in fiscal year 2005. Our top ten customers for fiscal year 2005 accounted for approximately 52% of our net sales. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Overview."

We generally do not have guaranteed future sales of our products. Further, we enter into fixed price contracts with some of our customers, so we take the risk for cost overruns.

As is customary in our business, we do not generally have long-term contracts with most of our aftermarket customers and, therefore, do not have guaranteed future sales. Although we have long-term contracts with many of our OEM customers, some of those customers may terminate the contracts on short notice and, in many other cases, our customers have not committed to buy any minimum quantity of our products. In addition, in certain cases, we must anticipate the future volume of orders based upon the historic purchasing patterns of customers and upon our discussions with customers as to their anticipated future requirements, and this anticipated future volume of orders may not materialize.

We also have entered into multi-year, fixed-price contracts with some of our OEM customers, pursuant to which we have agreed to perform the work for a fixed price and, accordingly, realize all the benefit or detriment resulting from any decreases or increases in the costs for making these products. Sometimes we accept a fixed-price contract for a product that we have not yet produced, and the fact that we have not yet produced the product increases the risk of cost overruns or delays in the completion of the design and manufacturing of the product. Most of our contracts do not permit us to recover for increases in raw material prices, taxes or labor costs, although some contracts provide for renegotiation to address certain material adverse changes.

U.S. military spending is dependent upon the U.S. defense budget.

The U.S. Department of Defense, or the DOD, budget has generally increased for each fiscal year from fiscal 1997 to the recently approved budget for fiscal 2007, and, based on the Bush Administration's current Future Year Defense Program, the DOD budget is expected to continue to increase modestly through fiscal 2010. However, future DOD budgets after fiscal 2007 could be negatively impacted by several factors, including but not limited to the U.S. Government's budget deficits and spending priorities and the cost of sustaining the U.S. military presence and rebuilding operations in Iraq and Afghanistan, which could cause the DOD budget to remain unchanged or to decline. A significant decline in U.S. military expenditures in the future could result in a reduction in the amount of our products sold to the various agencies and buying organizations of the U.S. Government.

We are subject to certain unique business risks as a result of supplying equipment and services to the U.S. Government. In addition, government contracts contain unfavorable termination provisions and are subject to modification and audit.

Companies engaged in supplying defense-related equipment and services to U.S. Government agencies are subject to business risks specific to the defense industry. These risks include the ability of the U.S. Government to unilaterally:

suspend us from receiving new contracts pending resolution of alleged violations of procurement laws or regulations;

terminate existing contracts;

reduce the value of existing contracts; and

audit our contract-related costs and fees, including allocated indirect costs.

Most of our U.S. Government contracts can be terminated by the U.S. Government either for its convenience or if we default by failing to perform under the contract. Termination for convenience provisions provide only for our recovery of costs incurred or committed, settlement expenses and profit on the work completed prior to termination. Termination for default provisions provide for the contractor to be liable for excess costs incurred by the U.S. Government in procuring undelivered items from another source.

On contracts where the price is based on cost, the U.S. Government may review our costs and performance, as well as our accounting and general business practices. Based on the results of such audits, the U.S. Government may adjust our contract-related costs and fees, including allocated indirect costs. In addition, under U.S. Government purchasing regulations, some of our costs, including most financing costs, amortization of goodwill, portions of research and development costs, and certain marketing expenses may not be subject to reimbursement.

In addition to these U.S. Government contract risks, we are at times required to obtain approval from U.S. Government agencies to export our products. Additionally, we are not permitted to export some of our products. A determination by the U.S. Government that we failed to receive required approvals or licenses could eliminate or restrict our ability to sell our products outside the United States, and the penalties that could be imposed by the U.S. Government for failure to comply with these laws could be significant.

Certain of our divisions and subsidiaries have been subject to a pricing review by the DOD Office of Inspector General.

Five of our divisions and subsidiaries have been subject to a DOD Office of Inspector General review of our records for the purpose of determining whether the DOD's various buying offices negotiated "fair and reasonable" prices for spare parts purchased from those five divisions and subsidiaries in fiscal years 2002 through 2004. On February 28, 2006, we received a copy of the Inspector General's final report dated February 23, 2006, and on April 19, 2006, a redacted version of such report was made publicly available. The report recommends (i) that the Defense Logistics Agency request that those five subsidiaries and divisions voluntarily refund, in the aggregate, approximately \$2.6 million for allegedly overpriced parts and (ii) that Defense Logistics Agency contracting officers reevaluate their procedures for determining the reasonableness of pricing for sole source spare parts purchased from those divisions and subsidiaries and seek to develop Strategic Supplier Alliances with those divisions and subsidiaries.

The Company's position has been, and continues to be, that our pricing has been fair and reasonable and that there is no legal basis for the amount suggested as a refund by the Inspector General in its report. In response to the report, we offered reasons why we disagree with the Inspector

General's overall analysis. The Defense Logistics Agency has requested additional information from the Company and the Company's position on the voluntary refund. The Company has responded to such request.

In February 2006, the Defense Logistics Agency made a request to initiate discussions regarding future pricing and developing an acquisition strategy that will mutually strengthen TransDigm and the Defense Logistics Agency's business relationship. The parties have discussed and are considering future purchasing approaches but negotiations regarding Strategic Supplier Alliances or any specific approach have not yet commenced, but will likely occur at a later date. As a result of those negotiations, it is possible that the divisions and subsidiaries subject to the pricing review will enter into Strategic Supplier Alliances with the Defense Logistics Agency. It is likely that in connection with any Strategic Supplier Alliance, the Defense Logistics Agency will seek prices for parts based on cost or may seek volume discounts or other favorable pricing and/or the applicable division or subsidiary may agree to cost or pricing justification or appropriate discounts. It is also possible that the DOD may seek alternative sources of supply for such parts.

The entry into Strategic Supplier Alliances or a decision by the DOD to pursue alternative sources of supply for our sole source parts could reduce the amount of revenue we derive from, and the profitability of certain of our supply arrangements with, certain agencies and buying organizations of the U.S. Government.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations Government Pricing Review" for additional information with respect to the pricing review.

Our business may be adversely affected if we would lose our government or industry approvals or if more stringent government regulations are enacted or if industry oversight is increased.

The aerospace industry is highly regulated in the United States and in other countries. In order to sell our components, we and the components we manufacture must be certified by the FAA, the DOD and similar agencies in foreign countries and by individual manufacturers. If new and more stringent government regulations are adopted or if industry oversight increases, we might incur significant expenses to comply with any new regulations or heightened industry oversight. In addition, if material authorizations or approvals were revoked or suspended, our business would be adversely affected.

We are dependent on our highly trained employees and any work stoppage or difficulty hiring similar employees could adversely affect our business.

Because our products are complicated and highly engineered, we depend on an educated and trained workforce. There is substantial competition for skilled personnel in the aircraft component industry, and we could be adversely affected by a shortage of skilled employees. We may not be able to fill new positions or vacancies created by expansion or turnover or attract and retain qualified personnel.

As of July 1, 2006, we had approximately 1,400 employees. Approximately 9.5% of our employees were represented by the United Steelworkers Union, approximately 4.0% were represented by the United Automobile, Aerospace and Agricultural Implement Workers of America and approximately 6.3% were represented by the International Brotherhood of Electrical Workers. Collective bargaining agreements between us and these labor unions expire in April 2008, November 2008 and May 2009, respectively. Although we believe that our relations with our employees are satisfactory, we cannot assure you that we will be able to negotiate a satisfactory renewal of these collective bargaining agreements or that our employee relations will remain stable. Because we maintain a relatively small inventory of finished goods, any work stoppage could materially and adversely affect our ability to provide products to our customers.

Our business is dependent on the availability of certain components and raw materials that we buy from suppliers.

Our business is affected by the price and availability of the raw materials and component parts that we use to manufacture our components. Our business, therefore, could be adversely impacted by factors affecting our suppliers (such as the destruction of our suppliers' facilities or their distribution infrastructure, a work stoppage or strike by our suppliers' employees or the failure of our suppliers to provide materials of the requisite quality), or by increased costs of such raw materials or components if we were unable to pass along such price increases to our customers. Because we maintain a relatively small inventory of raw materials and component parts, our business could be adversely affected if we were unable to obtain these raw materials and components from our suppliers in the quantities we require or on favorable terms. Although we believe in most cases that we could identify alternative suppliers, or alternative raw materials or component parts, the lengthy and expensive FAA and OEM certification processes associated with aerospace products could prevent efficient replacement of a supplier, raw material or component part.

We are subject to a number of environmental laws and regulations, and we could incur substantial costs as a result of violations of or liabilities under such environmental laws and regulations.

Our operations and facilities are subject to a number of federal, state and local environmental laws and regulations that govern, among other things, discharges of pollutants into the air and water and the handling, storage and disposal of hazardous materials. We could incur substantial costs, including clean-up costs, fines and sanctions and third party property damage or personal injury claims, as a result of violations of or liabilities under environmental laws, relevant common law or the environmental permits required for our operations.

Pursuant to certain environmental laws, a current or previous owner or operator of a contaminated site may be held liable for the entire cost of investigation, removal or remediation of hazardous materials at such property, whether or not the owner or operator knew of, or was responsible for, the presence of any hazardous materials. Persons who arrange for the disposal or treatment of hazardous materials also may be held liable for such costs at a disposal or treatment site, regardless of whether the affected site is owned or operated by them. Contaminants have been detected at some of our present and former sites, principally in connection with historical operations, and investigations and/or clean-ups have been undertaken by us or by former owners of the sites. We also receive inquiries and notices of potential liability with respect to offsite disposal facilities from time to time. Although we are not aware of any sites for which material obligations exist, the discovery of additional contaminants or the imposition of additional clean-up obligations could result in significant liability.

We intend to pursue future acquisitions. Our business may be adversely affected if we cannot consummate acquisitions on satisfactory terms, or if we cannot effectively integrate acquired operations.

A significant portion of our growth has occurred through acquisitions. Any future growth through acquisitions will be partially dependent upon the continued availability of suitable acquisition candidates at favorable prices and upon advantageous terms and conditions. We intend to pursue acquisitions that we believe will present opportunities consistent with our overall business strategy. However, we may not be able to find suitable acquisition candidates to purchase or may be unable to acquire desired businesses or assets on economically acceptable terms. In addition, we may not be able to raise the money necessary to complete future acquisitions. In addition, acquisitions involve risks that the businesses acquired will not perform in accordance with expectations and that business judgments concerning the value, strengths and weaknesses of businesses acquired will prove incorrect.

We regularly engage in discussions with respect to potential acquisition and investment opportunities. If we consummate an acquisition, our capitalization and results of operations may change

significantly. Future acquisitions could likely result in the incurrence of additional debt and contingent liabilities and an increase in interest and amortization expenses or periodic impairment charges related to goodwill and other intangible assets as well as significant charges relating to integration costs.

In addition, we may not be able to successfully integrate any business we acquire into our existing business. The successful integration of new businesses depends on our ability to manage these new businesses and cut excess costs. The successful integration of future acquisitions may also require substantial attention from our senior management and the management of the acquired business, which could decrease the time that they have to service and attract customers and develop new products and services. In addition, because we may actively pursue a number of opportunities simultaneously, we may encounter unforeseen expenses, complications and delays, including difficulties in employing sufficient staff and maintaining operational and management oversight.

We have recorded a significant amount of intangible assets, which may never generate the returns we expect.

Our acquisitions have resulted in significant increases in identifiable intangible assets and goodwill. Identifiable intangible assets, which primarily include trademarks, trade names, trade secrets, license agreements and technology were approximately \$225.3 million at July 1, 2006, representing approximately 16.1% of our total assets. Goodwill recognized in accounting for the Mergers and other recent acquisitions was approximately \$878.2 million at July 1, 2006, representing approximately 62.9% of our total assets. We may never realize the full value of our identifiable intangible assets and goodwill, and to the extent we were to determine that our identifiable intangible assets and/or goodwill were impaired within the meaning of applicable accounting regulations, we would be required to write-off the amount of any impairment.

We face significant competition.

We operate in a highly competitive global industry and compete against a number of companies, including divisions of larger companies, some of which have significantly greater resources than we do, and therefore may be able to adapt more quickly to new or emerging technologies and changes in customer requirements, or devote greater resources to the promotion and sale of their products than we can. Competitors in our product lines are both U.S. and foreign companies and range in size from divisions of large public corporations to small privately held entities. We believe that our ability to compete depends on high product performance, consistent high quality, short lead-time and timely delivery, competitive pricing, superior customer service and support and continued certification under customer quality requirements and assurance programs. We may have to adjust the prices of some of our products to stay competitive.

We could be adversely affected if one of our components causes an aircraft to crash.

Our operations expose us to potential liabilities for personal injury or death as a result of the failure of an aircraft component that we have designed, manufactured or serviced. While we believe that our liability insurance is adequate to protect us from future products liability claims, it may not be adequate. We may not be able to maintain insurance coverage in the future at an acceptable cost. Any such liability not covered by insurance or for which third party indemnification is not available could result in significant liability to us.

In addition, a crash caused by one of our components could also damage our reputation for quality products. We believe our customers consider safety and reliability as key criteria in selecting a provider of aircraft components. If a crash were to be caused by one of our components, or if we were otherwise to fail to maintain a satisfactory record of safety and reliability, our ability to retain and attract customers may be materially adversely affected.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains both historical and "forward-looking statements." All statements other than statements of historical fact included in this prospectus that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements including, in particular, the statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, results of operations and business. We have identified some of these forward-looking statements with words like "believe," "may," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate" or "continue" and other words and terms of similar meaning. These forward-looking statements may be contained throughout this prospectus, including under the captions "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Many factors mentioned in our discussion in this prospectus, including the risks outlined under "Risk Factors," will be important in determining future results. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we do not know whether our expectations will prove correct. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties, including those described under "Risk Factors." Since our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give any assurance that any of the events anticipated by these forward-looking statements will occur or, if any of them do, what impact they will have on our business, results of operations and financial condition. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. We do not undertake any obligation to update these forward-looking statements or the risk factors contained in this prospectus to reflect new information, future events or otherwise, except as may be required under federal securities laws.

USE OF PROCEEDS

We will not receive any proceeds from the issuance of exchange notes in the exchange offer. The exchange notes will evidence the same debt as the original notes tendered in exchange for the exchange notes. Accordingly, the issuance of the exchange notes will not result in any change in our indebtedness.

We used the net proceeds from the offering and sale of the original notes, together with the initial borrowings under the New Senior Secured Credit Facility and a portion of our existing cash balances, to fund (1) the repayment of the entire \$288.4 million of principal amount outstanding under the Former Senior Secured Credit Facility, (2) the repayment of the entire \$200 million of principal amount outstanding under the TD Group Loan Facility, (3) the purchase of all of the 8³/₈% Senior Subordinated Notes that were tendered in connection with the tender offer for such notes, totaling \$399,670,000, (4) the payment of accrued and unpaid interest on all such indebtedness and (5) the payment of all premiums and transaction expenses associated therewith.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges:

	Thirty-Nine Week Period Ended July 1, 2006	Fiscal Years Ended September 30,		July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor		
		2005	2004		October 1, 2002 Through July 22, 2003 (Closing Date of the Mergers)	Fiscal Years Ended September 30, 2002	2001
Ratio of earnings to fixed charges ⁽¹⁾	1.2x	1.7x	1.3x	(2)	(2)	2.3x	1.7x

(1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings before income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of debt issuance costs and the portion (approximately 33%) of rental expense that management believes is representative of the interest component of rental expense.

(2) Earnings were insufficient by \$9,729,000 and \$110,670,000 to cover fixed charges for the period from July 8, 2003 (date of formation) through September 30, 2003 and the period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers), respectively.

THE EXCHANGE OFFER

Purpose of the Exchange Offer

On June 23, 2006, we offered the original notes in a transaction exempt from registration under the Securities Act. Accordingly, the original notes may not be reoffered, resold or otherwise transferred in the United States, unless so registered or unless an exemption from the Securities Act registration requirements is available. Pursuant to a registration rights agreement entered into with the initial purchasers of the original notes, we and the guarantors agreed, for the benefit of holders of the original notes, to:

no later than 180 days after the Issue Date, as defined in "Description of the Exchange Notes," file a registration statement with the SEC with respect to a registered offer to exchange the original notes for exchange notes that will be issued under the same indenture, in the same aggregate principal amount as and with terms that are identical in all material respects to the original notes, except that they will not contain terms with respect to transfer restrictions;

use our reasonable best efforts to cause the registration statement to be declared effective under the Securities Act within 270 days after the Issue Date; and

consummate the exchange offer within 310 days after the Issue Date.

For each original note tendered to us pursuant to the exchange offer, we will issue to the holder of such original note an exchange note having a principal amount equal to that of the surrendered original note. Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the original note surrendered in exchange therefor, or, if no interest has been paid on such original note, from the date of its original issue.

Under existing SEC interpretations, the exchange notes will be freely transferable by holders other than our affiliates after the exchange offer without further registration under the Securities Act if the holder of the exchange notes represents to us in the exchange offer that it is acquiring the exchange notes in the ordinary course of its business, that it has no arrangement or understanding with any person to participate in the distribution of the exchange notes and that it is not an affiliate of ours, as such terms are interpreted by the SEC; *provided, however*, that broker-dealers, or Participating Broker-Dealers, receiving exchange notes in the exchange offer will have a prospectus delivery requirement with respect to resales of such exchange notes. The SEC has taken the position that Participating Broker-Dealers may fulfill their prospectus delivery requirements with respect to exchange notes (other than a resale of an unsold allotment from the original sale of the original notes) with the prospectus contained in the exchange offer registration statement.

Under the registration rights agreement, we are required to allow Participating Broker-Dealers and other persons, if any, with similar prospectus delivery requirements to use the prospectus contained in the exchange offer registration statement in connection with the resale of such exchange notes for 180 days following the effective date of such registration statement (or such shorter period during which Participating Broker-Dealers are required by law to deliver such prospectus).

A holder of original notes (other than certain specified holders) who wishes to exchange such original notes for exchange notes in the exchange offer will be required to represent that any exchange notes to be received by it will be acquired in the ordinary course of its business and that at the time of the commencement of the exchange offer it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes and that it is not an "affiliate" of ours, as defined in Rule 405 of the Securities Act, or if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

Shelf Registration Statement

In the event that:

- (1) because of any change in law or in applicable interpretations of the staff of the SEC, we are not permitted to effect the exchange offer;
- (2) we do not consummate the exchange offer within 310 days of the Issue Date;
- (3) an initial purchaser notifies us following consummation of the exchange offer that original notes held by it are not eligible to be exchanged for exchange notes in the exchange offer; or
- (4) certain holders are not eligible to participate in the exchange offer, or certain holders participate in the exchange offer but do not receive freely tradeable securities on the date of the exchange,

then, we will, subject to certain exceptions,

(x) promptly file a shelf registration statement, or the Shelf Registration Statement, with the SEC covering resales of the original notes or the exchange notes, as the case may be;

(y) (A) in the case of clause (1) above, use our reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act on or prior to the 270th day after the Issue Date and (B) in the case of clause (2), (3) or (4) above, use our reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act on or prior to the 60th day after the date on which the Shelf Registration Statement is required to be filed; and

(z) We have agreed to use our reasonable best efforts to keep the Shelf Registration Statement effective for a period of two years from the Issue Date or such shorter period that will terminate when all of the securities covered by the Shelf Registration Statement (A) have been sold pursuant thereto or (B) are no longer restricted securities under Rule 144 of the Securities Act.

We will, in the event a Shelf Registration Statement is filed, among other things, provide to each holder for whom such Shelf Registration Statement was filed copies of the prospectus which is a part of the Shelf Registration Statement, notify each such holder when the Shelf Registration Statement has become effective and take certain other actions as are required to permit unrestricted resales of the original notes or the exchange notes, as the case may be. A holder selling such original notes or exchange notes pursuant to the Shelf Registration Statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such holder (including certain indemnification obligations).

Liquidated Damages

We will pay additional cash interest on the original notes and exchange notes, subject to certain exceptions, upon the occurrence of any of the following events:

- (1) if we fail to file an exchange offer registration statement with the SEC on or prior to December 20, 2006;

(2) if obligated to file the Shelf Registration Statement as provided above, we fail to file the Shelf Registration Statement with the SEC on or prior to the 60th day, or the Shelf Filing Date, after the date on which the obligation to file a Shelf Registration Statement arises;

(3) if the exchange offer registration statement is not declared effective by the SEC on or prior to March 20, 2007 or, if obligated to file a Shelf Registration Statement as provided above, a Shelf Registration Statement is not declared effective by the SEC on or prior to March 20, 2007;

(4) if the exchange offer is not consummated on or before the 40th day after the exchange offer registration statement is declared effective;

(5) if obligated to file the Shelf Registration Statement as provided above, the Shelf Registration Statement is not declared effective on or prior to the 60th day after the Shelf Filing Date; or

(6) after the exchange offer registration statement or the Shelf Registration Statement, as the case may be, is declared effective, such registration statement thereafter ceases to be effective or usable due to the reasons specified in the registration rights agreement, subject to certain exceptions.

Each such event referred to in the preceding clauses (1) through (6) is referred to herein as a Registration Default. Additional cash interest on the original notes and exchange notes will be payable from and including the date on which any such Registration Default shall occur to but excluding the date on which all Registration Defaults have been cured.

The rate of the additional interest will be \$0.05 per week per \$1,000 principal amount of notes for the first 90-day period immediately following the occurrence of a Registration Default, and such rate will increase by an additional \$0.05 per week per \$1,000 principal amount of notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum additional interest rate of 1.0% per annum. We will pay such additional interest on regular interest payment dates. Such additional interest will be in addition to any other interest payable from time to time with respect to the original notes and the exchange notes.

We will be entitled to consummate the exchange offer on the expiration date, provided that we have accepted all original notes previously validly tendered in accordance with the terms set forth in this prospectus and the applicable letter of transmittal.

Expiration Date; Extensions; Termination; Amendments

The exchange offer expires on the expiration date. The expiration date is 5:00 p.m., New York City time, on _____, 2006, unless we, in our sole discretion, extend the period during which the exchange offer is open, in which event the expiration date is the latest time and date on which the exchange offer, as so extended by us, expires. We reserve the right to extend the exchange offer at any time and from time to time prior to the expiration date by giving written notice to The Bank of New York Trust Company, N.A., as the exchange agent, and by timely public announcement communicated in accordance with applicable law or regulation. During any extension of the exchange offer, all original notes previously tendered pursuant to the exchange offer and not validly withdrawn will remain subject to the exchange offer.

The exchange date will occur promptly after the expiration date. We expressly reserve the right to:

terminate the exchange offer and not accept for exchange any original notes for any reason, including if any of the events set forth below under " Conditions to the Exchange Offer" shall have occurred and shall not have been waived by us; and

amend the terms of the exchange offer in any manner, whether before or after any tender of the original notes.

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If any such termination or amendment occurs, we will notify the exchange agent in writing and either will issue a press release or will give written notice to the holders of the original notes as promptly as practicable. Unless we terminate the exchange offer prior to 5:00 p.m., New York City time, on the expiration date, we will exchange the exchange notes for the original notes on the exchange date.

If we waive any material condition to the exchange offer, or amend the exchange offer in any material respect, and if at the time that notice of such waiver or amendment is first published, sent or given to holders of original notes in the manner specified above, the exchange offer is scheduled to expire at any time earlier than the expiration of a period ending on the fifth business day from, and including, the date that such notice is first so published, sent or given, then the exchange offer will be extended until the expiration of such five business day period.

This prospectus and the related letters of transmittal and other relevant materials will be mailed by us to record holders of original notes and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the lists of holders for subsequent transmittal to beneficial owners of original notes.

Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

Terms of the Exchange Offer

We are offering, upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, to exchange \$1,000 in principal amount of exchange notes for each \$1,000 in principal amount of outstanding original notes. We will accept for exchange any and all original notes that are validly tendered on or before 5:00 p.m., New York City time, on the expiration date. Tenders of the original notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date. The exchange offer is not conditioned upon any minimum principal amount of original notes being tendered for exchange. However, the exchange offer is subject to the terms of the registration rights agreement and the satisfaction of the conditions described under " Conditions of the Exchange Offer." Original notes may be tendered only in multiples of \$1,000. Holders of original notes may tender less than the aggregate principal amount represented by their original notes if they appropriately indicate this fact on the letter of transmittal accompanying the tendered original notes or indicate this fact pursuant to the procedures for book-entry transfer described below.

As of the date of this prospectus, \$275 million in aggregate principal amount of the original notes are outstanding. Solely for reasons of administration, we have fixed the close of business on _____, 2006 as the record date for purposes of determining the persons to whom this prospectus and the letter of transmittal will be mailed initially. Only a holder of the original notes, or the holder's legal representative or attorney-in-fact, whose ownership is reflected in the records of The Bank of New York Trust Company, N.A., as registrar, or whose original notes are held of record by the depositary, may participate in the exchange offer. There will be no fixed record date for determining the eligible holders of the original notes who are entitled to participate in the exchange offer. We believe that, as of the date of this prospectus, no holder of notes is our "affiliate," as defined in Rule 405 under the Securities Act.

We will be deemed to have accepted validly tendered original notes when, as and if we give oral or written notice of our acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders of original notes and for purposes of receiving the exchange notes from us. If any tendered original notes are not accepted for exchange because of an invalid tender or otherwise,

certificates for the unaccepted original notes will be returned, without expense, to the tendering holder as promptly as practicable after the expiration date.

Holders of original notes do not have appraisal or dissenters' rights under applicable law or the Indenture as a result of the exchange offer. We intend to conduct the exchange offer in accordance with the applicable requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations under the Exchange Act, including Rule 14e-1.

Holders who tender their original notes in the exchange offer will not be required to pay brokerage commissions or fees or, provided that the instructions in the letter of transmittal are followed, transfer taxes with respect to the exchange of original notes under the exchange offer. We will pay all charges and expenses, other than transfer taxes in some circumstances, in connection with the exchange offer. See " Solicitation of Tender; Expenses" for more information about the costs of the exchange offer.

We do not make any recommendation to holders of original notes as to whether to tender any of their original notes under the exchange offer. In addition, no one has been authorized to make any recommendation. Holders of original notes must make their own decision whether to participate in the exchange offer and, if the holder chooses to participate in the exchange offer, the aggregate principal amount of original notes to tender, after reading carefully this prospectus and the letter of transmittal and consulting with their advisors, if any, based on their own financial position and requirements.

How to Tender

The tender to us of original notes by you pursuant to one of the procedures set forth below will constitute an agreement between you and us in accordance with the terms and subject to the conditions set forth herein and in the applicable letter of transmittal.

General Procedures. A holder of an original note may tender the same by (i) properly completing and signing the applicable letter of transmittal or a facsimile thereof (all references in this prospectus to the letter of transmittal shall be deemed to include a facsimile thereof) and delivering the same, together with the certificate or certificates representing the original notes being tendered and any required signature guarantees (or a timely confirmation of a book-entry transfer, which we refer to herein as a Book-Entry Confirmation, pursuant to the procedure described below), to the exchange agent at its address set forth on the inside back cover of this prospectus on or prior to the expiration date or (ii) complying with the guaranteed delivery procedures described below.

If tendered original notes are registered in the name of the signer of the letter of transmittal and the exchange notes to be issued in exchange therefor are to be issued (and any untendered original notes are to be reissued) in the name of the registered holder, the signature of such signer need not be guaranteed. In any other case, the tendered original notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to us and duly executed by the registered holder and the signature on the endorsement or instrument of transfer must be guaranteed by a firm, which we refer to herein as an Eligible Institution, that is a member of a recognized signature guarantee medallion program, which we refer to herein as an Eligible Program, within the meaning of Rule 17Ad-15 under the Exchange Act. If the exchange notes and/or original notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for the original notes, the signature on the letter of transmittal must be guaranteed by an Eligible Institution.

Any beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender original notes should contact such holder promptly and instruct such holder to tender original notes on such beneficial owner's behalf. If such beneficial owner wishes to tender such original notes himself, such beneficial owner must, prior to completing and executing the letter of transmittal and delivering such original notes, either make appropriate arrangements to register ownership of the original notes in such beneficial owner's name or follow the procedures described in the immediately preceding paragraph. The transfer of record ownership may take considerable time.

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Book-Entry Transfer. The exchange agent will make a request to establish an account with respect to the original notes at The Depository Trust Company, which we refer to herein as the Book-Entry Transfer Facility, for purposes of the exchange offer within two business days after receipt of this prospectus, and any financial institution that is a participant in the Book-Entry Transfer Facility's systems may make book-entry delivery of original notes by causing the Book-Entry Transfer Facility to transfer such original notes into the exchange agent's account at the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedures for transfer. However, although delivery of original notes may be effected through book-entry transfer at the Book-Entry Transfer Facility, the letter of transmittal, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the exchange agent at the address specified on the inside back cover page of this prospectus on or prior to the expiration date or the guaranteed delivery procedures described below must be complied with.

The method of delivery of original notes and all other documents is at your election and risk. If sent by mail, we recommend that you use registered mail, return receipt requested, obtain proper insurance, and complete the mailing sufficiently in advance of the expiration date to permit delivery to the exchange agent on or before the expiration date.

Guaranteed Delivery Procedures. If a holder desires to accept the exchange offer and time will not permit a letter of transmittal or original notes to reach the exchange agent before the expiration date, a tender may be effected if the exchange agent has received at its office listed on the inside back cover of this prospectus on or prior to the expiration date a letter or facsimile transmission from an Eligible Institution setting forth the name and address of the tendering holder, the names in which the original notes are registered, the principal amount of the original notes and, if possible, the certificate numbers of the original notes to be tendered, and stating that the tender is being made thereby and guaranteeing that within three business days after the date of execution of such letter or facsimile transmission by the Eligible Institution, the original notes, in proper form for transfer, will be delivered by such Eligible Institution together with a properly completed and duly executed letter of transmittal (and any other required documents). Unless original notes being tendered by the above-described method (or a timely Book-Entry Confirmation) are deposited with the exchange agent within the time period set forth above (accompanied or preceded by a properly completed letter of transmittal and any other required documents), we may, at our option, reject the tender. Copies of a Notice of Guaranteed Delivery that may be used by Eligible Institutions for the purposes described in this paragraph are being delivered with this prospectus and the related letter of transmittal.

A tender will be deemed to have been received as of the date when the tendering holder's properly completed and duly signed letter of transmittal accompanied by the original notes (or a timely Book-Entry Confirmation) is received by the exchange agent. Issuances of exchange notes in exchange for original notes tendered pursuant to a Notice of Guaranteed Delivery or letter or facsimile transmission to similar effect (as provided above) by an Eligible Institution will be made only against deposit of the letter of transmittal (and any other required documents) and the tendered original notes (or a timely Book-Entry Confirmation).

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of original notes will be determined by us and our determination will be final and binding. We reserve the absolute right to reject any or all tenders not in proper form or the acceptances for exchange of which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any of the conditions of the exchange offer or any defect or irregularities in tenders of any particular holder whether or not similar defects or irregularities are waived in the case of other holders. None of us, the exchange agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or shall incur any liability for failure to give any such notification. Our interpretation of the terms and conditions of the exchange offer (including the letters of transmittal and the instructions thereto) will be final and binding.

Terms and Conditions of the Letters of Transmittal

The letters of transmittal contain, among other things, the following terms and conditions, which are part of the exchange offer.

The party tendering original notes for exchange, whom we refer to herein as the Transferor, exchanges, assigns and transfers the original notes to us and irrevocably constitutes and appoints the exchange agent as the Transferor's agent and attorney-in-fact to cause the original notes to be assigned, transferred and exchanged. The Transferor represents and warrants that it has full power and authority to tender, exchange, assign and transfer the original notes and that, when the same are accepted for exchange, we will acquire good and unencumbered title to the tendered original notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The Transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by us to be necessary or desirable to complete the exchange, assignment and transfer of tendered original notes. The Transferor further agrees that acceptance of any tendered original notes by us and the issuance of exchange notes in exchange therefor shall constitute performance in full by us of our obligations under the registration rights agreement and that we shall have no further obligations or liabilities thereunder (except in certain limited circumstances). All authority conferred by the Transferor will survive the death or incapacity of the Transferor and every obligation of the Transferor shall be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of such Transferor.

Withdrawal Rights

Original notes tendered pursuant to the exchange offer may be withdrawn at any time prior to the expiration date. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the exchange agent at its address set forth on the inside back cover of this prospectus. Any such notice of withdrawal must specify the person named in the letter of transmittal as having tendered the original notes to be withdrawn, the certificate numbers of the original notes to be withdrawn, the principal amount of original notes to be withdrawn (which must be an authorized denomination), a statement that such holder is withdrawing his election to have such original notes exchanged, and the name of the registered holder of such original notes, and must be signed by the holder in the same manner as the original signature on the letter of transmittal (including any required signature guarantees) or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of the original notes being withdrawn. The exchange agent will return the properly withdrawn original notes promptly following receipt of notice of withdrawal. All questions as to the validity of notices of withdrawals, including time of receipt, will be determined by us, and our determination will be final and binding on all parties.

Acceptance of Original Notes for Exchange; Delivery of Exchange Notes

Upon the terms and subject to the conditions of the exchange offer, the acceptance for exchange of original notes validly tendered and not withdrawn and the issuance of the exchange notes will be made on the exchange date. For the purposes of the exchange offer, we shall be deemed to have accepted for exchange validly tendered original notes when, as and if we have given written notice thereof to the exchange agent.

The exchange agent will act as agent for the tendering holders of original notes for the purposes of receiving exchange notes from us and causing the original notes to be assigned, transferred and exchanged. Upon the terms and subject to the conditions of the exchange offer, delivery of exchange notes to be issued in exchange for accepted original notes will be made by the exchange agent promptly after acceptance of the tendered original notes. Original notes not accepted for exchange by us will be returned without expense to the tendering holders (or in the case of original notes tendered by book-entry transfer into the exchange agent's account at the Book-Entry Transfer Facility pursuant to

the procedures described above, such non-exchanged original notes will be credited to an account maintained with such Book-Entry Transfer Facility) promptly following the expiration date or, if we terminate the exchange offer prior to the expiration date, promptly after the exchange offer is so terminated.

Conditions to the Exchange Offer

We are not required to accept or exchange, or to issue exchange notes in exchange for, any outstanding original notes. We may terminate or extend the exchange offer by oral or written notice to the exchange agent and by timely public announcement communicated in accordance with applicable law or regulation, if:

any federal law, statute, rule, regulation or interpretation of the staff of the SEC has been proposed, adopted or enacted that, in our judgment, might impair our ability to proceed with the exchange offer or otherwise make it inadvisable to proceed with the exchange offer;

an action or proceeding has been instituted or threatened in any court or by any governmental agency that, in our judgment might impair our ability to proceed with the exchange offer or otherwise make it inadvisable to proceed with the exchange offer;

there has occurred a material adverse development in any existing action or proceeding that might impair our ability to proceed with the exchange offer or otherwise make it inadvisable to proceed with the exchange offer;

any stop order is threatened or in effect with respect to the registration statement of which this prospectus is a part or the qualification of the Indenture under the Trust Indenture Act of 1939;

all governmental approvals that we deem necessary for the consummation of the exchange have not been obtained;

there is a change in the current interpretation by the staff of the SEC which permits holders who have made the required representations to us to resell, offer for resale, or otherwise transfer exchange notes issued in the exchange offer without registration of the exchange notes and delivery of a prospectus; or

a material adverse change shall have occurred in our business, condition, operations or prospects.

The foregoing conditions are for our sole benefit and may be asserted by us with respect to all or any portion of the exchange offer regardless of the circumstances (including any action or inaction by us) giving rise to such condition or may be waived by us in whole or in part at any time or from time to time in our sole discretion. The failure by us at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, and each right will be deemed an ongoing right that may be asserted at any time or from time to time. In addition, we have reserved the right, notwithstanding the satisfaction of each of the foregoing conditions, to terminate or amend the exchange offer.

Any determination by us concerning the fulfillment or non-fulfillment of any conditions will be final and binding upon all parties.

Exchange Agent

The Bank of New York Trust Company, N.A. has been appointed as the exchange agent for the exchange offer. Letters of transmittal must be addressed to the exchange agent at its address set forth on the inside back cover page of this prospectus. Delivery to an address other than the one set forth herein, or transmissions of instructions via a facsimile number other than the one set forth herein, will not constitute a valid delivery.

Solicitation of Tenders; Expenses

We have not retained any dealer-manager or similar agent in connection with the exchange offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for reasonable out-of-pocket expenses in connection therewith. We also will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding tenders for their customers. The expenses to be incurred in connection with the exchange offer, including the fees and expenses of the exchange agent and printing, accounting and legal fees, will be paid by us.

No dealer, salesperson or other individual has been authorized to give any information or to make any representations not contained in this prospectus in connection with the exchange offer. If given or made, you must not rely on such information or representations as having been authorized by us. Neither the delivery of this prospectus nor any exchange made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the respective dates as of which information is given herein.

The exchange offer is not being made to (nor will tenders be accepted from or on behalf of) holders of original notes in any jurisdiction in which the making of the exchange offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, at our discretion, we may take such action as we may deem necessary to make the exchange offer in any such jurisdiction and extend the exchange offer to holders of original notes in such jurisdiction. In any jurisdiction the securities laws or blue sky laws of which require the exchange offer to be made by a licensed broker or dealer, the exchange offer is being made on behalf of us by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

Appraisal Rights

You will not have appraisal rights in connection with the exchange offer.

Federal Income Tax Consequences

We believe that the exchange of original notes for exchange notes should not be a taxable exchange for U.S. federal income tax purposes, and that holders will not recognize any taxable gain or loss or any interest income as a result of such exchange. See "Material United States Federal Income Tax Considerations."

Regulatory Approvals

Other than the federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the exchange offer.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the original notes. Accordingly, we will recognize no gain or loss for accounting purposes in connection with the exchange offer. The expense of the exchange offer will be expensed over the term of the exchange notes.

Other

Participation in the exchange offer is voluntary and you should consider carefully whether to accept. You are urged to consult your financial and tax advisors in making your own decisions on what action to take.

As a result of the making of, and upon acceptance for exchange of all validly tendered original notes pursuant to the terms of the exchange offer, we will have fulfilled a covenant contained in the terms of the original notes and the registration rights agreement. Holders of the original notes who do not tender their original notes in the exchange offer will continue to hold such original notes and will be entitled to all the rights and limitations applicable thereto under the Indenture and the registration rights agreement, except for any terms of such documents which, by their terms, terminate or cease to have further effect as a result of the making of this exchange offer. See "Description of the Exchange Notes." All untendered original notes will continue to be subject to the restriction on transfer set forth in the Indenture. To the extent that original notes are tendered and accepted in the exchange offer, the trading market, if any, for the original notes not tendered and accepted in the exchange offer could be adversely affected. See "Risk Factors Risks Associated with the Exchange Offer Your ability to sell your original notes may be significantly more limited and the price at which you may be able to sell your original notes may be significantly lower if you do not exchange them for registered exchange notes in the exchange offer."

We may in the future seek to acquire untendered original notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plan to acquire any original notes that are not tendered in the exchange offer.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and the consolidated capitalization of TD Group as of July 1, 2006. This table should be read in conjunction with the information contained in "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements of TD Group and the notes thereto included elsewhere in this prospectus.

	As of July 1, 2006
	(in thousands)
Cash and cash equivalents	\$ 22,091
Debt:	
New Senior Secured Credit Facility ⁽¹⁾	\$ 650,000
7 ³ / ₄ % Senior Subordinated Notes due 2014	275,000
8 ³ / ₈ % Senior Subordinated Notes due 2011 ⁽²⁾	330
Total long-term debt of TD Group and subsidiaries	925,330
Stockholders equity	346,755
Total capitalization	\$ 1,272,085

(1) The New Senior Secured Credit Facility consists of a \$650 million term loan facility and a revolving loan facility with a total borrowing availability of \$150 million. As of July 1, 2006, \$1.2 million of letters of credit were outstanding and \$148.8 million of borrowings were available under the revolving loan facility under the New Senior Secured Credit Facility.

(2) On August 7, 2006, we redeemed all of the 8³/₈% Senior Subordinated Notes that remained outstanding after the consummation of the tender offer for such notes.

SELECTED CONSOLIDATED FINANCIAL DATA

TD Group was formed in July 2003 under the name TD Holding Corporation to facilitate the consummation of the Mergers. TD Group does not have any operations other than through its ownership of its direct and indirect subsidiaries.

The following table sets forth selected historical consolidated financial and other data of TD Group or its predecessor (i) as of September 30, 2005, 2004, 2003, 2002 and 2001 and for the fiscal years ended September 30, 2005 and September 30, 2004, the period from July 8, 2003 (date of formation of TD Group) through September 30, 2003, the period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers) and each of the two fiscal years ended September 30, 2002 and September 30, 2001, which have been derived from TD Group's or its predecessor's audited consolidated financial statements and (ii) as of July 1, 2006 and for the thirty-nine week periods ended July 1, 2006 and July 2, 2005, which have been derived from TD Group's unaudited condensed consolidated financial statements. TD Group's consolidated financial statements for the periods subsequent to the Mergers reflect a new basis of accounting incorporating the fair value adjustments made in recording the Mergers while the periods prior to the Mergers reflect the historical cost basis of the Company. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Accordingly, the accompanying selected historical consolidated financial and other data as of dates and for the periods prior to the Mergers are labeled as "Predecessor." Separate historical financial information for TransDigm Inc. is not presented since TD Group has no operations or assets separate from its investment in TransDigm Inc. and since the exchange notes will be fully and unconditionally guaranteed, on a joint and several and senior subordinated basis, by TD Group and, other than immaterial subsidiaries, all direct and indirect domestic subsidiaries of TransDigm Inc.

On March 26, 2001, we acquired an exclusive, worldwide license to produce and sell products composed of a lubrication and scavenge pump product line along with certain related equipment and inventory. On May 31, 2001, Champion Aerospace Inc., a wholly-owned subsidiary of TransDigm Inc., acquired substantially all of the assets and certain liabilities of the Champion Aviation Products business from Federal Mogul Ignition Company, a wholly-owned subsidiary of Federal-Mogul Corporation. On February 24, 2003, we acquired certain assets and assumed certain liabilities of the Norco business from TransTechnology Corporation. On July 9, 2004, TransDigm Inc. acquired all of the outstanding capital stock of Avionic. On December 31, 2004, Skurka acquired certain assets and assumed certain liabilities of Skurka Engineering Company. On January 28, 2005, TransDigm Inc. acquired all of the outstanding capital stock of Fluid Regulators. On June 30, 2005, Skurka acquired an aerospace motor product line from Eaton Corporation. On May 1, 2006, Skurka acquired certain assets and assumed certain liabilities of Electra-Motion, Inc. On June 12, 2006, TransDigm Inc. acquired all of the outstanding capital stock of Sweeney. All of the acquisitions were accounted for as purchases. The results of operations of the acquired entities, businesses and product lines are included in TD Group's or its predecessor's consolidated financial statements from the date of each of the acquisitions.

We present below certain financial information based on our EBITDA and EBITDA As Defined. We note that neither EBITDA nor EBITDA As Defined is a measurement of financial performance under GAAP and neither should be considered as an alternative to net income or operating cash flows determined in accordance with GAAP, and our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies. While we believe that the presentation of EBITDA and EBITDA As Defined will enhance an investor's understanding of our operating performance, the use of EBITDA and EBITDA As Defined as an analytical tool has limitations and you should not consider either of them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with GAAP. For a reconciliation of EBITDA and EBITDA As Defined to net income, please refer to the table below. For additional information regarding these non-GAAP financial measures, including a more detailed description with

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respect to the limitations of these non-GAAP financial measures, please refer to footnotes 9 and 10 below.

The information presented below should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes included elsewhere in this prospectus.

	Thirty-Nine Week Periods Ended		Fiscal Years Ended September 30,		July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor			
	July 1, 2006	July 2, 2005	2005	2004		October 1, 2002 Through July 22, 2003 (Closing Date of the Mergers)	Fiscal Years Ended September 30, 2002		2001
	(unaudited)								
	(dollars in thousands)								
Statement of Operations									
Data:									
Net sales	\$ 319,272	\$ 269,289	\$ 374,253	\$ 300,703	\$ 52,083	\$ 241,185	\$ 248,802	\$ 200,773	
Gross profit ⁽¹⁾	162,827	132,423	184,270	136,505	11,684	114,669	114,227	82,248	
Operating expenses:									
Selling and administrative	37,059	27,841	38,943	31,201	5,205	20,167	23,962	23,612	
Amortization of intangibles	4,681	5,836	7,747	10,325	1,975	945	6,294	2,966	
Refinancing costs ⁽²⁾	48,456								
Merger expenses ⁽³⁾						176,003			
Income (loss) from operations ⁽¹⁾	72,631	98,746	137,580	94,979	4,504	(82,446)	83,971	55,670	
Interest expense, net	58,686	59,228	80,266	74,675	14,233	28,224	36,538	31,926	
Income (loss) before income taxes	13,945	39,518	57,314	20,304	(9,729)	(110,670)	47,433	23,744	
Income tax provision (benefit)	4,050	14,858	22,627	6,682	(3,970)	(40,701)	16,804	9,386	
Net income (loss)	\$ 9,895	\$ 24,660	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (69,969)	\$ 30,629	\$ 14,358	
Net income (loss) available to common stockholders	\$ 9,895	\$ 24,660	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (72,638)	\$ 27,727	\$ 13,470	
Basic earnings (loss) per share computation:									
Weighted-average common shares outstanding ⁽⁴⁾	44,344	44,202	44,202	44,193	43,608	119.8	119.8	119.8	
Net income (loss) per share ⁽⁵⁾	\$ 0.22	\$ 0.56	\$ 0.78	\$ 0.31	\$ (0.13)	\$ (606.38)	\$ 231.44	\$ 112.42	

Predecessor

**Diluted earnings (loss)
per share computation:**

	Predecessor									
Weighted-average common shares outstanding ⁽⁴⁾	47,285	46,408	46,544	46,300	43,608	119.8	138.0	134.1		
Net income (loss) per common share ⁽⁶⁾	\$ 0.21	\$ 0.53	\$ 0.75	\$ 0.29	\$ (0.13)	\$ (606.38)	\$ 200.87	\$ 100.45		

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	Predecessor						
	As of September 30,						
	As of July 1, 2006	2005	2004	2003	2002	2001	
	(unaudited)						
	(in thousands)						
Balance Sheet Data:							
Cash and cash equivalents ⁽⁷⁾	\$ 22,091	\$ 104,221	\$ 48,498	\$ 18,902	\$ 49,206	\$ 11,221	
Marketable securities			50,601				
Working capital	175,875	118,559	179,385	133,622	99,035	55,672	
Total assets	1,395,524	1,427,748	1,345,912	1,315,395	402,226	372,898	
Long-term debt, including current portion	925,330	889,846	892,788	894,997	408,952	413,209	
Stockholders equity (deficiency)	346,755	333,107	297,412	283,551	(77,156)	(103,388)	
					Predecessor		
	Thirty-Nine Week Periods Ended		Fiscal Years Ended September 30,		October 1, 2002 Through July 22, 2003 (Closing Date of the Mergers)	Fiscal Years Ended September 30,	
	July 1, 2006	July 2, 2005	2005	2004	July 8, 2003 (Date of Formation) Through September 30, 2003	2002	2001
	(unaudited)						
	(dollars in thousands)						

Other Financial Data:

Cash flows provided by (used in):

Operating activities	\$ (39,792)	\$ 60,971	\$ 80,695	\$ 111,139	\$ 16,852	\$ (34,184)	\$ 56,452	\$ 22,761
Investing activities	(32,724)	(65,567)	(20,530)	(77,619)	(469,319)	(57,267)	(5,439)	(173,588)
Financing activities	(9,614)	(3,706)	(4,442)	(3,924)	471,369	82,450	(13,028)	157,739
Depreciation and amortization	11,962	12,503	16,956	18,303	3,333	6,355	13,492	8,646
Capital expenditures	(5,567)	(5,520)	7,960	5,416	968	4,241	3,816	4,486
Ratio of earnings to fixed charges ⁽⁸⁾	1.2x	1.7x	1.7x	1.3x			2.3x	1.7x
Other Data:								
EBITDA ⁽⁹⁾	\$ 84,593	\$ 111,249	\$ 154,536	\$ 113,282	\$ 7,837	\$ (76,091)	\$ 97,463	\$ 64,316
EBITDA, margin ⁽¹⁰⁾	26.5%	41.3%	41.3%	37.7%	15.0%	(31.5)%	39.2%	32.0%
EBITDA As Defined ⁽⁹⁾	\$ 142,198	\$ 118,233	\$ 164,240	\$ 139,084	\$ 22,062	\$ 102,306	\$ 97,463	\$ 72,259
EBITDA As Defined, margin ⁽¹⁰⁾	44.5%	43.9%	43.9%	46.3%	42.4%	42.4%	39.2%	36.0%

(1)

Gross profit and income (loss) from operations include the effect of charges relating to purchase accounting adjustments to inventory associated with the Mergers and the acquisition of various entities, businesses and product lines for the thirty-nine week periods ended July 1, 2006 and July 2, 2005, the fiscal years ended September 30, 2005 and September 30, 2004, the period from July 8, 2003 (date of formation) through September 30, 2003, the period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers) and the fiscal years ended September 30, 2002 and September 30, 2001 of \$0, \$1,325,000, \$1,493,000, \$18,471,000, \$12,038,000, \$855,000, \$0 and \$6,639,000, respectively.

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- (2) Represents costs incurred in connection with the Financing Transaction, including the premium paid to redeem the 8³/₈% Senior Subordinated Notes of \$25.6 million and the write off of debt issue costs of \$22.9 million.
- (3) One-time merger-related charges were incurred in connection with the Mergers in July 2003.
- (4) The weighted-average common shares outstanding for the successor periods presented have been adjusted to give effect to the 149.60 for 1.00 stock split that occurred on March 14, 2006 in connection with the Initial Public Offering.
- (5) Net income (loss) per share is calculated by dividing net income (loss) available to common stockholders by the basic weighted-average common shares outstanding.

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- (6) Net income (loss) per share is calculated by dividing net income (loss) available to common stockholders by the diluted weighted-average common shares outstanding. However, stock options and restricted stock totaling 0.1 million outstanding at July 1, 2006, were excluded from the diluted earnings per share computation for the thirty-nine week period ended July 1, 2006 due to the anti-dilutive effect of such options and restricted stock. Stock options totaling 7.3 million outstanding at September 30, 2003, were excluded from the diluted earnings per share computation for the period from July 8, 2003 (date of formation) through September 30, 2003 due to the anti-dilutive effect of such options.
- (7) On November 10, 2005, TransDigm Inc. paid a cash dividend of approximately \$98.0 million to TransDigm Holdings and made bonus payments of approximately \$6.2 million to certain members of our management. TransDigm Holdings used all of the proceeds received from TransDigm Inc. to pay a cash dividend to TD Group. On November 10, 2005, TD Group entered into the TD Group Loan Facility and used the net proceeds received from borrowings thereunder of approximately \$193.8 million, together with substantially all of the proceeds received from the dividend payment from TransDigm Holdings, to (i) prepay the entire outstanding principal amount and all accrued and unpaid interest on its senior unsecured promissory notes issued in connection with its acquisition of TransDigm Holdings in July 2003, which payments in the aggregate were equal to approximately \$262.7 million, and (ii) make certain distributions to members of our management who participated in our deferred compensation plans, which distributions in the aggregate were equal to approximately \$26.0 million.
- (8) For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings before income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of debt issuance costs and the portion (approximately 33%) of rental expense that management believes is representative of the interest component of rental expense. Earnings were insufficient by \$9,729,000 and \$110,670,000 to cover fixed charges for the period from July 8, 2003 (date of formation) through September 30, 2003 and the period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers), respectively.
- (9) EBITDA represents earnings before interest, taxes, depreciation and amortization. We present EBITDA because we believe it is a useful indicator of our operating performance. Our management believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to measure a company's operating performance without regard to items such as interest and debt expense, income tax expense and depreciation and amortization, which can vary substantially from company to company depending upon, among other things, accounting methods, book value of assets, capital structure and the method by which assets are acquired. We also believe EBITDA is useful to our management and investors as a measure of comparative operating performance between time periods and among companies as it is reflective of changes in pricing decisions, cost controls and other factors that affect operating performance.
- EBITDA As Defined represents EBITDA plus, as applicable for the relevant period, inventory purchase accounting adjustments, acquisition integration costs, non-cash compensation and deferred compensation costs, certain non-recurring expenses incurred in connection with the Mergers, one-time special bonus payments made to members of our management and certain acquisition earnout costs, and as more fully described below, for the thirty-nine week period ended July 1, 2006, any and all expenses or charges incurred by us in connection with equity offerings, permitted investments, acquisitions, dispositions, recapitalizations or permitted debt transactions, including all of the expenses or charges relating to the Financing Transaction. Our management uses EBITDA As Defined to review and assess our operating performance and management team in connection with our employee incentive programs and the preparation of our annual budget and our financial projections. In addition, the revolving credit facility under the New Senior Secured Credit Facility requires compliance, on a pro forma basis, with a first lien leverage ratio, which is measured based on our Consolidated EBITDA (as defined therein). The New Senior Secured Credit Facility defines Consolidated EBITDA in a manner equal to how we defined EBITDA As Defined for the thirty-nine week period ended July 1, 2006. This financial covenant is a material term of the New Senior Secured Credit Facility as failure to comply with such financial covenant could result in an event of default in respect of the revolving credit facility (and, in turn, such an event of default could result in an event of default under the Indenture). In addition, our Former Senior Secured Credit Facility required compliance, on a pro forma basis, with a leverage ratio, a fixed charge coverage ratio and an interest coverage ratio, all of which were measured based on our Consolidated EBITDA (as defined therein). The Former Senior Secured Credit Facility defined Consolidated EBITDA in a manner equal to how we defined EBITDA As Defined for the periods presented prior to the thirty-nine week period ended July 1, 2006, and such historical definition was substantially similar to the definition of Consolidated EBITDA under the New Senior Secured Credit Facility, except that for purposes of computing Consolidated EBITDA under the New Senior Secured Credit Facility, we are permitted to add back to net income any and all expenses or charges incurred by us in connection with equity offerings, permitted investments, acquisitions, dispositions, recapitalizations or permitted debt transactions, including all of the expenses or charges related to the Financing Transaction.
- Although we use EBITDA and EBITDA As Defined as measures to assess the performance of our business and for the other purposes set forth above, the use of EBITDA and EBITDA As Defined as an analytical tool has limitations, and you

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should not consider either of them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with GAAP. Some of these limitations are:

neither EBITDA nor EBITDA As Defined reflects the significant interest expense, or the cash requirements necessary to service interest payments, on our indebtedness;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and neither EBITDA nor EBITDA As Defined reflects any cash requirements for such replacements;

the omission of the substantial amortization expense associated with our intangible assets further limits the usefulness of EBITDA and EBITDA As Defined;

neither EBITDA nor EBITDA As Defined includes the payment of taxes, which is a necessary element of our operations; and

EBITDA As Defined excludes the cash expense we have incurred to integrate acquired businesses into our operations, which is a necessary element of certain of our acquisitions.

Because of these limitations, EBITDA and EBITDA As Defined should not be considered as measures of discretionary cash available to us to invest in the growth of our business. Management compensates for these limitations by not viewing EBITDA or EBITDA As Defined in isolation, and specifically by using other GAAP measures, such as net income, net sales and operating profit, to measure our operating performance. Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under GAAP and neither should be considered as an alternative to net income or cash flow from operations determined in accordance with GAAP, and our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

(10)

The EBITDA margin represents the amount of EBITDA as a percentage of net sales. The EBITDA As Defined margin represents the amount of EBITDA As Defined as a percentage of net sales.

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The following is a reconciliation of EBITDA and EBITDA As Defined to net income:

	Thirty-Nine Week Periods Ended		Fiscal Years Ended September 30,		July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor		
	July 1, 2006	July 2, 2005	2005	2004		October 1, 2002 Through July 22, 2003 (Closing Date of the Mergers)	Fiscal Years Ended September 30, 2002 2001	
	(unaudited)							
	(in thousands)							
Net income (loss)	\$ 9,895	\$ 24,660	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (69,969)	\$ 30,629	\$ 14,358
Add:								
Depreciation and amortization	11,962	12,503	16,956	18,303	3,333	6,355	13,492	8,646
Interest expense, net	58,686	59,228	80,266	74,675	14,233	28,224	36,538	31,926
Income tax provision (benefit)	4,050	14,858	22,627	6,682	(3,970)	(40,701)	16,804	9,386
EBITDA	\$ 84,593	\$ 111,249	\$ 154,536	\$ 113,282	\$ 7,837	\$ (76,091)	\$ 97,463	\$ 64,316
Add:								
Inventory purchase accounting adjustments ⁽¹⁾		1,325	1,493	18,471	12,038	855		6,639
Acquisition integration costs ⁽²⁾	455	802	1,363	1,162	1,154	1,539		1,304
Non-cash compensation and deferred compensation costs ⁽³⁾	(514)	4,857	6,848	6,169	1,033			
Merger expenses ⁽⁴⁾						176,003		
One-time special bonus payment ⁽⁵⁾	6,222							
Acquisition earnout costs ⁽⁶⁾	336							
Refinancing costs ⁽⁷⁾	48,456							
Non-recurring IPO costs ⁽⁸⁾	2,650							
EBITDA As Defined	\$ 142,198	\$ 118,233	\$ 164,240	\$ 139,084	\$ 22,062	\$ 102,306	\$ 97,463	\$ 72,259

- (1) This represents the portion of the purchase accounting adjustments to inventory associated with the Mergers and to the acquisitions of various entities, businesses and product lines that were charged to cost of sales when the inventory was sold.
- (2) This represents costs incurred to integrate various entities, businesses and product lines into the Company's operations.
- (3) Represents the expense (income) recognized by us under our 2003 stock option plan and our deferred compensation plans. The amount reflected above for the thirty-nine week period ended July 1, 2006 includes (i) a reversal of previously recorded amounts charged to

expense of \$3.8 million resulting from the termination of two of our deferred compensation plans during such period and (ii) expense recognized by us under a new deferred compensation plan adopted by us

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during such period. See "Management's Discussion and Analysis of Financial Condition and Results of Operation."

- (4) Represents one-time charges incurred in connection with the Mergers in July 2003.
- (5) Represents the aggregate amount of one-time special bonuses paid on November 10, 2005 to members of management. On November 10, 2005, we entered into an amendment to the Former Senior Secured Credit Facility pursuant to which the lenders thereunder agreed to exclude these one-time special bonus payments from the calculation of EBITDA As Defined.
- (6) Represents the amount recognized for the potential earnout payment to Howard Skurka pursuant to the terms of the retention agreement entered into with him in connection with Skurka's acquisition of substantially all of the assets of Skurka Engineering Company in December 2004. Pursuant to the amendment to the Former Senior Secured Credit Facility described above, the lenders thereunder agreed to exclude earnout payments and deferred purchase price payments made in connection with certain permitted acquisitions from the calculation of EBITDA As Defined.
- (7) Represents costs incurred in connection with the Financing Transaction, including the premium paid to redeem the 8³/₈% Senior Subordinated Notes of \$25.6 million and the write off of debt issue costs of \$22.9 million.
- (8) Represents non-recurring costs and expenses incurred by TD Group related to the Initial Public Offering.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion of our financial condition and results of operations should be read together with "Selected Consolidated Financial Data" and TD Group's and its predecessor's consolidated financial statements and the related notes included elsewhere in this prospectus. References to "TransDigm", "the Company", "we", "us", "our" and similar references refer to TD Group, TransDigm Inc. and TransDigm Inc.'s subsidiaries, unless the context otherwise indicates. Financial information presented herein for the period through July 22, 2003, the closing date of the Mergers, is presented as "Predecessor" financial information. TD Group's consolidated financial statements for the periods subsequent to the Mergers reflect a new basis of accounting incorporating the fair value adjustments made in recording the Mergers while prior periods are presented using the historical cost basis of the Company. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under the heading entitled "Risk Factors" and elsewhere in this prospectus. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

We believe we are a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Our business is well diversified due to the broad range of products we offer to our customers. Some of our more significant product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include ignition systems and components, gear pumps, mechanical/electro-mechanical actuators and controls, NiCad batteries/chargers, power conditioning devices, hold-open rods and locking devices, engineered connectors, engineered latches and cockpit security devices, lavatory hardware and components, specialized AC/DC electric motors and specialized valving. Each of these product offerings consists of many individual products that are typically customized to meet the needs of a particular aircraft platform or customer.

For fiscal year 2005, we generated net sales of \$374.3 million and net income of \$34.7 million. In addition, for fiscal year 2005, our EBITDA was \$154.5 million, or 41.3% of net sales, our EBITDA As Defined was \$164.2 million, or 43.9% of net sales, and our capital expenditures were \$8.0 million, or 2.1% of net sales.

We estimate that over 90% of our net sales for fiscal year 2005 were generated by proprietary products for which we own the design. These products are generally approved and certified by airframe manufacturers (who often certify only one manufacturer's component design for a specific application on an aircraft), government agencies and/or the FAA and similar entities or agencies. In addition, for fiscal year 2005, we estimate that we generated approximately 75% of our net sales from products for which we are the sole source provider.

Most of our products generate significant aftermarket revenue. Once our parts are designed into and sold as original equipment on an aircraft, we generate net sales from recurring aftermarket consumption over the life of that aircraft. This installed base and our sole source provider position generate a long-term stream of aftermarket revenues over the estimated 30-year life of an individual aircraft. We estimate that approximately two-thirds of our net sales in fiscal year 2005 were generated from aftermarket sales, the vast majority of which come from the commercial and military aftermarkets. These aftermarket revenues have historically produced a higher gross margin and been more stable than sales to OEMs.

In fiscal year 2005, our top three customers accounted for approximately 30% of our net sales, and during this same period our top ten customers accounted for approximately 52% of our net sales. However, our components are ultimately used on a large, diverse installed base of aircraft and, therefore, we are not overly dependent on any single airframe produced by any of our customers or

other ultimate end-users of our products. For example, we estimate that sales to support any single OEM airframe production requirement did not exceed 4.0% of our net sales for fiscal year 2005, and sales to support any single aftermarket airframe platform did not exceed 5.5% of our net sales for this same period. In the commercial aerospace sector, which generated approximately 70% of our net sales for fiscal year 2005, we sell to distributors of aftermarket components, as well as directly to commercial airlines, aircraft maintenance facilities, systems suppliers, and aircraft and engine OEMs. In addition, for fiscal year 2005, approximately 24% of our net sales were attributable to the defense aerospace sector, with approximately 11% of our overall net sales for this period being attributable to various agencies and buying organizations of the U.S. Government. Net sales to the defense sector are generated primarily through sales to the United States and foreign militaries, brokers, distributors and defense OEMs. The remaining portion of our net sales in fiscal year 2005, or approximately 6% of our net sales during this period, were derived from industries with similar niche engineered product characteristics such as the mining, military ground vehicle and power generation industries.

Financing Transaction and Intercompany Mergers

On May 25, 2006, we commenced a tender offer to purchase for cash any and all of our 8³/₈% Senior Subordinated Notes and, in connection therewith, we solicited consents to amend the indenture governing such notes to, among other things, eliminate substantially all of the restrictive covenants and eliminate or modify certain events of default. On June 23, 2006, we closed the tender offer and consent solicitation for the 8³/₈% Senior Subordinated Notes. In connection with the closing, we purchased all of the issued and outstanding 8³/₈% Senior Subordinated Notes that were validly tendered, totaling \$399,670,000 in aggregate principal amount.

In addition, simultaneously with the closing of the tender offer and consent solicitation for the 8³/₈% Senior Subordinated Notes, we entered into the New Senior Secured Credit Facility, which consists of a \$650 million term loan facility, all of which was funded at the closing of the Financing Transaction, and a revolving loan facility with a total borrowing availability of \$150 million, none of which was drawn at the closing of the Financing Transaction.

On June 23, 2006, simultaneously with the consummation of the other transactions described above, we consummated the offering and sale of the original notes. For a more detailed description of these transactions, see "Financing Transaction."

On August 7, 2006, we redeemed all of the 8³/₈% Senior Subordinated Notes that remained outstanding after the consummation of the tender offer for such notes.

In an effort to simplify our organizational structure, on June 23, 2006, TD Finance Corporation, a wholly-owned subsidiary of TransDigm Inc., was merged with and into TransDigm Inc., with TransDigm Inc. continuing as the surviving corporation. TD Finance Corporation did not conduct any operations and did not have any assets other than an intercompany note receivable from TransDigm Holdings. In addition, on June 26, 2006, TransDigm Holdings was merged with and into TransDigm Inc., with TransDigm Inc. continuing as the surviving corporation. TransDigm Holdings did not conduct any operations and did not have any significant assets other than its ownership interest in TransDigm Inc. Accordingly, as of the date of this prospectus, TransDigm Inc. is a wholly-owned subsidiary of TD Group.

TD Group's Initial Public Offering

On March 20, 2006, certain stockholders of TD Group and certain members of our management sold an aggregate of 12,597,756 shares of TD Group's common stock in the Initial Public Offering at a price of \$21.00 per share. TD Group did not offer any shares of its common stock for sale in the Initial Public Offering and TD Group did not receive any of the proceeds from the sale of such shares by the selling stockholders. As a result of the Initial Public Offering, TD Group's common stock is publicly traded on the New York Stock Exchange under the ticker symbol "TDG."

Dividend and Bonus Payments

On November 10, 2005, TD Group closed on the \$200 million TD Group Loan Facility. In connection with the closing of the TD Group Loan Facility, TransDigm Inc. paid a cash dividend of approximately \$98.0 million to TransDigm Holdings and made bonus payments of approximately \$6.2 million to certain members of our management (which bonus payments were in addition to amounts paid to certain members of our management under our deferred compensation plans, as described below). TransDigm Holdings used all of the proceeds received from TransDigm Inc. to pay a cash dividend to TD Group. On November 10, 2005, TD Group used the net proceeds received from the TD Group Loan Facility of approximately \$193.8 million, together with substantially all of the proceeds received from the dividend payment from TransDigm Holdings, to:

prepay the entire outstanding principal amount and all accrued and unpaid interest on its senior unsecured promissory notes issued in connection with its acquisition of TransDigm Holdings in July 2003, or the Senior Unsecured Promissory Notes, with all such payments totaling approximately \$262.7 million;

make distributions to certain members of our management who participated in the TD Holding Corporation 2003 Rollover Deferred Compensation and Phantom Stock Unit Plan, or the Rollover Deferred Compensation Plan, of their vested deferred compensation account balances, with all such distributions totaling approximately \$23.0 million; and

make distributions to certain members of our management and one of our directors who participated in the TD Holding Corporation 2003 Management Deferred Compensation and Phantom Stock Unit Plan, or the Management Deferred Compensation Plan, of their vested and a portion of their unvested deferred compensation account balances, with all such distributions totaling approximately \$3.0 million (with approximately \$1.8 million of such distributions being attributable to vested deferred compensation account balances and approximately \$1.2 million being attributable to unvested deferred compensation account balances).

In connection with the distributions under the Rollover Deferred Compensation Plan, the Board of Directors of TD Group approved the termination of the Rollover Deferred Compensation Plan, with such termination becoming effective on November 10, 2005. The Management Deferred Compensation Plan was terminated effective as of December 16, 2005 in connection with our adoption of a new deferred compensation plan, which is described in more detail elsewhere in this prospectus.

Government Pricing Review

Certain parts sold by five of our divisions and subsidiaries to the DOD through various buying agencies of the Defense Logistics Agency have been the subject of a pricing review by the DOD of Inspector General. The pricing review examined whether the various buying offices within the Defense Logistics Agency had negotiated "fair and reasonable" prices for certain sole source spare parts purchased from those divisions and subsidiaries during fiscal years 2002 through 2004. On February 28, 2006, we received a copy of the Inspector General's final report dated February 23, 2006, and on April 19, 2006, a redacted version of such report was made publicly available. The report recommends (i) that the Defense Logistics Agency request that those five subsidiaries and divisions voluntarily refund, in the aggregate, approximately \$2.6 million for allegedly overpriced parts and (ii) that Defense Logistics Agency contracting officers reevaluate their procedures for determining the reasonableness of pricing for sole source spare parts purchased from those divisions and subsidiaries and seek to develop Strategic Supplier Alliances with those divisions and subsidiaries.

We believe that the pricing review is part of a continuing effort by the Inspector General to monitor and evaluate prices paid to defense contractors for sole source spare parts. The report is consistent with reports issued with respect to sole source spare parts supplied by other companies, and, like those other reports, it advocates the negotiation of Strategic Supplier Alliances incorporating prices for parts based on cost, rather than based on prices of comparable commercial parts or other methods.

We believe that our pricing of spare parts comports with the regulations applicable to contracts with agencies of the Federal government. Nonetheless, the report recommends that the Defense Logistics Agency request that the applicable divisions and subsidiaries of TransDigm Inc. voluntarily refund, in the aggregate, approximately \$2.6 million for allegedly overpriced parts and negotiate Strategic Supplier Alliances incorporating cost-based prices for future Defense Logistics Agency purchases of sole source spare parts.

The Company's position has been, and continues to be, that our pricing has been fair and reasonable and that there is no legal basis for the amount suggested as a refund by the Inspector General in its report. In response to the report, we offered reasons why we disagree with the Inspector General's overall analysis. The Defense Logistics Agency has requested additional information from the Company and the Company's position on the voluntary refund. The Company has responded to such request.

In February 2006, the Defense Logistics Agency made a request to initiate discussions regarding future pricing and developing an acquisition strategy that will mutually strengthen TransDigm and the Defense Logistics Agency's business relationship. The parties have discussed and are considering future purchasing approaches but negotiations regarding Strategic Supplier Alliances or any specific approach have not yet commenced, but will likely occur at a later date. As a result of those negotiations, it is possible that the divisions and subsidiaries subject to the pricing review will enter into Strategic Supplier Alliances with the Defense Logistics Agency. It is likely that in connection with any Strategic Supplier Alliance, the Defense Logistics Agency will seek prices for parts based on cost or may seek volume discounts or other favorable pricing and/or the applicable division or subsidiary may agree to cost or pricing justification or appropriate discounts. It is also possible that the DOD may seek alternative sources of supply for such parts.

The entry into Strategic Supplier Alliances or a decision by the DOD to pursue alternative sources of supply for our sole source parts could reduce the amount of revenue we derive from, and the profitability of certain of our supply arrangements with, certain agencies and buying organizations of the U.S. Government. However, we believe not all of the sales to the government would be affected by pricing associated with potential Strategic Supplier Alliance. While management believes that the entry into Strategic Supplier Alliances with the Defense Logistics Agency will not have a material adverse effect on our financial condition, liquidity or capital resources, there is no means to determine the outcome of any future negotiations or discussions at this time.

Certain Acquisitions

CDA Acquisition

On October 3, 2006, TransDigm Inc. acquired all of the issued and outstanding capital stock of CDA for an aggregate purchase price of approximately \$45 million. CDA designs and manufactures specialized controllable drive actuators, motors, transducers and gearing. CDA's products are used on a range of defense, space and commercial aircraft applications. On November 2, 2006, and in accordance with the terms of the Indenture and the New Senior Secured Credit Facility, CDA entered into a supplemental indenture and a joinder agreement pursuant to which it became a guarantor in respect of the obligations of TransDigm Inc. under the Indenture and the New Senior Secured Credit Facility.

Sweeney Acquisition

On June 12, 2006, TransDigm Inc. acquired all of the outstanding capital stock of Sweeney for approximately \$25.9 million in cash. Sweeney designs and manufactures specialized aerospace valving used primarily in fuel, environmental control and de-icing applications. Sweeney's products are used on a range of defense and commercial aircraft applications. Sweeney's products fit well with our existing valving business. The acquired business will be consolidated into AeroControlex's existing business in Painesville, Ohio.

Electra-Motion Acquisition

On May 1, 2006, Skurka, our wholly-owned subsidiary, acquired certain assets and assumed certain liabilities of Electra-Motion, Inc. for \$1.3 million in cash. The acquired business designs and manufactures specialized AC/DC motors for a broad range of aerospace applications, and its products are installed on various airframes. The acquired business has been consolidated into Skurka's existing aerospace motor business in Camarillo, California.

Motor Product Line Acquisition

On June 30, 2005, Skurka, our wholly-owned subsidiary, acquired an aerospace motor product line from Eaton Corporation for \$9.6 million in cash. The acquired Eaton business has been a long-time supplier of aerospace motors and related products. The motor products are used on a range of commercial aircraft, as well as military programs. The proprietary products, market position and aftermarket content of the acquired business fit well with our overall business and strategic direction. The acquired product line has been consolidated into Skurka's existing aerospace motor business in Camarillo, California.

Fluid Regulators Acquisition

On January 28, 2005, TransDigm Inc. acquired all of the outstanding capital stock of Fluid Regulators from Esterline Technologies Corporation for \$23.5 million in cash, net of a purchase price adjustment of \$0.5 million received in April 2005. Fluid Regulators designs and manufactures highly engineered flight control and pressure valves used in hydraulic, fuel, lubrication and related applications. The products are used on a wide range of commercial and regional aircraft as well as many corporate and military aircraft. Fluid Regulators' product characteristics and market position fit well with our overall direction. In addition, in an attempt to reduce the combined operating costs of Fluid Regulators and the AeroControlex division of TransDigm Inc., Fluid Regulators was merged into TransDigm Inc. on September 30, 2005.

Skurka Acquisition

On December 31, 2004, Skurka, our wholly-owned subsidiary, acquired certain assets and assumed certain liabilities of Skurka Engineering Company for \$30.7 million in cash. The acquired business designs and manufactures engineered aerospace components, consisting primarily of AC/DC electric motors and transducers. The products are used on a wide range of commercial and military aircraft, ships and ground vehicles. The product characteristics and market position of the acquired business fit well with our overall direction.

EBITDA and EBITDA As Defined

The following table sets forth the calculation of EBITDA and EBITDA As Defined.

	Thirty-Nine Week Periods Ended		Fiscal Years Ended September 30,		Non-GAAP Combined Twelve Month Period Ended September 30,
	July 1, 2006	July 2, 2005	2005	2004	2003 ⁽¹⁾
	(unaudited)				
	(in millions)				
Net income	\$ 9.9	\$ 24.7	\$ 34.7	\$ 13.6	\$ (75.7)
Adjustments:					
Depreciation and amortization expense	12.0	12.5	17.0	18.3	9.7
Interest expense, net	58.7	59.2	80.2	74.7	42.5
Income tax provision (benefit)	4.0	14.8	22.6	6.7	(44.7)
EBITDA ⁽²⁾⁽¹²⁾	84.6	111.2	154.5	113.3	(68.2)
Adjustments:					
Inventory purchase accounting adjustments ⁽³⁾		1.3	1.5	18.5	12.9
Acquisition integration costs ⁽⁴⁾	0.5	0.8	1.4	1.1	2.7
Non-cash compensation and deferred compensation costs ⁽⁵⁾	(0.5)	4.9	6.8	6.2	1.0
Merger expenses ⁽⁶⁾					176.0
One-time special bonus payments ⁽⁷⁾	6.2				
Acquisition earnout costs ⁽⁸⁾	0.3				
Refinancing costs ⁽⁹⁾	48.5				
Non-recurring IPO expenses ⁽¹⁰⁾	2.6				
EBITDA As Defined ⁽¹¹⁾⁽¹²⁾	\$ 142.2	\$ 118.2	\$ 164.2	\$ 139.1	\$ 124.4

- (1) The amounts for the twelve-months ended September 30, 2003 represent a mathematical addition of the results of operations for the predecessor period through July 22, 2003 and the results for the period subsequent to the Mergers. Our consolidated financial statements for the period subsequent to the Mergers reflect a new basis of accounting incorporating the fair value adjustments made in recording the Mergers while the period prior to the Mergers reflect the historical cost basis of the Company.
- (2) EBITDA represents earnings before interest, taxes, depreciation and amortization. We present EBITDA because we believe it is a useful indicator of our operating performance. Our management believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to measure a company's operating performance without regard to items such as interest and debt expense, income tax expense and depreciation and amortization, which can vary substantially from company to company depending upon, among other things, accounting methods, book value of assets, capital structure and the method by which assets are acquired. We also believe EBITDA is useful to our management and investors as a measure of comparative operating performance between time periods and among companies as it is reflective of changes in pricing decisions, cost controls and other factors that affect operating performance.
- (3) This represents the portion of the purchase accounting adjustments to inventory associated with the Mergers and to the acquisitions of various entities, businesses and a product line that were charged to cost of sales when the inventory was sold.

- (4) This represents costs incurred to integrate various entities, businesses and a product line into the Company's operations.
- (5) Represents the expense (income) recognized by us under our 2003 stock option plan and our deferred compensation plans. The amount reflected above for the thirty-nine week period ended July 1, 2006 includes (i) a reversal of previously recorded amounts charged to expense of \$3.8 million resulting from the termination of two of our deferred compensation plans during such period and (ii) expense recognized by us under a new deferred compensation plan adopted by us during such period.
- (6) Represents one-time charges incurred in connection with the Mergers in July 2003.
- (7) Represents the aggregate amount of one-time special bonuses paid on November 10, 2005 to certain members of management. On November 10, 2005, we entered into an amendment to the Former Senior Secured Credit Facility pursuant to which the lenders thereunder agreed to exclude these one-time special bonus payments from the calculation of EBITDA As Defined.
- (8) Represents the amount recognized for the potential earnout payment to Howard Skurka pursuant to the terms of the retention agreement entered into with him in connection with our acquisition of substantially all of the assets of Skurka Engineering Company in December 2004. Pursuant to the amendment to the Former Senior Secured Credit Facility described above, the lenders thereunder agreed to exclude earnout payments and deferred purchase price payments made in connection with certain permitted acquisitions from the calculation of EBITDA As Defined.
- (9) Represents costs associated with refinancing the debt structure of TD Group, including the premium paid to redeem the 8³/₈% Senior Subordinated Notes of \$25.6 million and the write off of debt issue costs of \$22.9 million.
- (10) Represents non-recurring costs and expenses incurred by TD Group related to the Initial Public Offering.
- (11) EBITDA As Defined represents EBITDA plus, as applicable for the relevant period, inventory purchase accounting adjustments, acquisition integration costs, non-cash compensation and deferred compensation costs, certain non-recurring expenses incurred in connection with the Mergers, one-time special bonus payments made to members of our management and certain acquisition earnout costs, and as more fully described below, for the thirty-nine week period ended July 1, 2006, any and all expenses or charges incurred by us in connection with equity offerings, permitted investments, acquisitions, dispositions, recapitalizations or permitted debt transactions, including all of the expenses or charges relating to the Financing Transaction. Our management uses EBITDA As Defined to review and assess our operating performance and management team in connection with our employee incentive programs and the preparation of our annual budget and our financial projections. In addition, the revolving credit facility under the New Senior Secured Credit Facility requires compliance, on a pro forma basis, with a first lien leverage ratio, which is measured based on our Consolidated EBITDA (as defined therein). The New Senior Secured Credit Facility defines Consolidated EBITDA in a manner equal to how we defined EBITDA As Defined for the thirty-nine week period ended July 1, 2006. This financial covenant is a material term of the New Senior Secured Credit Facility as failure to comply with such financial covenant could result in an event of default in respect of the revolving credit facility under the New Senior Secured Credit Facility (and, in turn, such an event of default could result in an event of default under the Indenture). In addition, our Former Senior Secured Credit Facility required compliance, on a pro forma basis, with a leverage ratio, a fixed charge coverage ratio and an interest coverage ratio, all of which were measured based on our Consolidated EBITDA (as defined therein). The Former Senior Secured Credit Facility defined Consolidated EBITDA in a manner equal to how we defined EBITDA As Defined for the periods presented prior to the thirty-nine week period

ended July 1, 2006, and such historical definition was substantially similar to the definition of Consolidated EBITDA under the New Senior Secured Credit Facility, except that for purposes of computing Consolidated EBITDA under the New Senior Secured Credit Facility, we are permitted to add back to net income any and all expenses or charges incurred by us in connection with equity offerings, permitted investments, acquisitions, dispositions, recapitalizations or permitted debt transactions, including all of the expenses or charges related to the Financing Transaction.

(12)

Although we use EBITDA and EBITDA As Defined as measures to assess the performance of our business and for the other purposes set forth above, the use of EBITDA and EBITDA As Defined as an analytical tool has limitations, and you should not consider either of them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with GAAP. Some of these limitations are:

neither EBITDA nor EBITDA As Defined reflects the significant interest expense, or the cash requirements necessary to service interest payments, on our indebtedness;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and neither EBITDA nor EBITDA As Defined reflects any cash requirements for such replacements;

the omission of the substantial amortization expense associated with our intangible assets further limits the usefulness of EBITDA and EBITDA As Defined;

neither EBITDA nor EBITDA As Defined includes the payment of taxes, which is a necessary element of our operations; and

EBITDA As Defined excludes the cash expense we have incurred to integrate acquired businesses into our operations, which is a necessary element of certain of our acquisitions.

Because of these limitations, EBITDA and EBITDA As Defined should not be considered as measures of discretionary cash available to us to invest in the growth of our business. Management compensates for these limitations by not viewing EBITDA or EBITDA As Defined in isolation, and specifically by using other GAAP measures, such as net income, net sales and operating profit, to measure our operating performance. Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under GAAP and neither should be considered as an alternative to net income or cash flow from operations determined in accordance with GAAP, and our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

Trend Information

The commercial aerospace industry is impacted by the health of the global economy and geo-political events around the world. The commercial aerospace industry suffered after the events of September 11, 2001 and the subsequent downturn in the global economy, the SARS epidemic and, more recently, from rising fuel prices and the conflicts in the Middle East. Recently, the industry has shown signs of strengthening with increases in RPMs, although rising fuel prices, conflicts in the Middle East, major airline financial distress and the risk of additional terrorist activity have tempered the recovery.

Our presence in both the commercial transport and military sectors of the aerospace industry may mitigate the impact on our business of any specific industry risk. We service a diversified customer base in the commercial and military aerospace industry, and we provide components to a diverse installed base of aircraft, which mitigates our exposure to any individual airframe platform. At times, declines in sales in any one sector have been offset by increased sales in another. For example, the commercial transport sector that we serve was adversely affected by the events of September 11, 2001, but the

downturn in that market was partially offset by an increase in military aircraft spending that resulted from the military engagements in Afghanistan and Iraq and the war on terrorism.

There is industry consensus that conditions in the commercial transport market sector have improved recently. We are experiencing increased activity in the large commercial OEM sector (aircraft with 100 or more seats) driven by order announcements by The Boeing Company and Airbus S.A.S. We expect this level of activity to continue in the near future.

RPMs are recovering to pre-September 11, 2001 levels or higher, and absent any disruptive events, we are hopeful our aftermarket business will continue to follow this trend.

In recent years, defense spending has reached historic highs, due in part to the military engagements in Afghanistan and Iraq and the war on terrorism. After several recent quarters of continued growth, we have recently seen our military business level off. Our military business fluctuates from year to year, and is dependent, to a degree, on government budget constraints, the timing of orders and the extent of global conflicts. We anticipate that military related sales of our types of products will experience modest, if any, growth over the current high levels.

The aerospace industry is cyclical and fragmented. There are many short-term factors (including inventory corrections, unannounced changes in order patterns and mergers and acquisitions) that can cause short-term disruptions in our weekly, monthly and quarterly shipment patterns as compared to previous quarters and the same periods in prior years. To normalize for short-term fluctuations, we tend to look at our performance over several quarters or years of activity rather than discreet short-term periods. As such, it can be difficult to determine longer-term trends in our business based on quarterly comparisons.

There are also fluctuations in OEM and aftermarket ordering and delivery requests from quarter-to-quarter. Due to the differences between the profitability of our products sold to OEM and aftermarket customers, variation in product mix can cause short-term swings in gross margins. Again, in many instances these are timing events between quarters and must be balanced with macro aerospace industry indicators.

We believe that The Boeing Company and Airbus S.A.S. are in a period of increased production and we think we are well positioned on the new aircraft platforms recently announced. Having significant content on these new aircraft platforms could negatively impact our margin over the near term, given that OEM revenues tend to produce lower gross margins than aftermarket revenues, but should positively impact our business in future years as replacement aftermarket parts will be required to service these new aircrafts.

Although the aerospace industry is in a cycle of increased production, our business would be adversely affected by significant changes in the U.S. or global economy. Historically, aircraft travel, as measured by RPMs, generally correlates to economic conditions and a reduction in aircraft travel would result in a decrease in the need for aftermarket parts, which in turn would adversely affect our business.

Critical Accounting Policies

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

We have identified the following as the most critical accounting policies upon which our financial status depends. These critical policies were determined by considering accounting policies that involve the most complex or subjective decisions or assessments. Our most critical accounting policies are as follows:

Revenue Recognition and Related Allowances: Substantially all of our revenues are recognized based upon shipment of products to the customer, at which time title and risk of loss passes to the customer. Substantially all sales are made pursuant to firm, fixed-price purchase orders received from customers. Provisions for uncollectible accounts and the cost of repairs under contract warranty provisions are provided for in the same period as the related revenues are recorded and are principally based on historical results modified, as appropriate, by the most current information available. We have a history of making reasonably dependable estimates of such allowances; however, due to uncertainties inherent in the estimation process, it is possible that actual results may vary from the estimates and the differences could be material.

Management estimates the allowance for doubtful accounts based on the aging of the accounts receivable and customer creditworthiness. The allowance also incorporates a provision for the estimated impact of disputes with customers. Management's estimate of the allowance amounts that are necessary includes amounts for specifically identified losses and a general amount for estimated losses based on historical information. The determination of the amount of the allowance for doubtful accounts is subject to significant levels of judgment and estimation by management. If circumstances change or economic conditions deteriorate, management may need to increase the allowance for doubtful accounts.

We provide limited warranties in connection with the sale of our products. The warranty period for products sold by us varies, ranging from 90 days to five years; however, the warranty period for the majority of our sales generally does not exceed one year. We accrue for warranty claims based on, among other things, our knowledge of product performance issues. We also provide a general amount based on historical results. Historically, actual warranty claims have not differed materially from the estimates originally established.

Inventories: Inventories are stated at the lower of cost or market. Cost of inventories is determined by the average cost and the first-in, first-out (FIFO) methods. Because we sell products that are installed on airframes that can be in-service for 20 or more years, we must keep a supply of such products on hand while the airframes are in use. Provision for potentially obsolete or slow-moving inventory is made based on our analysis of inventory levels, past usage and future sales forecasts. Although management believes that our estimates of obsolete and slow-moving inventory are reasonable, actual results may differ materially from the estimates and additional provisions may be required in the future. In addition, in accordance with industry practice, all inventories are classified as current assets as all inventories are available and necessary to support current sales, even though a portion of the inventories may not be sold within one year.

Intangible Assets: The Mergers and the other acquisitions we have completed have resulted in significant amounts of identifiable intangible assets and goodwill. Intangible assets other than goodwill are recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed or exchanged, regardless of our intent to do so. Goodwill and identifiable intangible assets are recorded at fair value on the date of acquisition and, under Financial Accounting Standards Board Statement No. 142, "Goodwill and Other Intangible Assets," or SFAS 142, are reviewed at least annually for impairment based on undiscounted cash flow projections and fair value estimates. The determination of undiscounted cash flows is based on our strategic plans and long-range planning forecasts. The revenue growth rates included in the plans and forecasts are based on industry and Company specific data. The profit margin assumptions included in the plans and forecasts are projected based on the current cost structure and anticipated

cost changes. If different assumptions were used in these plans and forecasts, the related undiscounted cash flows used in measuring impairment could be different and the recognition of an impairment loss might be required. Intangible assets, such as goodwill, trademarks and trade names that have an indefinite useful life are not amortized. All other intangible assets are amortized over their estimated useful lives.

Stock Options and Deferred Compensation Plans: Prior to the Mergers, we applied Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations in accounting for our stock option plans. No compensation cost was recognized for TransDigm Holdings' stock option plans because the exercise price of the options issued equaled the fair value of the common stock on the grant date.

Effective with the consummation of the Mergers and the issuance of the TD Group stock options (see "Management Stock Option Plans"), we adopted the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", which requires the measurement of compensation expense under our stock option plans to be based on the estimated fair values of the awards under the plan on the grant dates and amortizes the expense over the options' vesting periods. In addition, we account for the cost of our deferred compensation plans in accordance with Opinion No. 12 of the Accounting Principles Board, which requires the cost of deferred compensation arrangements to be accrued over the service period of the related employees in a systematic and rational manner.

Purchase Accounting: Mergers and acquisitions are accounted for using the purchase method. Accordingly, fair value adjustments to our assets and liabilities are recognized and the results of operations of the acquired business are included in our consolidated financial statements from the effective date of the merger or acquisition. We generally use third-party appraisals to assist us in determining the fair value adjustments.

Results of Operations

The following tables set forth, for the periods indicated, certain operating data of the Company, including presentation of the amounts as a percentage of net sales (dollars in thousands):

	Thirty-Nine Week Periods Ended		Fiscal Year Ended Sept. 30, 2005	Fiscal Year Ended Sept. 30, 2004	Non-GAAP Combined	July 8, 2003 (Date of Formation) Through Sept. 30, 2003	Predecessor
	July 1, 2006	July 2, 2005			Twelve Months Ended Sept. 30, 2003 ⁽¹⁾		October 1, 2002 Through July 22, 2003
	(unaudited)						
Net sales	\$ 319,272	\$ 269,289	\$ 374,253	\$ 300,703	\$ 293,268	\$ 52,083	\$ 241,185
Cost of sales	156,445	136,866	189,983	164,198	166,915	40,399	126,516
Selling and administrative	37,059	27,841	38,943	31,201	25,372	5,205	20,167
Amortization of intangibles	4,681	5,836	7,747	10,325	2,920	1,975	945
Refinancing costs	48,456						
Merger expenses					176,003		176,003
Income (loss) from operations	72,631	98,746	137,580	94,979	(77,942)	4,504	(82,446)
Interest expense, net	58,686	59,228	80,266	74,675	42,457	14,233	28,224
Income tax provision (benefit)	4,050	14,858	22,627	6,682	(44,671)	(3,970)	(40,701)
Net income (loss)	\$ 9,895	\$ 24,660	\$ 34,687	\$ 13,622	\$ (75,728)	\$ (5,759)	\$ (69,969)

	Thirty-Nine Week Periods Ended		Fiscal Year Ended		Non-GAAP Combined	Predecessor	
	July 1, 2006	July 2, 2005	Sept. 30, 2005	Sept. 30, 2004	Twelve Months Ended Sept. 30, 2003 ⁽¹⁾	July 8, 2003 (Date of Formation) Through Sept. 30, 2003	October 1, 2002 Through July 22, 2003
Net sales	100%	100%	100%	100%	100%	100%	100%
Cost of sales	49	51	51	55	57	78	52
Selling and administrative	12	10	10	10	9	10	9
Amortization of intangibles	2	2	2	3	1	3	
Refinancing Costs	15						
Merger expenses					60		73
Income (loss) from operations	22	37	37	32	(27)	9	(34)
Interest expense, net	18	22	22	25	14	27	12
Income tax provision (benefit)	1	6	6	2	(15)	(7)	(17)
Net income (loss)	3%	9%	9%	5%	(26)%	(11)%	(29)%

(1)

The amounts for the twelve-months ended September 30, 2003 represent a mathematical addition of the results of operations for the predecessor period through July 22, 2003 and the results for the period subsequent to the Mergers. Our consolidated financial statements for the period subsequent to the Mergers reflect a new basis of accounting incorporating the fair value adjustments made in recording the Mergers while the period prior to the Mergers reflect the historical cost basis of the Company.

Thirty-nine week period ended July 1, 2006 compared with the thirty-nine week period ended July 2, 2005

Net Sales. Net sales increased by \$50.0 million, or 18.6%, to \$319.3 million for the thirty-nine week period ended July 1, 2006 from \$269.3 million for the comparable period last year. Sales growth excluding acquisitions was \$32.3 million and represented a 12% increase over the comparable period last year. The organic sales growth was primarily due to: (i) an increase of \$16.7 million of commercial aftermarket sales resulting from the continuing recovery in the commercial aerospace market as well as new business initiatives; and (ii) an increase of \$16.3 million of commercial OEM sales primarily resulting from the increase in production rates for The Boeing Company and Airbus S.A.S. and related OEM system suppliers as well as the business jet market. Partially offsetting the increase in organic sales was a slight decrease in military sales. The remaining \$17.7 million increase resulted from the acquisitions of substantially all of the assets of Skurka Engineering Company, Fluid Regulators Corporation and a motor product line in fiscal 2005, and Electra-Motion and Sweeney in fiscal 2006.

Cost of Sales. Cost of sales increased by \$19.5 million, or 14.3%, to \$156.4 million for the thirty-nine week period ended July 1, 2006 from \$136.9 for the comparable period last year. Cost of sales as a percentage of sales decreased approximately 1.8 percentage points to 49.0% for the thirty-nine week period ended July 1, 2006 from 50.8% for the comparable period last year. The increase in cost of sales was primarily due to increased volume associated with the higher net sales of \$50.0 million discussed above, partially offset by a reduction in acquisition related costs of \$1.7 million, or 0.7% of net sales. The decrease in cost of sales as a percentage of sales was primarily due to: (i) the reduction in acquisition related costs; (ii) productivity improvements; and (iii) the favorable impact of leveraging fixed costs from the higher sales discussed above.

Selling and Administrative Expenses. Selling and administrative expenses increased by \$9.3 million or 33.1%, to \$37.1 million for the thirty-nine week period ended July 1, 2006 from \$27.8 million for the comparable period last year. The increase is due to: (i) the one-time special bonus of \$6.2 million, or 1.9% of net sales, paid to certain members of management in November 2005; (ii) the higher net sales

discussed above; and (iii) non-recurring costs of \$2.6 million incurred in connection with the Initial Public Offering, or 0.8% of net sales. These increases were partially offset by (a) reversal of previously recorded charges of \$3.8 million, or 1.2% of net sales, resulting from the termination in fiscal 2006 of the Rollover Deferred Compensation Plan and the Management Deferred Compensation Plan, and (b) the decrease of \$2.5 million due to the lower compensation expense recorded under the New Management Deferred Compensation Plan. Selling and administrative expenses as a percentage of net sales increased to 11.6% for the thirty-nine week period ended July 1, 2006 from 10.3% for the comparable period last year primarily due to the factors described above.

Amortization of Intangibles. Amortization of intangibles decreased by \$1.1 million to \$4.7 million for the thirty-nine week period ended July 1, 2006 from \$5.8 million for the comparable period last year. The decrease was due to order backlog that was recorded in accounting for acquisitions made in fiscal 2005 that was subsequently fully amortized in fiscal 2006.

Refinancing Costs. Refinancing costs represent a one-time charge that was recorded in June 2006 in connection with the consummation of the Financing Transaction. The charge of \$48.5 million consisted of the premium paid to redeem the 8³/₈% Senior Subordinated Notes of \$25.6 million and the write-off of debt issue costs associated with the Former Senior Secured Credit Facility, the 8³/₈% Senior Subordinated Notes and the TD Group Loan Facility of \$22.9 million.

Income from Operations. Operating income decreased by \$26.1 million, or 26.4%, to \$72.6 million for the thirty-nine week period ended July 1, 2006 from \$98.7 million for the comparable period last year, primarily due to the refinancing costs of \$48.5 million described above.

Interest Expense. Interest expense decreased \$0.5 million, or 1.0%, to \$58.7 million for the thirty-nine week period ended July 1, 2006 from \$59.2 million for the comparable period last year. The net decrease was the result of a \$17.9 million reduction in interest expense resulting from the November 2005 repayment of the Senior Unsecured Promissory Notes, partially offset by \$12.3 million of interest expense from the TD Group Loan Facility and an increase in interest charges under the Former Senior Secured Credit Facility and the New Senior Secured Credit Facility of \$4.9 million primarily due to an increase in interest rates and the increase in the average level of borrowings outstanding.

Income Taxes. Income tax expense as a percentage of income before income taxes was 29.0% for the thirty-nine week period ended July 1, 2006 compared to 37.6% for the comparable period last year. The lower effective tax rate was primarily due to the adoption of a change in Texas tax law enacted in May 2006 resulting in a write-off of net deferred tax liabilities and an income tax benefit of \$1.5 million, or 11.1% of the loss before income taxes, recorded in the thirty-nine week period ended July 1, 2006. Partially offsetting the decrease from the change in Texas law was the change in the federal extraterritorial law that phases out the foreign sales deduction by 2007 and an increase in state and local tax expense as a percentage of income before income taxes.

Net Income. The Company earned \$9.9 million for the thirty-nine week period ended July 1, 2006 compared to \$24.7 million for the comparable period last year, primarily attributable to the costs incurred in connection with the Financing Transaction, and the other factors referred to above.

Fiscal year ended September 30, 2005 compared with fiscal year ended September 30, 2004

Net Sales. Net sales increased by \$73.6 million, or 24.5%, to \$374.3 million for fiscal year 2005 from \$300.7 million for fiscal year 2004. The increase is due to: (i) net sales attributable to the acquisition of Avionic in July 2004, Skurka in December 2004, Fluid Regulators in January 2005 and a motor product line in June 2005, which we refer to collectively as the Acquisitions, totaling \$40.0 million; (ii) an increase in commercial OEM net sales of \$14.5 million resulting from the higher production rates for The Boeing Company, Airbus S.A.S. and regional and business jet markets; (iii) an increase in military shipments of \$9.5 million primarily due to the continued spending by the U.S. Government resulting in part from the conflicts in the Middle East; and (iv) an increase in commercial aftermarket sales of \$9.6 million due to the continuing recovery of the commercial aerospace market.

Cost of Sales. Cost of sales increased by \$25.8 million, or 15.7%, to \$190.0 million for fiscal year 2005 from \$164.2 million for fiscal year 2004. The increase was primarily attributable to the cost of the higher net sales of \$73.6 discussed previously, partially offset by the \$18.5 million charge, or 6.1% of net sales, that was recorded in fiscal year 2004 that resulted in increased cost of sales due to inventory purchase price accounting charges pertaining to the write-up of inventory associated with the Mergers that occurred in fiscal year 2003.

The improvement in cost of sales as a percentage of total net sales in fiscal year 2005 when compared to fiscal year 2004 was primarily due to the \$18.5 million charge recorded in fiscal year 2004 that is discussed above, partially offset by less favorable product mix (i.e., higher OEM shipments) in fiscal year 2005 and the impact of lower margin revenues from the Acquisitions.

Selling and Administrative Expenses. Selling and administrative expenses increased by \$7.7 million, or 24.8%, to \$38.9 million for fiscal year 2005 from \$31.2 million for fiscal year 2004 primarily due to the higher net sales discussed above. Selling and administrative expenses as a percentage of net sales were the same for both fiscal years.

Amortization of Intangibles. Amortization of intangibles decreased by \$2.6 million to \$7.7 million for fiscal year 2005 from \$10.3 million for fiscal year 2004. The decrease was primarily due to the reduction of \$3.1 million in order backlog amortization during fiscal year 2005. During fiscal year 2004, \$5.4 million of order backlog that was recorded in accounting for the Mergers was fully amortized. This decrease was partially offset by an increase in amortization expense of approximately \$0.5 million on the additional identifiable intangible assets recognized in connection with the Acquisitions.

Interest Expense. Interest expense increased by \$5.6 million, or 7.5%, to \$80.3 million for fiscal year 2005 from \$74.7 million for fiscal year 2004 due to (i) an increase of \$3.1 million in interest expense on the Senior Unsecured Promissory Notes resulting from the semi-annual compounding of the accrued and unpaid interest on such notes since July 2003 and (ii) an increase in the interest rates on borrowings under the Former Senior Secured Credit Facility, resulting in an additional \$3.4 million of interest expense in fiscal year 2005. This increase was offset by certain other items, which resulted in a reduction in interest expense of \$0.9 million.

Income Tax Provision. Income tax provision as a percentage of income before income taxes was 39.5% for fiscal year 2005 compared to 32.9% for fiscal year 2004. The increase in the income tax provision as a percentage of income before income taxes is largely due to two items: (i) the reduction in the benefit from foreign sales; and (ii) a change in the Ohio tax law. The reduction in the foreign sales benefit was due to higher income before income taxes in fiscal year 2005 and a change in the federal extraterritorial law that phases out the foreign sales deduction by 2007. Our reduced benefit from foreign sales increased our effective tax rate by 4.4%. The change in the Ohio tax law became effective on July 1, 2005 and replaced the income tax with a commercial activity tax by 2010. As a result of this law change, our ability to utilize net operating loss carryforwards was limited; therefore,

adjustments were made to non-current deferred income tax assets and liabilities. These adjustments resulted in a charge to income tax expense of \$1.3 million, or a 2.3% increase to the effective tax rate.

Net Income. Net income increased \$21.1 million, or 154.6%, to \$34.7 million for fiscal year 2005 compared to net income of \$13.6 million for fiscal year 2004.

Fiscal year ended September 30, 2004 compared with the twelve-month period ended September 30, 2003

The discussion of our results of operations that follows is based upon the combined twelve-month period ended September 30, 2003. The amounts for the twelve-month period ended September 30, 2003 represent a mathematical addition of the results of operations for the predecessor period through July 22, 2003 and the results of operations for the period subsequent to the Mergers. Our consolidated financial statements for the period subsequent to the Mergers reflect a new basis of accounting incorporating the fair value adjustments made in recording the Mergers while the period prior to the Mergers reflect the historical cost basis of the Company.

Net Sales. Net sales increased by \$7.4 million, or 2.5%, to \$300.7 million for fiscal year 2004 from \$293.3 million for the twelve-month period ended September 30, 2003. Net sales increased primarily due to an increase in aftermarket sales of \$19.9 million due primarily to the recovery in the commercial aerospace market, \$12.8 million of increased sales due to the acquisitions of Norco in February 2003 and Avionic in July 2004 and an increase of \$3.5 million in OEM sales. The increase in net sales was partially offset by a decrease of \$28.8 million of non-repeat net sales in the twelve-month period ended September 30, 2003 that supported the cockpit security retrofit of the Airbus fleet.

Cost of Sales. Cost of sales decreased by \$2.7 million, or 1.6%, from \$166.9 million in the twelve-month period ended September 30, 2003 to \$164.2 million in fiscal year 2004. The decrease in cost of sales was primarily due to the favorable product mix (i.e., higher commercial aftermarket sales) in fiscal year 2004, continuing cost control measures and productivity savings (including savings relating to the Norco acquisition) and the strength of our proprietary products and market positions. Cost of sales for fiscal year 2004, when compared to the twelve-month period ended September 30, 2003, was unfavorably impacted by \$5.6 million due to the \$18.5 million inventory purchase accounting charge related to the Mergers recorded during fiscal year 2004 compared to the \$12.9 million inventory purchase accounting charge related to the Mergers that was recorded during the twelve-month period ended September 30, 2003. Cost of sales for fiscal year 2004 was favorably impacted by the absence of non-recurring integration costs pertaining to the Norco acquisition of \$1.5 million that were recorded during the twelve-month period ended September 30, 2003.

The improvement in cost of sales as a percentage of total net sales of 2.3% was primarily due to the favorable product mix (i.e., higher commercial aftermarket sales) in fiscal year 2004, continuing cost control measures and productivity savings (including savings relating to the Norco acquisition) and the strength of our proprietary products and market positions.

Selling and Administrative Expenses. Selling and administrative expenses increased by \$5.8 million, or 23.0%, to \$31.2 million, or 10.4% of net sales, for fiscal year 2004 from \$25.4 million, or 8.7% of net sales, for the twelve-month period ended September 30, 2003 primarily due to an increase of \$4.5 million, or 1.5% of net sales, of deferred compensation plan expenses. The deferred compensation costs were incurred by us in connection with certain employees' participation in our two deferred compensation plans that were established contemporaneously with the Mergers.

Amortization of Intangibles. Amortization of intangibles increased by \$7.4 million to \$10.3 million for fiscal year 2004 from \$2.9 million for the twelve-month period ended September 30, 2003 primarily due to the increase in the amortization of other intangible assets resulting from the recognition of a full year of amortization expense on the additional identifiable intangible assets recognized in

accounting for the Mergers, which was primarily related to the increase in the amortization of order backlog, an intangible asset, of \$4.3 million, which became fully amortized in fiscal year 2004, and the increase in the amortization of unpatented technology, an intangible asset, of \$2.8 million.

Merger Expenses. These expenses represent a one-time charge that was recorded in the twelve-month period ended September 30, 2003 as a result of the Mergers and consisted primarily of the following (in millions):

Description	Amount
Compensation costs recognized for stock options redeemed and rolled over in connection with the Mergers	\$ 137.5
Premium paid to redeem the 10 ³ / ₈ % Senior Subordinated Notes	16.6
Write-off of debt issue costs associated with the 10 ³ / ₈ % Senior Subordinated Notes	9.5
Investment banker fees	8.2
Other fees and expenses	4.2
Total merger expenses	\$ 176.0

Interest Expense. Interest expense increased by \$32.2 million, or 75.9%, to \$74.7 million for fiscal year 2004 from \$42.5 million for the twelve-month period ended September 30, 2003. This increase in interest expense was primarily caused by: (i) the issuance of approximately \$200 million in aggregate principal amount of the Senior Unsecured Promissory Notes in July 2003 in connection with the Mergers, resulting in additional interest expense of \$21.1 million; (ii) the issuance of \$400 million of 8³/₈% Senior Subordinated Notes in July 2003 in connection with the Mergers (the then outstanding \$200 million of 10³/₈% Senior Subordinated Notes were repaid in connection with the Mergers), resulting in additional interest expense of \$10.7 million; (iii) an increase in the weighted average borrowing level of TransDigm Inc.'s then existing senior credit facilities to approximately \$294 million in fiscal year 2004 from approximately \$205 million in the twelve-month period ended September 30, 2003 primarily due to the Mergers, partially offset by lower interest rates, resulting in additional interest expense of \$1.5 million; and (v) other items resulting in an increase in interest expense of \$0.4 million. The increase in interest expense was partially offset by a \$1.5 million decrease in interest expense resulting from the February 2003 repayment of all of TransDigm Holdings' outstanding 12% Payment in Kind Notes, or the PIK Notes.

Income Tax Provision. Income tax provision (benefit) as a percentage of income (loss) before income taxes decreased to 33% for fiscal year 2004 from 37% for the twelve-month period ended September 30, 2003. The decrease in the income tax provision (benefit) as a percentage of income (loss) before taxes is primarily due to two items: (i) nondeductible merger expenses; and (ii) benefits from foreign sales. During the twelve-month period ended September 30, 2003, we incurred nondeductible merger expenses, which reduced our income tax benefit by \$4.2 million. The tax effect of these nondeductible merger expenses comprised 3.5% of the income tax provision (benefit) as a percentage of income (loss) before income taxes for the twelve-month period ended September 30, 2003 and 0% of the income tax provision (benefit) as a percentage of income (loss) before income taxes for fiscal year 2004. The foreign sales income tax benefit for the twelve-month period ended September 30, 2003 (\$1.4 million) was approximately 1.1% of the income (loss) before income taxes, whereas the foreign sales benefit for fiscal year 2004 (\$1.1 million) was approximately 5.6% of the income (loss) before income taxes for fiscal year 2004.

Net Income (Loss). We earned \$13.6 million for fiscal year 2004 compared to a net loss of \$75.7 million for the twelve-month period ended September 30, 2003.

Backlog

As of July 1, 2006, we estimated our sales order backlog at \$259.1 million compared to an estimated \$219.4 million as of July 2, 2005. This increase in backlog is due to the acquisitions of Sweeney and Electra-Motion discussed above totaling approximately \$9.2 million and an increase in orders across existing product offerings in both the OEM and aftermarket segments. The majority of the purchase orders outstanding as of July 1, 2006 are scheduled for delivery within the next twelve months. Purchase orders may be subject to cancellation by the customer prior to shipment. The level of unfilled purchase orders at any given date during the year will be materially affected by the timing of our receipt of purchase orders and the speed with which those orders are filled. Accordingly, our backlog as of July 1, 2006 may not necessarily represent the actual amount of shipments or sales for any future period.

Foreign Operations

Substantially all of our operations and assets are located within the United States. We purchase certain of the components that we use in our products from foreign suppliers and a portion of our products are resold to foreign end-users. Our direct sales to foreign customers were approximately \$81.5 million, \$69.9 million and \$87.8 million in fiscal years 2005 and 2004 and the twelve-month period ended September 30, 2003, respectively. The decrease in foreign sales in fiscal year 2004 is primarily due to non-repeat sales in the twelve-month period ended September 30, 2003 that supported the cockpit security retrofit of the Airbus fleet. Sales to foreign customers are subject to numerous additional risks, including the impact of foreign government regulations, political uncertainties and differences in business practices. There can be no assurance that foreign governments will not adopt regulations or take other action that would have a direct or indirect adverse impact on our business or market opportunities within such governments' countries. Furthermore, there can be no assurance that the political, cultural and economic climate outside the United States will be favorable to our operations and growth strategy.

Inflation

Many of our raw materials and operating expenses are sensitive to the effects of inflation, which could result in changing operating costs. However, the effects of inflation on our business during the thirty-nine week periods ended July 1, 2006 and July 2, 2005, fiscal years 2005 and 2004, and the twelve-month period ended September 30, 2003 were not significant.

Liquidity and Capital Resources

Operating Activities. We used \$39.8 million of cash from operating activities during the thirty-nine week period ended July 1, 2006 compared to \$61.0 million of cash generated from operating activities during the comparable period last year. The decrease of \$100.8 million is primarily due to (i) the payment of accrued interest of \$62.7 million relating to Senior Unsecured Promissory Notes in November 2005 and \$12.3 million relating to the TD Group Loan Facility, (ii) the distributions to participants in our deferred compensation plans totaling approximately \$26.0 million in November 2005 (in connection with the distributions under the deferred compensation plans, our Board of Directors approved the termination of the plans during the first quarter of fiscal 2006), and (iii) the payment in November 2005 of a one-time special bonus to certain members of management of \$6.2 million. These decreases are partially offset by a \$6.4 million increase in operating cash flows as a result of an increase in net sales and other factors described in "Results of Operations" above.

We generated \$80.7 million of cash from operating activities during fiscal year 2005 compared to \$111.1 million of cash generated from operating activities in fiscal year 2004. The decrease of \$30.4 million in fiscal year 2005 is primarily due to the receipt of income tax refunds of \$37.1 million

during fiscal year 2004 resulting from the merger charge in the twelve-month period ended September 30, 2003. During the twelve-month period ended September 30, 2003 we used \$17.3 million of cash from operating activities. We generated \$16.9 million of cash from operating activities during the period from July 8, 2003 (date of formation) through September 30, 2003 and used \$34.2 million of cash during the predecessor period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers). The increase of \$128.5 million in fiscal year 2004 is primarily due to approximately \$88 million of cash outlays made in the twelve-month period ended September 30, 2003 in connection with the one-time expenses of the Mergers as well as the receipt of income tax refunds in fiscal year 2004 of \$37.1 million.

Investing Activities. Cash used in investing activities was \$32.7 million during the thirty-nine week period ended July 1, 2006 with such cash primarily being used in connection with the acquisitions of Electra-Motion and Sweeney for \$27.2 million. Cash used in investing activities was \$65.6 million during the thirty-nine week period ended July 2, 2005, consisting primarily of the acquisitions of Skurka, Fluid Regulators and the motor product line for \$63.1 million.

Cash used in investing activities decreased to \$20.5 million during fiscal year 2005 compared to \$77.6 million of cash used in investing activities during fiscal year 2004. The cash used in fiscal year 2005 was primarily for (i) the Acquisitions discussed previously of \$63.2 million, offset by the sale of marketable securities (net of purchases) of \$50.6 million, and (ii) capital expenditures of \$8.0 million. The cash used in investing activities in fiscal year 2004 was primarily for the net purchase of marketable securities of \$50.7 million and the acquisition of Avionic for \$21.5 million. The cash used in investing activities during the period from July 8, 2003 (date of formation) through September 30, 2003, totaling \$469.3 million, was used in connection with the Mergers. The cash used in investing activities during the predecessor period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers), totaling \$57.3 million, was primarily for the acquisition of the Norco business for \$53.0 million.

Financing Activities. Cash used in financing activities during the thirty-nine week period ended July 1, 2006 increased to \$9.6 million compared to \$3.7 million of cash used in financing activities during the comparable period last year. The cash used in financing activities during the thirty-nine week period ended July 1, 2006 of \$9.6 million primarily consisted of: (i) the use of \$3.0 million associated with the consummation of the Financing Transaction and (ii) the use of \$200 million of cash in connection with repayment of the Senior Unsecured Promissory Notes. The cash used in these financing activities in the thirty-nine week period ended July 1, 2006 was partially offset by the proceeds from the TD Group Loan Facility of \$193.8 million. The cash used in financing activities during fiscal 2005 of \$3.7 million was due to the repayment of amounts borrowed under the Former Senior Credit Facility of \$2.2 million and the payment of a license obligation of \$1.5 million.

We used \$4.4 million of cash in financing activities during fiscal year 2005 compared to using \$3.9 million of cash in financing activities during fiscal year 2004, primarily for the repayment of term loans and a license agreement. We generated \$471.3 million of cash from financing activities during the period from July 8, 2003 (date of formation) through September 30, 2003 from the proceeds from the issuance of common stock of \$271.3 million and the proceeds from the issuance of the Senior Unsecured Promissory Notes of \$200.0 million, which proceeds were used to partially finance the Mergers. The cash generated from financing activities of \$82.5 million during the predecessor period from October 1, 2002 through July 22, 2003 (the closing date of the Mergers) resulted from: (i) \$90.5 million of borrowings and equity contributions associated with the Mergers that were obtained to finance the cash portion of the expenses of the Mergers that are reflected in our consolidated statement of cash flows as an operating activity and were not paid from existing cash balances; and (ii) \$24.8 million obtained to finance the Norco acquisition. The cash generated from financing activities during this period was partially offset by the cash used in the repayment of the PIK Notes of \$32.8 million and other expenditures.

Senior Unsecured Promissory Notes

In connection with the Mergers, TD Group issued the Senior Unsecured Promissory Notes in an aggregate principal amount of approximately \$200 million. The Senior Unsecured Promissory Notes were unsecured and were not guaranteed by any of TD Group's direct or indirect subsidiaries, including TransDigm Inc. The Senior Unsecured Promissory Notes were scheduled to mature in July 2008. The principal amount of the indebtedness outstanding under the Senior Unsecured Promissory Notes was not amortized and, therefore, the entire balance thereof was payable upon maturity in July 2008, subject to certain required prepayment events. The Senior Unsecured Promissory Notes accrued interest at a rate per annum equal to 12%, compounded semi-annually, with all interest being payable upon maturity or the earlier repayment of the Senior Unsecured Promissory Notes. As described above, on November 10, 2005, TD Group elected to optionally prepay the entire outstanding principal amount and all accrued and unpaid interest in respect of the Senior Unsecured Promissory Notes. The total amount paid to the holders of the Senior Unsecured Promissory Notes in full satisfaction of TD Group's obligations thereunder was approximately \$262.7 million.

Former Senior Secured Credit Facility

In connection with the Mergers, all of TransDigm Inc.'s borrowings (term loans) under its previous senior secured credit facility were repaid and a new senior secured credit facility was obtained. On April 1, 2004, TransDigm Inc.'s senior secured credit facility was amended and restated to refinance approximately \$294 million of term loans then outstanding. The Former Senior Secured Credit Facility totaled \$394 million, which consisted of (i) a \$100 million revolving credit line (including a letter of credit sub-facility of \$15 million) maturing in July 2009 and (ii) a \$294 million term loan facility maturing in July 2010. In connection with the Financing Transaction, the entire \$288.4 million outstanding under the Former Senior Secured Credit Facility, together with all accrued and unpaid interest thereon and all other amounts payable thereunder, was repaid.

8³/₈% Senior Subordinated Notes

In connection with the Mergers, TransDigm Inc. (as successor by merger to TD Funding Corporation) issued \$400 million aggregate principal amount of 8³/₈% Senior Subordinated Notes, which did not require principal payments prior to their maturity in July 2011. In May 2006, TransDigm Inc. commenced a tender offer to purchase for cash any and all of the outstanding 8³/₈% Senior Subordinated Notes, and, in connection therewith, we solicited consents to amend the indenture governing such notes to, among other things, eliminate substantially all of the restrictive covenants and eliminate or modify certain events of default. On June 23, 2006, we closed the tender offer and consent solicitation for the 8³/₈% Senior Subordinated Notes. In connection with the closing, we purchased all of the issued and outstanding 8³/₈% Senior Subordinated Notes that were validly tendered, totaling \$399,670,000 in aggregate principal amount.

On August 7, 2006, we redeemed all of the 8³/₈% Senior Subordinated Notes that remained outstanding after the consummation of the tender offer for such notes.

Funding of the Mergers and Related Transactions

In connection with the Mergers, Warburg Pincus and certain other investors made an investment in TD Group of approximately \$471.3 million, with approximately \$200 million of such investment being attributable to the Senior Unsecured Promissory Notes described above. TD Group contributed such funds as equity to TD Acquisition Corporation (which, as described elsewhere in this prospectus, was merged into TransDigm Holdings. TD Acquisition Corporation then contributed the funds as equity to TD Funding Corporation (which, as described elsewhere in this prospectus, was merged into TransDigm Inc.), which lent a portion of such proceeds together with a portion of the proceeds it

received from the issuance of the 8³/₈% Senior Subordinated Notes and from borrowings under its then effective senior secured credit facilities, to TD Acquisition Corporation. TD Acquisition Corporation used the proceeds of such intercompany loan to pay all amounts due to the equity holders of TransDigm Holdings under the terms of the merger agreement that totaled approximately \$759.7 million. In connection with the Mergers, certain employees also rolled over options with a net value of approximately \$35.7 million.

Using a portion of the proceeds from the 8³/₈% Senior Subordinated Notes, the borrowings under its then effective senior secured credit facilities, the cash investment by Warburg Pincus and certain other co-investors and existing cash balances, TransDigm Inc. repaid or defeased all of its long-term indebtedness that was outstanding immediately prior to the consummation of the Mergers and paid acquisition fees and expenses of approximately \$34.7 million. The repaid indebtedness included all amounts outstanding under TransDigm Inc.'s then existing credit facilities. TransDigm Inc. also completed a tender offer to repurchase its 10³/₈% Senior Subordinated Notes. Approximately \$197.8 million aggregate principal amount of the \$200 million aggregate principal amount of outstanding 10³/₈% Senior Subordinated Notes were tendered in the tender offer. TransDigm Inc. defeased the remaining \$2.2 million aggregate principal amount of 10³/₈% Senior Subordinated Notes not tendered and accepted for payment in the tender offer and, in December 2003, redeemed such notes.

TD Group Loan Facility

On November 10, 2005, the lenders under the TD Group Loan Facility made loans to TD Group in an aggregate principal amount of \$200 million, and on such date and after giving effect to the fees and expenses paid in connection with the consummation of such transactions, TD Group received aggregate net proceeds of approximately \$193.8 million. On November 10, 2005, TD Group used the net proceeds received from the TD Group Loan Facility together with substantially all of the proceeds received from the dividend payment from TransDigm Holdings which is described above to (i) prepay the entire outstanding principal amount and all accrued and unpaid interest on the Senior Unsecured Promissory Notes, with all such payments totaling approximately \$262.7 million, and (ii) make certain distributions under the Rollover Deferred Compensation Plan and the Management Deferred Compensation Plan, with the aggregate distributions that were made under such deferred compensation plans totaling approximately \$26.0 million.

The TD Group Loan Facility was unsecured and was not guaranteed by any of TD Group's direct or indirect subsidiaries, including TransDigm Inc. The TD Group Loan Facility was to mature in November 2011. The principal amount of the indebtedness outstanding under the TD Group Loan Facility was not amortized and, therefore, the entire balance thereof would have been payable upon maturity in November 2011, subject to certain required prepayment events.

Upon consummation of the Financing Transaction, the entire \$200 million outstanding under the TD Group Loan Facility, together with all accrued and unpaid interest thereon and all other amounts payable thereunder, was repaid.

Certain Restrictive Covenants in Our Debt Documents

Both the New Senior Secured Credit Facility and the Indenture contain restrictive covenants that, among other things, limit the incurrence of additional indebtedness, the payment of dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances, and prepayments of other indebtedness. In addition, the revolving loan facility under the New Senior Secured Credit Facility requires TransDigm Inc. to comply with a first lien leverage ratio. A breach of any of these covenants or the inability to comply with the required leverage ratio could result in a default under the New Senior Secured Credit Facility or the Indenture. If any such default occurs,

the lenders under the New Senior Secured Credit Facility and the holders of the notes may elect to declare all outstanding borrowings, together with accrued interest and other amounts payable thereunder, to be immediately due and payable. The lenders under the New Senior Secured Credit Facility also have the right in these circumstances to terminate any commitments they have to provide further borrowings. In addition, following an event of default under the New Senior Secured Credit Facility, the lenders under this facility will have the right to proceed against the collateral granted to them to secure the debt, which includes our available cash, and they will also have the right to prevent us from making debt service payments on the notes. See "Description of the New Senior Secured Credit Facility" and "Description of the Exchange Notes."

Contractual Obligations

The following is a summary of our contractual cash obligations as of July 1, 2006 (in millions):

	2006 ⁽¹⁾	2007	2008	2009	2010	2011 and Thereafter	Total
New Senior Secured Credit Facility ⁽²⁾	\$	\$	\$	\$	\$	\$ 650.0	\$ 650.0
7 ³ / ₄ % Senior Subordinated Notes due 2014						275.0	275.0
Scheduled Interest Payments ⁽³⁾	13.5	72.0	70.7	70.7	70.4	214.3	511.6
Operating Leases	0.6	2.3	1.6	1.5	1.1	2.0	9.1
TD Holding Corporation 2005 New Management Deferred Compensation Plan				6.2			6.2
Total Contractual Cash Obligations	\$ 14.1	\$ 74.3	\$ 72.3	\$ 78.4	\$ 71.5	\$ 1,141.3	\$ 1,451.9

(1) The contractual cash obligations are measured from July 1, 2006.

(2) The New Senior Secured Credit Facility will mature on June 23, 2013 (in the case of the term loan facility) and June 23, 2012 (in the case of the revolving credit facility), and will not be subject to interim scheduled amortization. However, under the terms of the New Senior Secured Credit Facility, commencing 90 days after the end of fiscal 2007 and each fiscal year thereafter, TransDigm Inc. is required to prepay outstanding term loans in a principal amount equal to 50% of Excess Cash Flow (as defined); provided, that the amount of the prepayment will be reduced to 25% of Excess Cash Flow if the Consolidated Leverage Ratio (as defined) at the end of the applicable fiscal year is less than 5.00 to 1.00, but greater than 4.50 to 1.00, and TransDigm Inc. will not be required to prepay any of the term loan if the Consolidated Leverage Ratio as of the end of the applicable fiscal year is equal to or less than 4.50 to 1.00 or if the term loan achieves certain minimum credit ratings at the end of such fiscal year. See "Description of the New Senior Secured Credit Facility."

(3) Assumes that the variable interest rate on our borrowings under the New Senior Secured Credit Facility remains constant at 7.45%.

Our primary future cash needs will consist of debt service and capital expenditures. We incur capital expenditures for the purpose of maintaining and replacing existing equipment and facilities and, from time to time, for facility expansion. Capital expenditures totaled approximately \$5.6 million, \$8.0 million, \$5.4 million and \$5.2 million during the thirty-nine week period ended July 1, 2006, fiscal years 2005 and 2004 and the twelve-month period ended September 30, 2003, respectively. We expect our capital expenditures for ordinary operating activities for the entire fiscal year 2006 to be approximately \$8.0 million and such expenditures are projected to increase moderately thereafter.

We may from time to time seek to retire our outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. In addition, we may issue additional debt if prevailing market conditions are favorable to doing so and contractual restrictions permit us to do so.

We intend to pursue acquisitions that present opportunities consistent with our business strategy. We regularly engage in discussions with respect to potential acquisitions and investments. However, there can be no assurance that we will be able to consummate an agreement with respect to any future acquisition. Our acquisition strategy may require substantial capital, and no assurance can be given that we will be able to raise any necessary funds on acceptable terms or at all. If we incur additional debt to finance acquisitions, total interest expense will increase.

Our ability to make scheduled payments of principal of, or to pay the interest on, or to refinance, our indebtedness, or to fund non-acquisition related capital expenditures and research and development efforts, will depend on our ability to generate cash in the future. This is subject, in part, to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Based on our current levels of operations and anticipated cost savings and operating improvements and absent any disruptive events, management believes that internally generated funds and borrowings available under the revolving loan facility under our New Senior Secured Credit Facility should provide sufficient resources to finance our operations, non-acquisition related capital expenditures, research and development efforts and long-term indebtedness obligations through at least fiscal year 2007. There can be no assurance, however, that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized on schedule or at all or that future borrowings will be available to TransDigm Inc. under the New Senior Secured Credit Facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. Also, to the extent we accelerate our growth plans, consummate acquisitions or have lower than anticipated sales or increases in expenses, we may also need to raise additional capital. In particular, increased working capital needs occur whenever we consummate acquisitions or experience strong incremental demand. There can be no assurance that we will be able to raise additional capital on commercially reasonable terms or at all.

New Accounting Standards

In July 2006, the Financial Accounting Standards Board, or FASB, issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 prescribes the minimum accounting and disclosure requirements of uncertain tax positions. FIN 48 also provides guidance on the derecognition, measurement, classification, interest and penalties, and transition of uncertain tax positions. FIN 48 is effective for fiscal periods after December 15, 2006. We are currently analyzing the expected impact of adoption of FIN 48 on our financial statements.

In June 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections - A Replacement of APB Opinion No. 20 and FASB Statement No. 3," or SFAS 154. This Statement requires that a voluntary change in accounting principle be applied retroactively with all prior period financial statements presented on the basis of the new accounting principle, unless it is impracticable to do so. SFAS 154 also provides that (1) a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle and (2) correction of errors in previously issued financial statements should be termed a "restatement". The new standard is effective for accounting changes and a correction of errors made in fiscal years beginning after December 15, 2005. Early adoption of this standard is permitted for accounting changes and correction of errors made in fiscal years beginning after June 1, 2005. We do not anticipate that the adoption of this statement will have a material impact on our results of operation or financial condition.

During December 2004, the FASB issued Statement No. 123(R), "Share Based Payment," or SFAS 123(R), which requires all share-based payments to employees, including grants of employee

stock options, to be recognized in the financial statements based on their fair values. We anticipate adopting this pronouncement effective October 1, 2006. We anticipate that the adoption of this pronouncement will not have a material impact on our consolidated financial position or results of operations.

Quantitative and Qualitative Disclosure About Market Risk

Our main exposure to market risk relates to interest rates. Our financial instruments that are subject to interest rate risk principally include fixed-rate and floating-rate long-term debt. At July 1, 2006, TransDigm Inc. had borrowings under its New Senior Secured Credit Facility of \$650 million that were subject to interest rate risk. Borrowings under the New Senior Secured Credit Facility bear interest, at TransDigm Inc.'s option, at a rate equal to either an alternate base rate or an adjusted LIBO rate for a one, two, three or six-month (or to the extent available to each lender, a nine or twelve-month) interest period chosen by TransDigm Inc., in each case, plus an applicable margin percentage that varies based on the consolidated leverage ratio of TransDigm Inc. as of the relevant date of determination. Accordingly, the Company's cash flows and earnings will be exposed to the market risk of interest rate changes resulting from variable rate borrowings under the New Senior Secured Credit Facility. The effect of a hypothetical one percentage point increase in interest rates would increase the annual interest costs under the New Senior Secured Credit Facility by approximately \$6.5 million based on the amount of outstanding borrowings at July 1, 2006. The weighted average interest rate on the \$650 million of borrowings under the New Senior Secured Credit Facility on July 1, 2006 was 7.45%.

At July 1, 2006, we had an agreement in place to swap variable interest rates on the New Senior Secured Credit Facility for fixed interest rates through June 23, 2009 for the notional amount of \$187 million, which will decrease to \$170 million on September 23, 2007 and to \$150 million on September 23, 2008 through June 23, 2009. The fair value of the interest rate swap agreement is adjusted at each balance sheet date, with a corresponding adjustment to other comprehensive income. At July 1, 2006, the fair value of the interest rate swap agreement was a liability of \$0.6 million.

Because the interest rates on borrowings under the New Senior Secured Credit Facility vary with market conditions, the amount of outstanding borrowings under the New Senior Secured Credit Facility approximates the fair value of the indebtedness. The fair value of the \$275 million aggregate principal amount of TransDigm Inc.'s 7³/₄% Senior Subordinated Notes is exposed to the market risk of interest rate changes. The estimated fair value of such notes approximated \$273 million at July 1, 2006 based upon quoted market rates.

Foreign Currency Exchange Rate Risk

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

BUSINESS

General

TransDigm Inc. was formed in July 1993 in connection with the acquisition of certain companies from IMO Industries. TD Group was formed under the name TD Holding Corporation in July 2003 at the direction of Warburg Pincus to facilitate the acquisition of TransDigm Holdings. On July 22, 2003, TD Acquisition Corporation, a newly formed, wholly-owned subsidiary of TD Group, was merged with and into TransDigm Holdings with TransDigm Holdings continuing as the surviving corporation. Upon the completion of that merger, TransDigm Holdings became a wholly-owned subsidiary of TD Group, and TransDigm Inc. continued to be a wholly-owned subsidiary of TransDigm Holdings. TransDigm Holdings has since been merged into TransDigm Inc., resulting in TransDigm Inc. being a wholly-owned direct subsidiary of TD Group. Over the past five years, we have made several acquisitions, including the May 2001 acquisition by Champion Aerospace Inc., a wholly-owned subsidiary of TransDigm Inc., of substantially all of the assets and certain liabilities of the Champion Aviation Products business from Federal Mogul Ignition Company. For additional information with respect to the acquisitions we have made during the last five years, please see "Selected Consolidated Financial Data."

We believe we are a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Our business is well diversified due to the broad range of products we offer to our customers. Some of our more significant product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include ignition systems and components, gear pumps, mechanical/electro-mechanical actuators and controls, NiCad batteries/chargers, power conditioning devices, hold-open rods and locking devices, engineered connectors, engineered latches and cockpit security devices, lavatory hardware and components, specialized AC/DC electric motors and specialized valving. Each of these product offerings consists of many individual products that are typically customized to meet the needs of a particular aircraft platform or customer.

For fiscal year 2005, we generated net sales of \$374.3 million and net income of \$34.7 million. In addition, for fiscal year 2005, our EBITDA was \$154.5 million, or 41.3% of net sales, our EBITDA As Defined was \$164.2 million, or 43.9% of net sales, and our capital expenditures were \$8.0 million, or 2.1% of net sales.

We estimate that over 90% of our net sales for fiscal year 2005 were generated by proprietary products for which we own the design. These products are generally approved and certified by airframe manufacturers (who often certify only one manufacturer's component design for a specific application on an aircraft), government agencies and/or the FAA and similar entities or agencies. In addition, for fiscal year 2005, we estimate that we generated approximately 75% of our net sales from products for which we are the sole source provider.

Most of our products generate significant aftermarket revenue. Once our parts are designed into and sold as original equipment on an aircraft, we generate net sales from recurring aftermarket consumption over the life of that aircraft. This installed base and our sole source provider position generate a long-term stream of aftermarket revenues over the estimated 30-year life of an individual aircraft. We estimate that approximately two-thirds of our net sales in fiscal year 2005 were generated from aftermarket sales, the vast majority of which come from the commercial and military aftermarkets. These aftermarket revenues have historically produced a higher gross margin and been more stable than sales to OEMs.

In fiscal year 2005, our top three customers accounted for approximately 30% of our net sales, and during this same period our top ten customers accounted for approximately 52% of our net sales. However, our components are ultimately used on a large, diverse installed base of aircraft and,

therefore, we are not overly dependent on any single airframe produced by any of our customers or other ultimate end-users of our products. For example, we estimate that sales to support any single OEM airframe production requirement did not exceed 4.0% of our net sales for fiscal year 2005, and sales to support any single aftermarket airframe platform did not exceed 5.5% of our net sales for this same period. In the commercial aerospace sector, which generated approximately 70% of our net sales for fiscal year 2005, we sell to distributors of aftermarket components, as well as directly to commercial airlines, aircraft maintenance facilities, systems suppliers, and aircraft and engine OEMs. In addition, for fiscal year 2005, approximately 24% of our net sales were attributable to the defense aerospace sector, with approximately 11% of our overall net sales for this period being attributable to various agencies and buying organizations of the U.S. Government. Net sales to the defense sector are generated primarily through sales to the United States and foreign militaries, brokers, distributors and defense OEMs. The remaining portion of our net sales in fiscal year 2005, or approximately 6% of our net sales during this period, were derived from industries with similar niche engineered product characteristics such as the mining, military ground vehicle and power generation industries.

Industry and Market Overview

We primarily compete in the commercial and military aerospace industry. The commercial aftermarket, where we have historically derived the majority of our net sales, has generally been more stable and has exhibited steady growth compared to the commercial OEM market which has historically exhibited cyclical swings due to changes in production rates for new aircraft. Commercial aftermarket revenue is driven primarily by revenue passenger miles and by the size and age of the worldwide aircraft fleet. The growth rates of revenue passenger miles and the size of the worldwide aircraft fleet tend to correlate. Between 1970 and 2004, RPMs grew at a CAGR of approximately 6.2%, and are expected to grow at a CAGR of approximately 5.3% between 2005 and 2010 according to The Airline Monitor. The worldwide aircraft fleet grew at a CAGR of approximately 4.8% between 1970 and 2004, and is expected to grow at approximately a 4.0% CAGR between 2005 and 2010, reflecting the anticipated increase in RPMs during this period. We anticipate that the growth of RPMs and the increase in the size of the worldwide aircraft fleet will increase the size of our installed base of aircraft for which we supply aftermarket products.

Historically, aftermarket and OEM sales in the military sector tend to follow defense spending. Military aftermarket revenue is driven primarily by the operational tempo of the military, while military OEM revenue is driven primarily by spending on new systems and platforms. In recent years, defense spending has reached historic highs, due in part to the military engagements in Afghanistan and Iraq and the war on terrorism. The total defense spending budget can be difficult to predict. We anticipate that military related sales of our types of products will experience modest, if any, growth over the current high levels.

Our Competitive Strengths

We believe our key competitive strengths include:

Large and Growing Installed Product Base with Aftermarket Revenue Stream. We provide components to a large and growing installed base of aircraft to which we supply aftermarket products. We estimate that our products are installed on more than 40,000 commercial transport, regional transport, military and general aviation fixed wing turbine aircraft and over 15,000 rotary wing aircraft. This installed base and our sole source provider position for an estimated 75% of our net sales for fiscal year 2005 enable us to capture a long-term stream of highly profitable aftermarket revenues over the long life of an individual aircraft.

Diversified Revenue Base. Our diversified revenue base reduces our dependence on any particular product, platform or market segment and has been a significant factor in maintaining our financial performance. Our products are installed on almost all of the major commercial aircraft platforms now in production, including the Boeing 737, 747, 757, 767 and 777, the Airbus A300/310, A319/20/21 and A330/340, the Bombardier CRJ's and Challenger, the Embraer RJ's, the Cessna Citation family, the Raytheon Premier and Hawker and most Gulfstream airframes. Military platforms include aircraft such as the Boeing C-17, F-15 and F-18, the Lockheed Martin C-130J and F-16, the Northrop Grumman E2C (Hawkeye), the Joint Strikefighter and the Blackhawk, Chinook and Apache helicopters. We expect to continue to develop new products for military and commercial applications. For example, we expect to be certified and provide a range of components for the new Boeing 787 and Airbus A380 and A400M.

Significant Barriers to Entry. We compete in niche markets with significant barriers to entry. We believe that the niche nature of our markets, the industry's stringent regulatory and certification requirements, the large number of products that we sell and the investments necessary to develop and certify products create barriers to entry for potential competitors. So long as we deliver products that meet or exceed our customers' expectations and performance standards, we believe that our customers will have little incentive to certify another supplier because of the cost and time of the certification process. In addition, we believe concerns about safety and the indirect costs of flight delays if products are unavailable or undependable make our customers hesitant to switch to new suppliers.

Strong Cash Flow Generation. We generate strong cash flow from operations as a result of our high margins and low capital expenditure requirements. We believe that our high margins are the result of the value we provide to our customers through our engineering, service and manufacturing capabilities, our focus on proprietary and high margin aftermarket business, our ability to generate profitable new business and our ability to consistently realize productivity savings. For fiscal years 2005 and 2004 and for the twelve-month period ended September 30, 2003, our EBITDA As Defined margins were 43.9%, 46.3% and 42.4%, respectively. In addition, our low recurring capital expenditure requirements, which have historically been between approximately \$5 million to \$8 million per year, or approximately 2% of net sales per year, coupled with our consistent installed revenue base, provide a stable stream of cash flows. We have historically allocated our capital expenditures efficiently and we believe that our capacity is sufficient to meet our current growth initiatives. Therefore, we anticipate that our capital expenditures for ordinary course operating activities will remain relatively consistent with historic levels when measured as a percentage of net sales. Our strong cash flow provides us with the ability to reduce our indebtedness and reinvest in our business, including by acquiring new businesses and operations.

Consistent Track Record of Financial Success and Strong Growth. From fiscal year 1994 to fiscal year 2005, our net sales grew at a CAGR of 19.7%. In addition, during this same period our EBITDA As Defined grew at a CAGR of 29.1%. Management achieved this growth through a focus on our value-driven operating strategy and a methodical and focused acquisition strategy, each of which is described in more detail below. Management's strategy has resulted in significant margin expansion, with EBITDA As Defined margins increasing from 19.0% in fiscal year 1993 to 43.9% for fiscal year 2005.

Value-Driven Management Team with a Successful Track Record. Our operations are managed by a very experienced, value-driven management team with a proven record of growing our business organically, reducing overhead, rationalizing costs and integrating acquisitions. Our management team, many of whom have been with us since or soon after our formation in 1993, has demonstrated its ability over the last twelve years to successfully operate the business through various market cycles while consistently achieving higher revenue growth rates and improving margins.

Business Strategy

Our business strategy is made up of two key elements. The first element is a value-driven operating strategy focused on our three core value drivers: (1) new business development; (2) steady improvements to our cost structure; and (3) value-based pricing. The second element is a selective acquisition strategy focused on the acquisition of proprietary components businesses and related products and services. The successful execution of these two elements of our business strategy has enabled us to deliver consistent financial performance through all phases of the market cycles of the aerospace industry.

Value-Driven Operating Strategy

Our three core value drivers are:

Obtaining Profitable New Business. We attempt to obtain profitable new business by using our technical expertise, unique application skill and our detailed knowledge of our customer base and the individual niche markets in which we operate. We believe that we develop reliable, high value added products that meet our customers' specific new application requirements and/or solve problems with current applications. We have regularly been successful in identifying and developing both aftermarket and OEM products to drive our growth. We work closely with OEMs, airlines and other end users to identify components that are not meeting their performance or reliability expectations. We then attempt to develop products that meet or exceed their expectations. For example, Airbus S.A.S. selected us to design the security bolting system that has been installed on all Airbus cockpit doors to comply with FAA and European regulatory requirements adopted after the events of September 11, 2001. The system has been retrofitted on more than 2,500 Airbus aircraft. We also work closely with OEMs to develop reliable products for their new airframe designs. The content we expect to provide for the new Boeing 787, Airbus A380, Airbus A400M and Joint Strike Fighter is a current indication of the success of this strategy. Due in part to this strategy, we have been able to grow our business through all phases of the market cycles of the aerospace industry.

Improving Our Cost Structure. We attempt to make steady improvements to our cost structure through detailed attention to the cost of each of the products that we offer and our organizational structure, with a focus on steadily reducing the cost of each. By maintaining this detailed focus across each area of our company, we have been able to consistently improve our overall cost structure through all phases of the market cycles of the aerospace industry.

Providing Highly Engineered Value-Added Products to Customers. We focus on the engineering, manufacturing and marketing of a broad range of highly engineered niche products that we believe provide unique value to our customers. We seek to excel in customer service, application knowledge, quality and reliability. As a result, we have been consistently successful over many years and through all phases of the aerospace market cycles in communicating to our customers the value of our products. This has generally enabled us to price our products to fairly reflect the value we provide and the resources required to do so.

Selective Acquisition Strategy

We selectively pursue the acquisition of proprietary component businesses when we see an opportunity to create value through the application of our three core value-driven operating strategies. Though we primarily seek acquisitions in the aerospace industry, we also consider proprietary engineered product businesses serving other industries with similar niche characteristics. The aerospace industry, in particular, remains highly fragmented, with many of the companies in the industry being

small private businesses or small non-core operations of larger businesses. We have established a dedicated acquisition effort to identify, approach and evaluate potential acquisition targets. When considering an acquisition candidate we focus, among other specific factors unique to each situation, on the following two key issues: (1) the likelihood that the application of our three core value-driven operating strategies will generate increased value; and (2) whether the acquisition candidate's product portfolio consists of proprietary engineered products or services with strong niche market positions.

In addition, we have significant experience among our management team in executing acquisitions and integrating the acquired businesses into our company and culture. We have successfully acquired seventeen businesses and/or product lines since our formation in 1993. While each acquisition presents a unique set of factual circumstances, we generally focus our integration activities on evaluating the value potential of the products offered to the customers of the acquired business, analyzing and, at times, rationalizing the cost structures of the acquired business, and focusing on the new product and market development processes of the acquired business.

Our Products

We primarily design, produce and supply highly-engineered proprietary aerospace components (and limited system/subsystems) with significant aftermarket content. We seek to develop highly customized products to solve specific needs for aircraft operators and manufacturers. We attempt to differentiate ourselves based on engineering, service and manufacturing capabilities. We typically choose not to compete for non-proprietary "build to print" business because it usually offers lower margins than proprietary products. We believe that our products have strong brand names within the industry and that we have a reputation for high quality, reliability and customer support.

Our business is well diversified due to the broad range of products that we offer to our customers. Some of our more significant product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include: (1) ignition systems and components such as igniters, exciters and spark plugs used to start and spark turbine and reciprocating aircraft engines; (2) gear pumps used primarily in lubrication and fuel applications; (3) mechanical/electro-mechanical actuators and controls used in numerous actuation applications; (4) NiCad batteries/chargers used to provide starting and back-up power; (5) power conditioning devices used to modify and control electrical power; (6) rods and locking devices used primarily to hold open cowlings to allow access to engines for maintenance; (7) engineered connectors used in fuel, pneumatic and hydraulic applications; (8) engineered latching and locking devices used in various bin, security and other applications; (9) lavatory hardware and components; (10) specialized AC/DC electric motors and components used in various defense and commercial applications; and (11) specialized valving used in fuel, hydraulic and pneumatic applications.

Sales and Marketing

Consistent with our overall strategy, our sales and marketing organization is structured to continually develop a stream of technical solutions that meets customer needs. In particular, we attempt to focus on products and programs that will lead to high-margin, repeatable sales in the aftermarket.

We have structured our sales efforts along our major product offerings, assigning a product manager to certain products. Each product manager is expected to grow the sales and profitability of the products for which he is responsible and to achieve the targeted annual level of bookings, sales, new business and profitability for such products. The product managers are assisted by account managers and sales engineers who are responsible for covering major OEM and airline accounts. Account managers and sales engineers are expected to be familiar with the personnel, organization and needs of specific customers, to achieve total bookings and new business goals at each account, and,

together with the product managers, to determine when additional resources are required at customer locations. Most of our sales personnel are compensated, in part, on their bookings and their ability to identify and obtain new business opportunities.

Though typically performed by employees, the account manager function may be performed by independent representatives depending on the specific customer, product and geographic location. We also use a number of distributors to provide logistical support as well as primary customer contact with certain smaller accounts. Our major distributors are Aviall, Inc. and Satair A/S.

Manufacturing and Engineering

We maintain eight principal manufacturing facilities, six of which are owned by us and two of which are leased by us. Our principal owned and leased manufacturing facilities as of July 1, 2006 are as follows:

Location	Square Footage
Los Angeles, CA (owned)	131,000
Cleveland, OH (owned)	43,400
Painesville, OH (owned)	56,500
Waco, TX (owned)	218,800
Liberty, SC (owned)	219,000
Avenel, NJ (owned)	48,500
Fullerton, CA (leased)	100,000
Camarillo, CA (leased)	70,000

Each manufacturing facility comprises manufacturing, distribution and engineering as well as administrative functions, including management, sales and finance. We continually strive to improve productivity and reduce costs, including rationalization of operations, developing improved control systems that allow for accurate product profit and loss accounting, investing in equipment, tooling, and information systems and implementing broad-based employee training programs. Management believes that our manufacturing systems and equipment contribute to our ability to compete by permitting us to meet the rigorous tolerances and cost sensitive price structure of aircraft component customers.

We attempt to differentiate ourselves from our competitors by producing uniquely engineered products with high quality and timely delivery. Our engineering costs are recorded in Cost of Sales and in Selling and Administrative captions in our Statement of Operations. Total engineering expense represents approximately 8% to 9% of our manufacturing cost of sales, or approximately 4% to 5% of our net sales. Our proprietary products are designed by our engineering staff and are intended to serve the needs of the aircraft component industry, particularly through our new product initiatives. These proprietary designs must withstand the extraordinary conditions and stresses that will be endured by products during use and meet the rigorous demands of our customers' tolerance and quality requirements.

We use sophisticated equipment and procedures to attempt to ensure the quality of our products and comply with military specifications and FAA and OEM certification requirements. We perform a variety of testing procedures, including testing under different temperature, humidity and altitude levels, shock and vibration testing and X-ray fluorescent measurement. These procedures, together with other customer approved techniques for document, process and quality control, are used throughout our manufacturing facilities.

Customers

Our customers include: (1) distributors of aerospace components; (2) worldwide commercial airlines, including national and regional airlines; (3) large commercial transport and regional and business aircraft OEMs; (4) various armed forces of the United States and friendly foreign governments; (5) defense OEMs; (6) system suppliers; and (7) various other industrial customers. For the year ended September 30, 2005, the U.S. Government through various agencies and buying organizations accounted for approximately 11% of our net sales, Aviall, Inc. (a distributor of commercial aftermarket parts to airlines throughout the world) accounted for approximately 10% of our net sales and Honeywell International Inc. accounted for approximately 9% of our net sales. Products supplied to many of our customers, including the three largest customers, are used on multiple platforms.

Active commercial production programs include the Boeing 737, 747, 757, 767 and 777, the Airbus A300/310, A319/20/21 and A330/A340, the Bombardier CRJ's and Challenger, the Embraer RJ's, the Cessna Citation family, the Raytheon Premier and Hawker and most Gulfstream airframes. Military platforms include aircraft such as the Boeing C-17, F-15 and F-18, the Lockheed Martin C-130J and F-16, the Northrop Grumman E2C (Hawkeye), the Joint Strikefighter and the Blackhawk, Chinook and Apache helicopters.

We believe that we have strong customer relationships with almost all important, large commercial transport, regional, general aviation and military OEMs. The demand for our aftermarket parts and services depends on, among other things, the breadth of our installed OEM base, RPMs, the size and age of the worldwide aircraft fleet and, to a lesser extent, airline profitability. We believe that we are also a leading supplier of components used on U.S. designed military aircraft, including components that are used on a variety of fighter aircraft, military freighters and military helicopters.

Competition

We compete with a number of established companies, including divisions of larger companies that have significantly greater financial, technological and marketing resources than we do. The niche markets within the aerospace industry that we serve are relatively fragmented and we face several competitors for many of the products and services we provide. Due to the global nature of the commercial aircraft industry, competition in these categories comes from both U.S. and foreign companies. Competitors in our product offerings range in size from divisions of large public corporations to small privately-held entities, with only one or two components in their entire product portfolio.

We compete on the basis of engineering, manufacturing and marketing high quality products which we believe meet or exceed the performance and maintenance requirements of our customers, consistent and timely delivery, and superior customer service and support. The industry's stringent regulatory, certification and technical requirements, and the investments necessary in the development and certification of products, create barriers to entry for potential new competitors. So long as customers receive products that meet or exceed expectations and performance standards, we believe that they will have a reduced incentive to certify another supplier because of the cost and time of the technical design and testing certification process. In addition, we believe that concerns about safety and flight delays if products are unavailable or undependable make our customers continue long term supplier relationships.

Government Contracts

Companies engaged in supplying defense-related equipment and services to U.S. Government agencies are subject to business risks specific to the defense industry. These risks include the ability of the U.S. Government to unilaterally: (1) suspend us from receiving new contracts pending resolution of

alleged violations of procurement laws or regulations; (2) terminate existing contracts; (3) reduce the value of existing contracts; (4) audit our contract-related costs and fees, including allocated indirect costs; and (5) control and potentially prohibit the export of our products.

Most of our U.S. Government contracts can be terminated by the U.S. Government either for its convenience or if we default by failing to perform under the contract. Termination for convenience provisions provide only for our recovery of costs incurred or committed, settlement expenses and profit on the work completed prior to termination. Termination for default provisions provide for the contractor to be liable for excess costs incurred by the U.S. Government in procuring undelivered items from another source.

As described elsewhere in this prospectus, five of our divisions and subsidiaries have been subject to a DOD Office of Inspector General review of our records for the purpose of determining whether the DOD's various buying offices negotiated "fair and reasonable" prices for spare parts purchased from those five divisions and subsidiaries in fiscal years 2002 through 2004. For a