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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2017

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-32833

TransDigm Group Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

41-2101738
(I.R.S. Employer Identification No.)

1301 East 9th Street, Suite 3000, Cleveland, Ohio	**44114**
(Address of principal executive offices)	**(Zip Code)**

(216) 706-2960
(Registrants' telephone number, including area code)

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

Common Stock	**New York Stock Exchange**
(Title)	**(Name of exchange on which registered)**

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

None

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

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

LARGE ACCELERATED FILER	☒	ACCELERATED FILER	☐
NON-ACCELERATED FILER	☐	SMALLER REPORTING COMPANY	☐
EMERGING GROWTH COMPANY	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of March 31, 2017, based upon the last sale price of such voting and non-voting common stock on that date, was $10,561,787,638.

The number of shares outstanding of TransDigm Group Incorporated's common stock, par value $.01 per share, was 51,959,702 as of November 6, 2017.

Documents incorporated by reference: The registrant incorporates by reference in Part III hereof portions of its definitive Proxy Statement for its 2018 Annual Meeting of Stockholders.

TABLE OF CONTENTS

Special Note Regarding Forward-Looking Statements

This report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 27A of the Securities Act of 1933, as amended. Discussions containing such forward-looking statements may be found in Items 1, 1A, 2, 3, 5, 7 and 7A hereof and elsewhere within this Report generally. In addition, when used in this Report, the words "believe," "may," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate" or "continue" and other words and terms of similar meaning are intended to identify forward-looking statements. Although the Company (as defined below) believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made in this Report. The more important of such risks and uncertainties are set forth under the caption "Risk Factors" and elsewhere in this Report. Many such factors are outside the control of the Company. Consequently, such forward-looking statements should be regarded solely as our current plans, estimates and beliefs. We do not undertake, and specifically decline, any obligation, to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Important factors that could cause actual results to differ materially from the forward-looking statements made in this Annual Report on Form 10-K include but are not limited to: the sensitivity of our business to the number of flight hours that our customers' planes spend aloft and our customers' profitability, both of which are affected by general economic conditions; future geopolitical or other worldwide events; cyber-security threats and natural disasters; our reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; failure to complete or successfully integrate acquisitions; our indebtedness; potential environmental liabilities; increases in raw material costs, taxes and labor costs that cannot be recovered in product pricing; risks and costs associated with our international sales and operations; and other factors.

In this report, the term "TD Group" refers to TransDigm Group Incorporated, which holds all of the outstanding capital stock of TransDigm Inc. The terms "Company," "TransDigm," "we," "us," "our" and similar terms refer to TD Group, together with TransDigm Inc. and its direct and indirect subsidiaries. References to "fiscal year" mean the year ending or ended September 30. For example, "fiscal year 2017" or "fiscal 2017" means the period from October 1, 2016 to September 30, 2017.

PART I

ITEM 1. BUSINESS

The Company

TransDigm Inc. was formed in 1993 in connection with a leveraged buyout transaction. TD Group was formed in 2003 to facilitate a leveraged buyout of TransDigm Inc. The Company was owned by private equity funds until its initial public offering in 2006. TD Group's common stock is publicly traded on the New York Stock Exchange, or NYSE, under the ticker symbol "TDG."

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. We estimate that about 90% of our net sales for fiscal year 2017 were generated by proprietary products. In addition, for fiscal year 2017, we estimate that we generated about 80% 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 on a new aircraft, we generate net sales from aftermarket consumption over the life of that aircraft, which is generally estimated to be approximately 25 to 30 years. A typical platform can be produced for 20 to 30 years, giving us an estimated product life cycle in excess of 50 years. We estimate that approximately 55% of our net sales in fiscal year 2017 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.

Products

We primarily design, produce and supply highly engineered proprietary aerospace components (and certain systems/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 frequently 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 mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, NiCad batteries and chargers, engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, databus and power controls, cockpit security components and systems, specialized cockpit displays, aircraft audio systems, specialized lavatory components, seat belts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes, high performance hoists, winches and lifting devices and cargo loading, handling and delivery systems.

Segments

The Company's businesses are organized and managed in three reporting segments: Power & Control, Airframe and Non-aviation.

The Power & Control segment includes operations that primarily develop, produce and market systems and components that predominately provide power to or control power of the aircraft utilizing electronic, fluid, power and mechanical motion control technologies. Major product offerings include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, databus and power controls, high performance hoists, winches and lifting devices and cargo loading and handling systems. Primary customers of this segment are engine and power system and subsystem suppliers, airlines, third party maintenance suppliers, military buying agencies and repair depots. Products are sold in the OEM and aftermarket market channels.

The Airframe segment includes operations that primarily develop, produce and market systems and components that are used in non-power airframe applications utilizing airframe and cabin structure technologies. Major product offerings include engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, cockpit security components and systems, aircraft audio systems, specialized lavatory components, seat belts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes and cargo delivery systems. Primary customers of this segment are airframe manufacturers and cabin system suppliers and subsystem suppliers, airlines, third party maintenance suppliers, military buying agencies and repair depots. Products are sold in the OEM and aftermarket market channels.

The Non-aviation segment includes operations that primarily develop, produce and market products for non-aviation markets. Major product offerings include seat belts and safety restraints for ground transportation applications, mechanical/electro-mechanical actuators and controls for space applications, and refueling systems for heavy equipment used in mining, construction and other industries. Primary customers of this segment are off-road vehicle suppliers and subsystem suppliers, child restraint system suppliers, satellite and space system suppliers and manufacturers of heavy equipment used in mining, construction and other industries.

For financial information about our segments, see Note 16, "Segments," to our consolidated financial statements included herein.

Sales and Marketing

Consistent with our overall strategy, our sales and marketing organization is structured to continually develop technical solutions that meet 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 business unit manager to certain products. Each business unit manager is expected to grow the sales and profitability of the products for which he or she is responsible and to achieve the targeted annual level of bookings, sales, new business and profitability for such products. The business unit managers are assisted by account managers and sales engineers who are responsible for covering major OEM and aftermarket 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 business unit managers, to determine when additional resources are required at customer locations. Most of our sales personnel are evaluated, 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 serve as a primary customer contact with certain smaller accounts. Our major distributors are Aviall, Inc. (a subsidiary of The Boeing Company) and Satair A/S (a subsidiary of Airbus S.A.S.).

Manufacturing and Engineering

We maintain approximately 60 principal manufacturing facilities. Most of our manufacturing facilities are comprised of manufacturing, distribution and engineering functions, and most facilities have certain 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 accounting and reporting, investing in equipment, tooling, 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 expenses and research and development costs are recorded in selling and administrative expenses in our consolidated statements of income. The aggregate of engineering expense and research and development expense represents approximately 8% of our operating units' aggregate costs, or approximately 4% of our consolidated net sales. Our proprietary products, and particularly our new product initiatives, are designed by our engineers and are intended to serve the needs of the aircraft component industry. 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 comply with quality requirements, specifications and Federal Aviation Administration ("FAA") and OEM requirements. We perform a variety of testing procedures as required by our customers, such as 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. Refer to Note 3, "Summary of Significant Accounting Policies," to the consolidated financial statements included herein with respect to total costs of research and development, which is incorporated herein by reference.

Customers

We predominantly serve customers in the commercial, regional, business jet and general aviation aftermarket, which accounts for approximately 35% of total sales; the commercial aerospace OEM market, comprising large commercial transport manufacturers and regional and business jet manufacturers, which accounts for approximately 26% of total sales; and the defense market, which accounts for approximately 34% of total sales. Non-aerospace sales comprise approximately 5% of our total sales.

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, 2017, Airbus S.A.S. (which includes Satair A/S, a distributor of commercial aftermarket parts to airlines throughout the world) accounted for approximately 13% of our net sales and The Boeing Company (which includes Aviall, Inc., also a distributor of commercial aftermarket parts to airlines throughout the world) accounted for approximately 11% of our net sales. Our top ten customers for fiscal year 2017 accounted for approximately 46% of our net sales. Products supplied to many of our customers are used on multiple platforms.

Active commercial production programs include the Boeing 737 (including the 737MAX), 747, 767 and 787, the Airbus A320 family (including neo), A330, A350 and A380, the Bombardier CSeries, CRJ's, Q400/Dash-8 aircraft, Challenger and Learjets, the Embraer Regional and business jets, the Cessna Citation family, the Gulfstream aircraft family, the Dassault aircraft family, the HondaJet and the ATR42/72 turboprop. Military platforms include aircraft such as the Boeing AH-64 Apache, CH-47, C17 Chinook, F-15, F-18, KC46 Tanker, P-8 and V-22, the Airbus A400M, the Lockheed Martin C-130J, F-16 and F-35 Joint Strike Fighter, UH-60 Blackhawk helicopter, the Northrop Grumman E-2C Hawkeye, the General Atomics Predator Drone and the Raytheon Patriot Missile. We have been awarded numerous contracts for the development of engineered products for production on the Airbus A330neo, the Boeing 777x, the Bombardier Global 7000/8000, the Embraer E2, the Mitsubishi Regional Jet and the Sikorsky S-97 and JMR helicopter.

The markets in which we sell our products are, to varying degrees, cyclical and have experienced upswings and downturns. The demand for our commercial aftermarket parts and services depends on, among other things, the breadth of our installed OEM base, revenue passenger miles ("RPMs"), the size and age of the worldwide aircraft fleet, the percentage of the worldwide fleet that is in warranty, and airline profitability. The demand for defense products is specifically dependent on government budget trends, military campaigns and political pressures.

Competition

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 portfolios.

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 may create disincentives for potential new competitors for certain products. If 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 the availability, dependability and safety of our products are reasons for our customers to 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 and impose criminal penalties based on 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; (5) control and potentially prohibit the export of our products; and (6) seek repayment of contract related payments under certain circumstances.

Governmental Regulation

The commercial aircraft component industry is highly regulated by the FAA in the United States and by the Joint Aviation Authorities in Europe and other agencies throughout the world, while the military aircraft component industry is governed by military quality specifications. We, and the components we manufacture, are required to be certified by one or more of these entities or agencies, and, in many cases, by individual OEMs, in order to engineer and service parts and components used in specific aircraft models.

We must also satisfy the requirements of our customers, including OEMs and airlines that are subject to FAA regulations, and provide these customers with products and services that comply with the government regulations applicable to commercial flight operations. In addition, the FAA requires that various maintenance routines be performed on aircraft components. We believe that we currently satisfy or exceed these maintenance standards in our repair and overhaul services. We also maintain several FAA approved repair stations.

In addition, our businesses are subject to many other laws and requirements typically applicable to manufacturers and exporters. Without limiting the foregoing, sales of many of our products that will be used on aircraft owned by foreign entities are subject to compliance with export control laws and the manufacture of our products and the operations of our businesses, including the disposal of hazardous wastes, are subject to compliance with applicable environmental laws.

Market Channels

The commercial aerospace industry, including the aftermarket and OEM market, is impacted by the health of the global economy and geo-political events around the world. The commercial aerospace industry had shown strength with increases in revenue passenger miles, or RPMs, between 2003 and 2008, as well as increases in OEM production and backlog. However, in 2009, the global economic downturn negatively impacted the commercial aerospace industry causing RPMs to decline slightly. This market sector began to rebound in 2010 and positive growth has continued through 2017 with increases in RPMs, as well as the growth in the large commercial OEM sector (aircraft with 100 or more seats) with order announcements by The Boeing Company and Airbus S.A.S. leading to planned increases in production. The 2018 leading indicators and industry consensus suggest a continuation of current trends in the commercial transport market sector supported by continued RPM growth and increases in production at the OEM level.

The defense aerospace market is dependent on government budget constraints, the timing of orders, political pressures and the extent of global conflicts. It is not necessarily affected by general economic conditions that affect the commercial aerospace industry.

Our presence in both the commercial aerospace 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 one channel have been offset by increased sales in another. However, due to differences between the profitability of our products sold to OEM and aftermarket customers, variation in product mix can cause variation in gross margin.

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

There are also fluctuations in OEM and aftermarket ordering and delivery requests from quarter-to-quarter, as well as variations in product mix from quarter-to-quarter, that may cause positive or negative variations in gross profit margins since commercial aftermarket sales have historically produced a higher gross margin than sales to commercial OEMs. Again, in many instances these are timing events between quarters and must be balanced with macro aerospace industry indicators.

Commercial Aftermarket

The key growth factors in the commercial aftermarket include worldwide RPMs and the size and activity level of the worldwide fleet of aircraft and the percentage of the fleet that is in warranty.

Commercial OEM Market

The commercial transport market sector, the largest sector in the commercial OEM market, grew modestly during 2017. Our commercial transport OEM shipments and revenues generally run ahead of the Boeing and Airbus airframe delivery schedules. As a result and consistent with prior years, our fiscal 2018 shipments will be a function of, among other things, the estimated 2018 and 2019 commercial airframe production rates. We have been experiencing increased sales in the large commercial OEM sector (aircraft with 100 or more seats) driven by an increase in production by The Boeing Company and Airbus S.A.S tied to previous order announcements. Industry consensus indicates this production increase will continue in 2018 and 2019, though the growth may continue to moderate and begin to flatten.

Defense

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. For a variety of reasons, the military spending outlook is very uncertain. For planning purposes we assume that military related sales of our types of products to be flat in future years over the recent high levels.

Raw Materials

We require the use of various raw materials in our manufacturing processes. We also purchase a variety of manufactured component parts from various suppliers. At times, we concentrate our orders among a few suppliers in order to strengthen our supplier relationships. Most of our raw materials and component parts are generally available from multiple suppliers at competitive prices.

Intellectual Property

We have various trade secrets, proprietary information, trademarks, trade names, patents, copyrights and other intellectual property rights, which we believe, in the aggregate but not individually, are important to our business.

Backlog

As of September 30, 2017, the Company estimated its sales order backlog at $1,669 million compared to an estimated sales order backlog of $1,554 million as of September 30, 2016. The increase in estimated sales order backlog is primarily due to acquisitions. The majority of the purchase orders outstanding as of September 30, 2017 are scheduled for delivery within the next twelve months. Purchase orders may be subject to cancellation or deferral 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 the Company’s receipt of purchase orders and the speed with which those orders are filled. Accordingly, the Company’s backlog as of September 30, 2017 may not necessarily represent the actual amount of shipments or sales for any future period.

Foreign Operations

Although we manufacture a significant portion of our products in the United States, we manufacture some products in Belgium, China, Germany, Hungary, Malaysia, Mexico, Norway, Sri Lanka, Sweden, and the United Kingdom. Although the majority of sales of our products are made to customers (including distributors) located in the United States, our products are ultimately sold to and used by customers (including airlines and other end users of aircraft) throughout the world. A number of risks inherent in international operations could have a material adverse effect on our results of operations, including currency fluctuations, difficulties in staffing and managing multi-national operations, general economic and political uncertainties and potential for social unrest in countries in which we operate, limitations on our ability to enforce legal rights and remedies, restrictions on the repatriation of funds, change in trade policies, tariff regulation, difficulties in obtaining export and import licenses and the risk of government financed competition.

Environmental Matters

Our operations and facilities are subject to a number of federal, state, local and foreign environmental laws and regulations that govern, among other things, discharges of pollutants into the air and water, the generation, handling, storage and disposal of hazardous materials and wastes, the remediation of contamination and the health and safety of our employees. Environmental laws and regulations may require that the Company investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations. Certain facilities and third-party sites utilized by the Company have been identified as potentially responsible parties under the federal superfund laws and comparable state laws. The Company is currently involved in the investigation and remediation of a number of sites under applicable laws.

Employees

As of September 30, 2017, we had approximately 9,200 full-time, part-time and temporary employees. Approximately 11% of our full-time and part-time employees were represented by labor unions. Collective bargaining agreements between us and these labor unions expire at various dates ranging from February 2018 to November 2020. We consider our relationship with our employees generally to be satisfactory.

Available Information

TD Group's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including any amendments, will be made available free of charge on the Company's website, *www.transdigm.com*, as soon as reasonably practicable, following the filing of the reports with the Securities and Exchange Commission.

ITEM 1A. RISK FACTORS

Set forth below are important risks and uncertainties that could negatively affect our business and financial condition and could cause our actual results to differ materially from those expressed in forward-looking statements contained in this report.

Our commercial 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 and geopolitical and other worldwide conditions.

Our commercial business is directly affected by, among other factors, changes in revenue passenger miles (RPMs), the size and age of the worldwide aircraft fleet, the percentage of the fleet that is out-of-warranty and changes in the profitability of the commercial airline industry. RPMs and airline profitability have historically been correlated with the general economic environment, although national and international events also play a key role. For example, in the past, the airline industry has been severely affected by the downturn in the global economy, higher fuel prices, the increased security concerns among airline customers following the events of September 11, 2001, the Severe Acute Respiratory Syndrome (SARS) epidemic, and the conflicts abroad, and could be impacted by future geopolitical or other worldwide events, such as war, terrorist acts, or a worldwide infectious disease outbreak. In addition, global market and economic conditions have been challenging with turbulence in the U.S. and international markets and economies and have prolonged declines in business and consumer spending. As a result of the substantial reduction in airline traffic resulting from these events, the airline industry incurred 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, and delay refurbishments and discretionary spending. If demand for spare parts decreases, there would be a decrease in demand for certain of our products. An adverse change in demand could impact our results of operations, collection of accounts receivable and our expected cash flow generation from current and acquired businesses which may adversely impact our financial condition and access to capital markets.

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

Our sales to manufacturers of large commercial aircraft, such as The Boeing Company, Airbus S.A.S, and related OEM suppliers, as well as manufacturers of business jets (which collectively accounted for approximately 25% of our net sales in fiscal year 2017) 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, interest rates, downturns in the global economy and national and international events. In addition, sales of our products to manufacturers of business jets are impacted by, among other things, downturns in the global economy. Downturns adversely affect our net sales, gross margin and net income.

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

Our two largest customers for fiscal year 2017 were Airbus S.A.S. (which includes Satair A/S) and The Boeing Company (which includes Aviall, Inc.). Airbus S.A.S. accounted for approximately13% of our net sales and The Boeing Company accounted for approximately 11% of our net sales in fiscal year 2017. Our top ten customers for fiscal year 2017 accounted for approximately 46% of our net sales. A material reduction in purchasing by one of our larger customers for any reason, including but not limited to economic downturn, decreased production, strike or resourcing, could have a material adverse effect on our net sales, gross margin and net income.

We generally do not have guaranteed future sales of our products. Further, when we enter into fixed price contracts with some of our customers, 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, many of those customers may terminate the contracts on short notice and, in most 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 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 of making these products. Sometimes we accept a fixed-price contract for a product that we have not yet produced, and this 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 increases in raw material prices, taxes or labor costs.

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

The military and defense market is significantly dependent upon government budget trends, particularly the U.S. Department of Defense (the “DOD”) budget. In addition to normal business risks, our supply of products to the United States Government is subject to unique risks largely beyond our control. DOD budgets could be negatively impacted by several factors, including, but not limited to, a change in defense spending policy by the current presidential administration, the U.S. Government’s budget deficits, spending priorities, the cost of sustaining the U.S. military presence internationally and possible political pressure to reduce U.S. Government military spending, each of which could cause the DOD budget to remain unchanged or to decline. A significant decline in U.S. military expenditures 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 intend to pursue 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 or may be unable to receive necessary regulatory approvals or support. In addition, we may not be able to raise the capital necessary to fund future acquisitions. Because we may actively pursue a number of opportunities simultaneously, we may encounter unforeseen expenses, complications and delays, including regulatory complications or difficulties in employing sufficient staff and maintaining operational and management oversight.

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 result in margin dilution and further 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.

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. 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, attract customers and develop new products and services or attend to other acquisition opportunities.

We are subject to certain unique business risks as a result of supplying equipment and services to the U.S. Government.

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 based on 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 for its convenience without significant notice. 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.

On contracts for which 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 intangible assets, portions of research and development costs, and certain marketing expenses may not be subject to reimbursement.

Furthermore, even where the price is not based on cost, the U.S. Government may seek to review our costs to determine whether our pricing is “fair and reasonable.” Our subsidiaries are periodically subject to a pricing review and in fact, government buying agencies that purchase some of our subsidiaries’ products are currently the subject of a DOD Office of Inspector General audit with respect to prices paid for such products. Pricing reviews and government audits, including the one underway, could be costly and time consuming for our management and could distract from our ability to effectively manage the business. As a result of such a review, we could be subject to providing a refund to the U.S. Government or we could be asked to enter into an arrangement whereby our prices would be based on cost or the DOD could seek to pursue alternative sources of supply for our parts. Any of those occurrences could lead to a reduction in our revenue from, or the profitability of certain of our supply arrangements with, certain agencies and buying organizations of the U.S. Government.

Moreover, U.S. Government purchasing regulations contain a number of additional operation requirements, which do not apply to entities not engaged in government contracting. Failure to comply with such government contracting requirements could result in civil and criminal penalties that could have a material adverse effect on the Company’s results of operations.

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.

In addition to the aviation approvals, we are at times required to obtain approval from U.S. Government agencies to export our products. Failure to obtain approval to export or 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.

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

We have a significant amount of indebtedness. As of September 30, 2017, our total indebtedness, excluding approximately $16 million of letters of credit outstanding, was approximately $11.8 billion, which was 133.5% of our total book capitalization as a result of our dividends being funded, in part, with indebtedness and the addition of approximately $1.6 billion in net new incremental borrowings during fiscal 2017.

In addition, we may be able to incur substantial additional indebtedness in the future. For example, as of September 30, 2017, we had approximately $584 million of unused commitments under our revolving loan facility. Although our senior secured credit facility and the indentures governing the various senior subordinated notes outstanding (the “Indentures”) 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. For example, if the usage of the revolving loan facility exceeds 25% of the total revolving commitments, the Company will be required to maintain a maximum consolidated net leverage ratio of net debt, as defined, to trailing four-quarter EBITDA As Defined. A breach of any of the covenants or an inability to comply with the required leverage ratio could result in a default under the senior secured credit facility or the Indentures.

Our substantial debt could also have other important consequences to investors. For example, it could:

- increase our vulnerability to general economic downturns and adverse competitive and industry conditions;
- increase the risk we are subjected to downgrade or put on a negative watch by the ratings agencies;
- 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 requirements, capital expenditures, acquisitions, research and development efforts and other general corporate requirements;

- 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, along with the financial and other restrictive covenants contained in the documents governing our indebtedness, among other things, our ability to borrow additional funds, make investments and incur liens.

In addition, all of our debt under the senior secured credit facility, which includes $7.0 billion in term loans and a revolving loan facility of $600 million, bears interest at floating rates. Accordingly, if interest rates increase, our debt service expense will also increase. Interest rate swap and cap agreements are used to manage interest rate risk associated with floating-rate borrowings under our credit facilities. For information about our interest rate swap and cap agreements, see Note 20, “Derivatives and Hedging Instruments,” in the notes to the consolidated financial statements included herein.

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, including the Indentures. We cannot assure that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under the senior secured credit facility or otherwise in amounts sufficient to enable us to service our indebtedness. 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.

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 and to refinance our indebtedness, including the Indentures, amounts borrowed under the senior secured credit facility, amounts due under our Securitization 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 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 senior secured credit facility or otherwise in amounts sufficient to enable us to service our indebtedness, including the amounts borrowed under the senior secured credit facility, amounts borrowed under our Securitization Facility and the Indentures, 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 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 Securitization Facility, the Indentures and the 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 Indentures.

The terms of the senior secured credit facility and Indentures may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

Our senior secured credit facility and the Indentures 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 senior secured credit facility) and TransDigm Inc. and its subsidiaries (in the case of the Indentures) and may limit their ability to engage in acts that may be in our long-term best interests. The senior secured credit facility and Indentures include covenants restricting, among other things, the ability of TD Group, TransDigm Inc. and its subsidiaries (in the case of the senior secured credit facility) and TransDigm Inc. and its subsidiaries (in the case of the Indentures) 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 allow 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 senior secured credit facility or the Indentures. If any such default occurs, the lenders under the senior secured credit facility and the holders of the senior subordinated 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 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 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 senior subordinated notes. If the debt under the senior secured credit facility or the senior subordinated notes were to be accelerated, we cannot assure that our assets would be sufficient to repay in full our debt.

We could incur substantial costs as a result of violations of or liabilities under environmental laws and regulations.

Our operations and facilities are subject to a number of federal, state, local and foreign environmental laws and regulations that govern, among other things, discharges of pollutants into the air and water, the generation, handling, storage and disposal of hazardous materials and wastes, the remediation of contamination and the health and safety of our employees. Environmental laws and regulations may require that the Company investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations. Certain facilities and third-party sites utilized by subsidiaries of the Company have been identified as potentially responsible parties under the federal superfund laws and comparable state laws. The Company is currently involved in the investigation and remediation of a number of sites under applicable laws.

Estimates of the Company's environmental liabilities are based on current facts, laws, regulations and technology. These estimates take into consideration the Company's prior experience and professional judgment of the Company's environmental advisors. Estimates of the Company's environmental liabilities are further subject to uncertainties regarding the nature and extent of site contamination, the range of remediation alternatives available, evolving remediation standards, imprecise engineering evaluations and cost estimates, the extent of corrective actions that may be required and the number and financial condition of other potentially responsible parties, as well as the extent of their responsibility for the remediation.

Accordingly, as investigation and remediation proceed, it is likely that adjustments in the Company's accruals will be necessary to reflect new information. The amounts of any such adjustments could have a material adverse effect on the Company's results of operations or cash flows in a given period. Based on currently available information, however, the Company does not believe that future environmental costs in excess of those accrued with respect to sites for which the Company has been identified as a potentially responsible party are likely to have a material adverse effect on the Company's financial condition.

We are dependent on our senior management team and 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.

Although we believe that our relations with our employees are satisfactory, we cannot assure that we will be able to negotiate a satisfactory renewal of 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.

In addition, our success depends in part on our ability to attract and motivate our senior management and key employees. Achieving this objective may be difficult due to a variety of factors, including fluctuations in economic and industry conditions, competitors' hiring practices, and the effectiveness of our compensation programs. Competition for qualified personnel can be intense. A loss of senior management and key personnel, or failure to attract qualified new talent could prevent us from capitalizing on business opportunities, and our operating results and/or market value could be adversely affected. The Board continually monitors this risk and we believe that the Board's succession plan, together with our straightforward strategy, clear value drivers, decentralized nature and the quality of managers running our operating units helps to mitigate this risk.

Our business is dependent on the availability of certain components and raw materials 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.

Our operations depend on our manufacturing facilities, which are subject to physical and other risks that could disrupt production.

A number of our manufacturing facilities are located in the greater Los Angeles area, an area known for earthquakes, and are thus vulnerable to damage. In addition, a number of our manufacturing facilities are located along the Eastern seaboard area susceptible to hurricanes. We are also vulnerable to damage from other types of disasters, including power loss, fire, explosions, floods, communications failures, terrorist attacks and similar events. Disruptions could also occur due to cyber-attacks, computer or equipment malfunction (accidental or intentional), operator error or process failures. Any disruption of our ability to operate our business could result in a material decrease in our revenues or significant additional costs to replace, repair or insure our assets, which could have a material adverse impact on our financial condition and results of operations.

Operations and sales outside of the United States may be subject to additional risks.

A number of risks inherent in international operations could have a material adverse effect on our results of operations, including currency fluctuations, difficulties in staffing and managing multi-national operations, general economic and political uncertainties and potential for social unrest in countries in which we operate, limitations on our ability to enforce legal rights and remedies, restrictions on the repatriation of funds, change in trade policies, tariff regulation, difficulties in obtaining export and import licenses and the risk of government financed competition. Furthermore, the Company is subject to laws and regulations, such as the Foreign Corrupt Practices Act, UK Bribery Act and similar local anti-bribery laws, which generally prohibit companies and their employees, agents and contractors from making improper payments for the purpose of obtaining or retaining business. Failure to comply with these laws could subject the Company to civil and criminal penalties that could materially adversely affect the Company's results of operations.

We face significant competition.

We operate in a highly competitive global industry and compete against a number of companies. 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 maintain liability insurance to protect us from future product liability claims, in the event of product liability claims our insurers may attempt to deny coverage or any coverage we have may not be adequate. We also may not be able to maintain insurance coverage in the future at an acceptable cost. Any 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 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 to otherwise fail to maintain a satisfactory record of safety and reliability, our ability to retain and attract customers may be materially adversely affected.

We could incur substantial costs as a result of data protection concerns.

The interpretation and application of data protection laws in the U.S., Europe and elsewhere are uncertain and evolving. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. Compliance could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business.

In addition, despite our efforts to protect confidential information, our facilities and systems may be vulnerable to data loss, including cyber-attacks. This could lead to negative publicity, legal claims, theft, modification or destruction of proprietary or key information, damage to or inaccessibility of critical systems, manufacture of defective products, production downtimes, operational disruptions and other significant costs, which could adversely affect our reputation, financial condition and results of operations.

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

Mergers and acquisitions have resulted in significant increases in identifiable intangible assets and goodwill. Identifiable intangible assets, which primarily include trademarks, trade names, trade secrets, and technology, were approximately $1.7 billion at September 30, 2017, representing approximately 17% of our total assets. Goodwill recognized in accounting for the mergers and acquisitions was approximately $5.7 billion at September 30, 2017, representing approximately 58% 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 or our goodwill were impaired within the meaning of applicable accounting standards, we would be required to write-off the amount of any impairment.

The Company may be subject to risks relating to changes in its tax rates or exposure to additional income tax liabilities.

The Company is subject to income taxes in the United States and various non-U.S. jurisdictions. The Company's domestic and international tax liabilities are dependent upon the location of earnings among these different jurisdictions. The Company's future results of operations could be adversely affected by changes in the Company's effective tax rate as a result of changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets, challenges by tax authorities or changes in tax laws or regulations. In addition, the amount of income taxes paid by the Company is subject to ongoing audits by U.S. federal, state and local tax authorities and by non-U.S. tax authorities. If these audits result in assessments different from amounts reserved, future financial results may include unfavorable adjustments to the Company's tax liabilities, which could have a material adverse effect on the Company's results of operations.

Our stock price may be volatile, and an investment in our common stock could suffer a decline in value.

There has been significant volatility in the market price and trading volume of equity securities, which is unrelated to the operating performance of the companies issuing the securities. These market fluctuations may negatively affect the market price of our common stock. Shareholders may not be able to sell their shares at or above the purchase price due to fluctuations in the market price of our common stock. Such changes could be caused by changes in our operating performance or prospects, including possible changes due to the cyclical nature of the aerospace industry and other factors such as fluctuations in OEM and aftermarket ordering, which could cause short-term swings in profit margins. Or such changes could be unrelated to our operating performance, such as changes in market conditions affecting the stock market generally or the stocks of aerospace companies or changes in the outlook for our common stock, such as changes to or the confidence in our business strategy, changes to or confidence in our management, or expectations for future growth of the Company.

Future sales of our common stock in the public market could lower our share price.

We may sell additional shares of common stock into the public markets or issue convertible debt securities to raise capital in the future. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the public markets or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities to raise capital at a time and price that we deem appropriate.

Our corporate documents and Delaware law contain certain provisions that could discourage, delay or prevent a change in control of our company.

Provisions in our amended and restated certificate of incorporation and bylaws may discourage, delay or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, our amended and restated certificate of incorporation authorizes our Board of Directors to issue up to 149,600,000 shares of "blank check" preferred stock. Without stockholder approval, the Board of Directors has the authority to attach special rights, including voting and dividend rights, to this preferred stock. With these rights, holders of preferred stock could make it more difficult for a third party to acquire us. Our amended and restated certificate of incorporation also provides that the affirmative vote of the holders of at least 75% of the voting power of our issued and outstanding capital stock, voting together as a single class, is required for the alteration, amendment or repeal of certain provisions of our amended and restated certificate of incorporation and certain provisions of our amended and restated bylaws, including the provisions relating to our stockholders' ability to call special meetings, notice provisions for stockholder business to be conducted at an annual meeting, requests for stockholder lists and corporate records, nomination and removal of directors, and filling of vacancies on our Board of Directors.

We are also subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law. Under these provisions, if anyone becomes an "interested stockholder," we may not enter into a "business combination" with that person for three years without special approval, which could discourage a third party from making a takeover offer and could delay or prevent a change of control. For purposes of Section 203, "interested stockholder" means, generally, someone owning 15% or more of our outstanding voting stock or an affiliate of ours that owned 15% or more of our outstanding voting stock during the past three years, subject to certain exceptions as described in Section 203.

We do not regularly declare and pay quarterly or annual cash dividends on our stock.

On July 3, 2013, June 4, 2014, October 14, 2016 and August 23, 2017, the Company's Board of Directors authorized and declared special cash dividends of $22.00, $25.00, $24.00 and $22.00, respectively, on each outstanding share of common stock and cash dividend equivalent payments to holders of options under its stock option plans.

Notwithstanding the special cash dividends, we do not anticipate declaring regular quarterly or annual cash dividends on our common stock or any other equity security in the foreseeable future. The amounts that may be available to us to pay future special cash dividends are restricted under our debt and other agreements. Any payment of special cash dividends on our common stock in the future will be at the discretion of our Board of Directors and will depend on our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions and other factors deemed relevant by our Board of Directors. Therefore, shareholders should not rely on regular quarterly or annual dividend income from shares of our common stock and should not rely on special dividends with any regularity or at all.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

TransDigm's principal owned properties as of September 30, 2017 are as follows:

Location	Reporting Segment	Square Footage
Miesbach, Germany	Power & Control	242,000
Liberty, SC	Power & Control	219,000
Waco, TX	Power & Control	218,800
Ingolstadt, Germany	Airframe	191,900
Kent, OH	Airframe	185,000
Bridport, United Kingdom	Airframe	174,700
Liverpool, NY	Power & Control	169,900
Union Gap, WA	Airframe	142,000
Phoenix, AZ	Airframe	138,700
Paks, Hungary	Airframe	137,800
Los Angeles, CA	Power & Control	131,000
Bohemia, NY	Power & Control	124,000
Llangeinor, United Kingdom	Airframe	110,000
Westbury, NY	Power & Control	106,800
Letchworth, United Kingdom	Airframe	88,200
Placentia, CA	Airframe	86,600
Addison, IL	Power & Control	83,300
Painesville, OH	Power & Control	63,900
Clearwater, FL	Power & Control	61,000
South Euclid, OH	Power & Control	60,000
Wichita, KS	Power & Control	57,000
Branford, CT	Airframe	52,000
Avenel, NJ	Power & Control	48,500
Rancho Cucamonga, CA	Power & Control	47,000
Herstal, Belgium	Airframe	45,700
Valencia, CA	Airframe	38,000
Pennsauken, NJ	Airframe	38,000
Ryde, United Kingdom	Power & Control	33,200
Rancho Cucamonga, CA	Airframe	32,700
Arnsberg, Germany (Schroth)	Airframe	26,800
Melaka, Malaysia	Power & Control	24,800
Deerfield Beach, FL	Non-aviation	20,000

The Liberty, Kent, Union Gap, Bohemia, Addison, and 47,000 square feet Rancho Cucamonga property is subject to mortgage liens under our senior secured credit facility.

TransDigm's principal leased properties as of September 30, 2017 are as follows:

Location	Reporting Segment	Square Footage
Santa Ana, CA	Airframe	159,200
Holmestrand, Norway	Airframe	149,300
Dayton, NV	Airframe	144,000
Everett, WA	Airframe	121,000
Whippany, NJ	Power & Control	115,300
Whippany, NJ	Power & Control	114,300
Nittambuwa, Sri Lanka	Airframe	113,000

Location	Reporting Segment	Square Footage
Fullerton, CA	Airframe	100,000
Anaheim, CA	Airframe	99,900
Elkhart, IN	Non-aviation	91,500
Collegeville, PA	Airframe	90,000
Goldsboro, NC	Power & Control	87,600
Arnsberg, Germany (Schroth)	Airframe	86,000
Miesbach, Germany	Power & Control	80,800
Kunshan, China	Non-aviation	75,300
Camarillo, CA	Power & Control	70,000
Matamoros, Mexico	Power & Control	60,500
Tempe, AZ	Power & Control	40,200
Chongqing, China	Airframe	37,700
Northridge, CA	Power & Control	35,000
Erie, PA	Airframe	30,500
Ashford, United Kingdom	Power & Control	28,000
London, United Kingdom	Airframe	27,400
Nogales, Mexico	Airframe	27,000
Kunshan, China	Airframe	25,600
Pompano Beach, FL (Schroth)	Airframe	25,000
Bridgend, United Kingdom	Airframe	24,800
Memphis, TN	Power & Control	20,800
Pennsauken, NJ	Airframe	20,500
Poway, CA	Power & Control	12,800
Lund, Sweden	Power & Control	17,600
Cleveland, OH	Power & Control	13,100

Our Cleveland, OH and Pasadena, CA corporate facilities house our principal executive offices, and we currently lease approximately 20,100 square feet and 5,300 square feet, respectively, for those purposes. TransDigm also leases certain of its other non-material facilities. Management believes that our machinery, plants and offices are in satisfactory operating condition and that it will have sufficient capacity to meet foreseeable future needs without incurring significant additional capital expenditures.

ITEM 3. LEGAL PROCEEDINGS

During the ordinary course of business, TransDigm is from time to time a party to legal actions and other proceedings related to its businesses, products or operations. While TransDigm is currently involved in some legal proceedings, management believes the results of these proceedings will not have a material effect on its financial condition, results of operations, or cash flows.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the New York Stock Exchange, or NYSE, under the ticker symbol "TDG." The following chart sets forth, for the periods indicated, the high and low sales prices of the common stock on the NYSE.

Quarterly Stock Prices

	High	Low
Fiscal 2016		
For Quarter ended January 2, 2016	$ 238.51	$ 210.22
For Quarter ended April 2, 2016	232.42	180.76
For Quarter ended July 2, 2016	268.00	218.56
For Quarter ended September 30, 2016	294.38	257.28
Fiscal 2017		
For Quarter ended December 31, 2016	$ 293.19	$ 235.14
For Quarter ended April 1, 2017	259.57	203.72
For Quarter ended July 1, 2017	274.99	217.41
For Quarter ended September 30, 2017	295.00	249.57

Holders

On November 3, 2017, there were 30 stockholders of record of our common stock. We estimate that there were approximately 62,000 beneficial stockholders as of November 3, 2017, which includes an estimated amount of stockholders who have their shares held in their accounts by banks and brokers.

Dividends

On October 14, 2016, TD Group's Board of Directors authorized and declared a special cash dividend of $24.00 on each outstanding share of common stock and cash dividend equivalent payments under options granted under its stock option plans. The record date for the special dividend was October 24, 2016, and the payment date for the dividend was November 1, 2016. On August 23, 2017, TD Group's Board of Directors authorized and declared a special cash dividend of $22.00 on each outstanding share of common stock and cash dividend equivalent payments under options granted under its stock option plans. The record date for the special dividend was September 5, 2017, and the payment date for the dividend was September 12, 2017. No dividends were declared in fiscal 2015 or fiscal 2016.

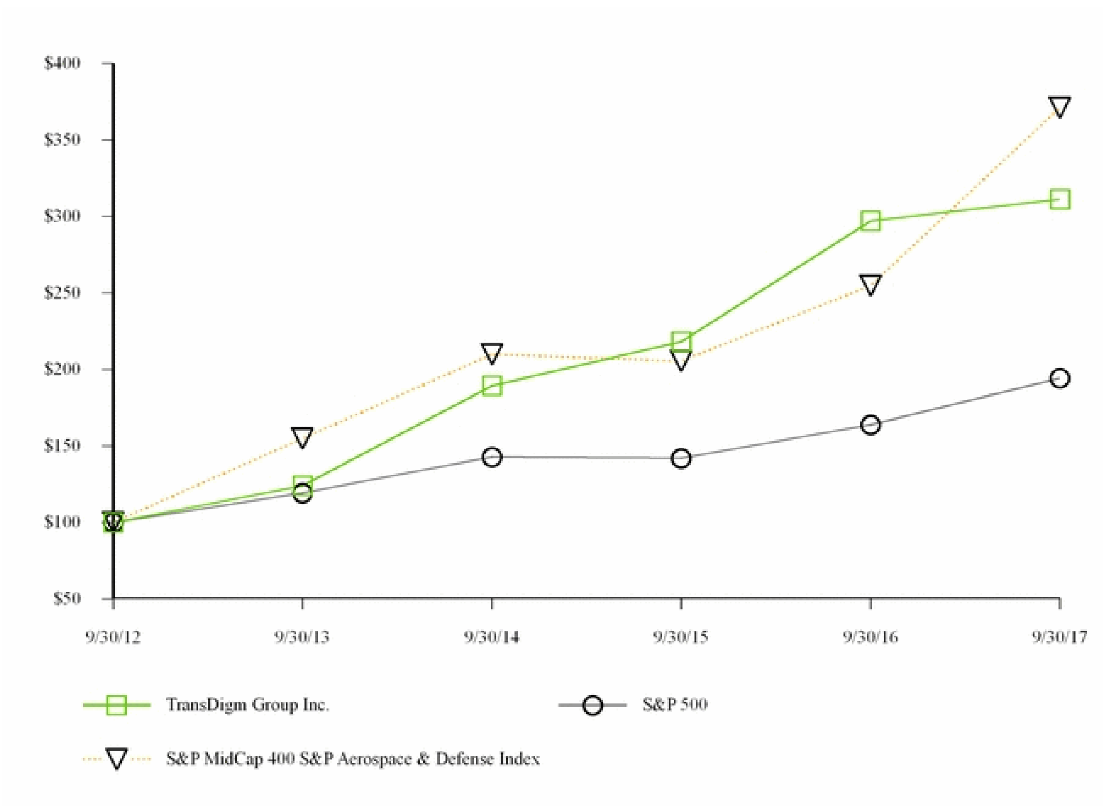
We do not anticipate declaring regular quarterly or annual cash dividends on our common stock in the near future. Any declaration of special cash dividends on our common stock in the future will be at the discretion of our Board of Directors and will depend upon our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions under the senior secured credit facility and Indentures, the availability of surplus under Delaware law and other factors deemed relevant by our Board of Directors. TD Group is a holding company and conducts all of its operations through direct and indirect subsidiaries. Unless TD Group receives dividends, distributions, advances, transfers of funds or other payments from our subsidiaries, TD Group will be unable to pay any dividends on our common stock in the future. The ability of any subsidiaries to take any of the foregoing actions is limited by the terms of our senior secured credit facility and Indentures and may be limited by future debt or other agreements that we may enter into.

Performance Graph

Set forth below is a line graph comparing the cumulative total return of a hypothetical investment in the shares of common stock of TD Group with the cumulative total return of a hypothetical investment in each of the S&P 500 Index ("S&P 500") and the S&P MidCap 400 S&P Aerospace & Defense Index based on the respective market prices of each such investment on the dates shown below, assuming an initial investment of $100 on September 30, 2012.

The following performance graph and related information shall not be deemed "soliciting material" nor to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended, except to the extent we specifically incorporate it by reference into such filing.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among TransDigm Group Inc., the S&P 500
and S&P MidCap 400 S&P Aerospace & Defense Index



*$100 invested on 9/30/12 in stock or index, including reinvestment of dividends.
Fiscal year ending September 30.

	9/30/12	9/30/13	9/30/14	9/30/15	9/30/16	9/30/17
TransDigm Group Inc.	100.00	124.01	189.37	218.22	297.03	311.08
S&P 500	100.00	119.34	142.89	142.02	163.93	194.44
S&P MidCap 400 S&P Aerospace & Defense Index	100.00	154.70	209.81	205.33	254.85	371.15

Purchases of Equity Securities by the Issuer or Affiliated Purchaser

On October 22, 2014, our Board of Directors authorized a stock repurchase program permitting us to repurchase a portion of our outstanding shares not to exceed $300 million in the aggregate. No shares were repurchased under the program in fiscal 2015. On January 21, 2016, our Board of Directors authorized a stock repurchase program replacing the $300 million program with a repurchase program permitting us to repurchase a portion of our outstanding shares not to exceed $450 million in the aggregate, subject to any restrictions specified in the Credit Agreement and/or Indentures. During fiscal 2016, under the aforementioned authorized programs, the Company repurchased 1,015,387 shares of its common stock at a gross cost of approximately $207.8 million at the weighted-average price per share of $204.61.

On January 26, 2017, our Board of Directors increased the authorized amount of repurchases allowable under the stock program from $450 million to $472 million. The increase in the allowable repurchases aligned the program with the restricted payments allowable under the Credit Agreement. During January 2017, the Company repurchased 666,755 shares of its common stock at a gross cost of approximately $150 million at the weighted average cost of $224.97 under the $472 million stock repurchase program. On March 7, 2017, our Board of Directors authorized a new stock repurchase program replacing the $472 million program permitting repurchases of outstanding shares not to exceed $600 million in the aggregate, subject to any restrictions specified in the Credit Agreement and/or Indentures governing the existing Notes. During March 2017, the Company repurchased 851,069 shares of its common stock at a gross cost of approximately $189.8 million at the weighted average cost of $223.05 under the new $600 million stock repurchase program. Additionally, during May 2017, the Company repurchased 205,800 shares of its common stock at a gross cost of approximately $50 million at the weighted average cost of $242.90 under the new $600 million stock repurchase program. As of September 30, 2017, the remaining amount of repurchases allowable under the $600 million program was $360.2 million subject to any restrictions specified in the Credit Agreement and/or Indentures governing the existing Notes as described within the *Liquidity and Capital Resources* section of Item 7. - “Management’s Discussion and Analysis of Financial Conditions and Results of Operations.”

On November 8, 2017, our Board of Directors, authorized a new stock repurchase program replacing the $600 million program permitting repurchases of our outstanding shares not to exceed $650 million in the aggregate, subject to any restrictions specified in the Credit Agreement and/or Indentures governing the existing Notes.

During the fiscal years ended September 30, 2017 and 2016, the Company received 2,548 shares in each period as forfeitures in lieu of payment for withholding taxes on the vesting of restricted stock. The deemed gross cost of the shares was approximately $0.6 million in each period at a weighted-average price per share of $247.33 and $225.58, respectively.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected historical consolidated financial and other data of TD Group for the fiscal years ended September 30, 2013 to 2017, which have been derived from TD Group's audited consolidated financial statements.

Separate historical financial information of TransDigm Inc. is not presented since the 5.50% Senior Subordinated Notes issued in October 2012 (the "2020 Notes"), the 6.00% Senior Subordinated Notes issued in June 2014 (the "2022 Notes"), the 6.50% Senior Subordinated Notes issued June 2014 (the "2024 Notes"), the 6.50% Senior Subordinated Notes issued May 2015 (the "2025 Notes") and the 6.375% Senior Subordinated Notes issued June 2016 (the "2026 Notes") (also together with the 2020 Notes, the 2022 Notes, the 2024 Notes, the 2025 Notes, and the 2026 Notes, the "Notes") are guaranteed by TD Group and all direct and indirect domestic restricted subsidiaries of TransDigm Inc. and since TD Group has no operations or significant assets separate from its investment in TransDigm Inc.

Acquisitions of businesses and product lines completed by TD Group during the last five fiscal years are as follows:

Date	Acquisition
June 5, 2013	Aerosonic Corporation
June 5, 2013	Arkwin Industries, Inc.
June 28, 2013	Whippany Actuation
December 19, 2013	Airborne Global Inc. ("Airborne")
March 6, 2014	Elektro-Metall Export GmbH ("EME")
March 26, 2015	Telair Cargo Group (comprised of Telair International GmbH ("Telair Europe"), Telair US LLC and Nordisk Aviation Products)
March 31, 2015	Franke Aquarotter GmbH ("Adams Rite Aerospace GmbH")
May 14, 2015	Pexco LLC ("Pexco Aerospace")
August 19, 2015	PneuDraulics, Inc. ("PneuDraulics")
January 4, 2016	Breeze-Eastern Corporation ("Breeze-Eastern")
June 23, 2016	Data Device Corporation ("DDC")
September 23, 2016	Young & Franklin Inc. / Tactair Fluid Controls Inc. ("Y&F/Tactair")
February 22, 2017	Schroth Safety Products Group ("Schroth")
May 5, 2017, May 31, 2017 and June 1, 2017	North Hills Signal Processing Corp, Cablecraft Motion Controls LLC and Preece Incorporated (together, the "Third Quarter 2017 Acquisitions")

All of the acquisitions were accounted for using the acquisition method. The results of operations of the acquired businesses and product lines are included in TD Group's consolidated financial statements from the effective date of each acquisition. During the fourth quarter of 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale and as discontinued operations as of September 30, 2017.

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 herein.

	Fiscal Years Ended September 30,				
	2017	2016	2015	2014	2013
	(in thousands, except per share amounts)				
Statement of Income Data:					
Net sales	$ 3,504,286	$ 3,171,411	$ 2,707,115	$ 2,372,906	$ 1,924,400
Gross profit(1)	1,984,627	1,728,063	1,449,845	1,267,874	1,049,562
Selling and administrative expenses	415,575	382,858	321,624	276,446	254,468
Amortization of intangible assets	89,226	77,445	54,219	63,608	45,639
Income from operations(1)	1,479,826	1,267,760	1,074,002	927,820	749,455
Interest expense—net	602,589	483,850	418,785	347,688	270,685
Refinancing costs	39,807	15,794	18,393	131,622	30,281
Income from continuing operations before income taxes	837,430	768,116	636,824	448,510	448,489
Income tax provision	208,889	181,702	189,612	141,600	145,700
Income from continuing operations	628,541	586,414	447,212	306,910	302,789
Loss from discontinued operations, net of tax (5)	(31,654)	—	—	—	—
Net income	$ 596,887	$ 586,414	$ 447,212	$ 306,910	$ 302,789
Net income applicable to common stock	$ 437,630	$ 583,414	$ 443,847	$ 180,284	$ 131,546
Denominator for basic and diluted earnings per share under the two-class method:					
Weighted-average common shares outstanding	52,517	53,326	53,112	52,748	52,258
Vested options deemed participating securities	3,013	2,831	3,494	4,245	2,822
Total shares for basic and diluted earnings per share	55,530	56,157	56,606	56,993	55,080
Net earnings per share:					
Net earnings per share from continuing operations—basic and diluted	$ 8.45	$ 10.39	$ 7.84	$ 3.16	$ 2.39
Net loss per share from discontinued operations—basic and diluted	(0.57)	—	—	—	—
Net earnings per share(2)	$ 7.88	$ 10.39	$ 7.84	$ 3.16	$ 2.39
Cash dividends paid per common share	$ 46.00	$ —	$ —	$ 25.00	$ 34.85

	As of September 30,				
	2017	2016	2015	2014	2013
	(in thousands)				
Balance Sheet Data:					
Cash and cash equivalents	$ 650,561	$ 1,586,994	$ 714,033	$ 819,548	$ 564,740
Working capital(3,4)	1,262,558	2,178,094	1,128,993	1,066,735	968,207
Total assets(3,4)	9,975,661	10,726,277	8,303,935	6,626,786	6,046,029
Long-term debt, including current portion(4)	11,762,661	10,195,607	8,349,602	7,380,738	5,658,570
Stockholders' deficit	(2,951,204)	(651,490)	(1,038,306)	(1,556,099)	(336,381)

(1) Gross profit and income from operations include the effect of charges relating to purchase accounting adjustments to inventory associated with the acquisition of various businesses and product lines for the fiscal years ended September 30, 2017, 2016, 2015, 2014 and 2013 of $20,621, $23,449, $11,362, $10,441 and $7,352, respectively.

(2) Net earnings per share is calculated by dividing net income applicable to common stock by the basic and diluted weighted average common shares outstanding.

(3) In connection with adopting ASU 2015-17, "Balance Sheet Classification of Deferred Taxes," for reporting periods ended after October 1, 2015, the Company reclassified $45,375, $37,669, and $30,182 from current deferred income tax assets in our consolidated balance sheets as of September 2015, 2014, and 2013, respectively, to non-current deferred income tax liabilities.

(4) In connection with adopting ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs," for reporting periods ended after October 1, 2015, the Company reclassified $77,740, $92,393, and $72,668 from debt issuance costs in our consolidated balance sheets as of September 2015, 2014, and 2013, respectively, to the current portion of long-term and long-term-term debt.

(5) During the fourth quarter of 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale and as discontinued operations as of September 30, 2017. The Company acquired Schroth in February 2017 (refer to Note 2, "Acquisitions"). The loss from discontinued operations in the consolidated statements of income for the year ended September 30, 2017 includes a $32.0 million impairment charge to write down the assets to fair value. Refer to Note 22, "Discontinued Operations," for further information.

Non-GAAP Financial Measures

We present below certain financial information based on our EBITDA and EBITDA As Defined. References to "EBITDA" mean earnings before interest, taxes, depreciation and amortization, and references to "EBITDA As Defined" mean EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliations of net income to EBITDA and EBITDA As Defined and the reconciliations of net cash provided by operating activities to EBITDA and EBITDA As Defined presented below.

Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under accounting principles generally accepted in the United States of America ("GAAP"). We present EBITDA and EBITDA As Defined because we believe they are useful indicators for evaluating operating performance and liquidity.

Our management believes that EBITDA and EBITDA As Defined are useful as indicators of liquidity because securities analysts, investors, rating agencies and others use EBITDA to evaluate a company's ability to incur and service debt. In addition, EBITDA As Defined is useful to investors because the revolving commitments under our senior secured credit facility requires compliance under certain circumstances, on a pro forma basis, with a financial covenant that measures the ratio of the amount of our secured indebtedness to the amount of our Consolidated EBITDA defined in the same manner as we define EBITDA As Defined herein.

In addition to the above, our management uses EBITDA As Defined to review and assess the performance of the management team in connection with employee incentive programs and to prepare its annual budget and financial projections. Moreover, our management uses EBITDA As Defined to evaluate acquisitions.

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 these non-GAAP financial measures as analytical tools has limitations, and you should not consider any 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. Our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

	Fiscal Years Ended September 30,				
	2017	2016	2015	2014	2013
	(in thousands)				
Other Financial Data:					
Cash flows provided by (used in):					
Operating activities	$ 788,733	$ 683,298	$ 520,938	$ 541,222	$ 470,205
Investing activities	(287,003)	(1,443,046)	(1,679,149)	(329,638)	(502,442)
Financing activities	(1,443,682)	1,632,467	1,054,947	43,973	156,195
Depreciation and amortization	141,025	121,670	93,663	96,385	73,515
Capital expenditures	71,013	43,982	54,871	34,146	35,535
Ratio of earnings to fixed charges(1)	2.4x	2.6x	2.5x	2.3x	2.6x
Other Data:					
EBITDA(2)	$ 1,581,044	$ 1,373,636	$ 1,149,272	$ 892,583	$ 792,689
EBITDA As Defined(2)	$ 1,710,563	$ 1,495,196	$ 1,233,654	$ 1,073,207	$ 900,278

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

(2) EBITDA represents earnings from continuing operations before interest, taxes, depreciation and amortization. EBITDA As Defined represents EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliation of net income to EBITDA and EBITDA As Defined and the reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined presented below. See "Non-GAAP Financial Measures" for additional information and limitations regarding these non-GAAP financial measures.

The following table sets forth a reconciliation of net income to EBITDA and EBITDA As Defined:

	Fiscal Years Ended September 30,				
	2017	2016	2015	2014	2013
	(in thousands)				
Net income	$ 596,887	$ 586,414	$ 447,212	$ 306,910	$ 302,789
Loss from discontinued operations, net of tax(1)	(31,654)	—	—	—	—
Income from continuing operations	628,541	586,414	447,212	306,910	302,789
Adjustments:					
Depreciation and amortization expense	141,025	121,670	93,663	96,385	73,515
Interest expense, net	602,589	483,850	418,785	347,688	270,685
Income tax provision	208,889	181,702	189,612	141,600	145,700
EBITDA	1,581,044	1,373,636	1,149,272	892,583	792,689
Adjustments:					
Inventory purchase accounting adjustments(2)	20,621	23,449	11,362	10,441	7,352
Acquisition integration costs(3)	6,341	18,539	12,554	7,239	10,942
Acquisition transaction-related expenses(4)	4,229	15,711	12,289	3,480	8,139
Non-cash stock and deferred compensation expense(5)	45,524	48,306	31,500	26,332	48,884
Refinancing costs(6)	39,807	15,794	18,393	131,622	30,281
Other, net (7)	12,997	(239)	(1,716)	1,510	1,991
EBITDA As Defined	$ 1,710,563	$ 1,495,196	$ 1,233,654	$ 1,073,207	$ 900,278

(1) During the fourth quarter of 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale and as discontinued operations as of September 30, 2017. The Company acquired Schroth in February 2017 (refer to Note 2, “Acquisitions”). The loss from discontinued operations in the consolidated statements of income for the year ended September 30, 2017 includes a $32.0 million impairment charge to write down the assets to fair value. Refer to Note 22, “Discontinued Operations,” for further information.

(2) Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when the inventory was sold.

(3) Represents costs incurred to integrate acquired businesses and product lines into TD Group’s operations, facility relocation costs and other acquisition-related costs.

(4) Represents transaction-related costs comprising deal fees; legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

(5) Represents the compensation expense recognized by TD Group under our stock incentive plans.

(6) Represents costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements.

(7) Primarily represents gain or loss on sale of fixed assets, foreign currency transaction gain or loss and employer withholding taxes on dividend equivalent payments. In the periods prior to fiscal 2017, foreign currency transaction gain or loss other than related to intercompany loans is not included in the adjustments to EBITDA, as the foreign currency transaction gain or loss was immaterial during those periods.

The following table sets forth a reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined:

	Fiscal Years Ended September 30,				
	2017	2016	2015	2014	2013
	(in thousands)				
Net cash provided by operating activities	$ 788,733	$ 683,298	$ 520,938	$ 541,222	$ 470,205
Adjustments:					
Changes in assets and liabilities, net of effects from acquisitions of businesses	83,753	110,905	24,322	(27,967)	(71,618)
Net gain on sale of real estate	—	—	—	804	—
Interest expense, net(1)	581,483	467,639	402,988	333,753	258,752
Income tax provision—current(2)	215,385	175,894	188,952	151,016	148,314
Non-cash stock and deferred compensation expense(3)	(45,524)	(48,306)	(31,500)	(26,332)	(48,884)
Excess tax benefit from exercise of stock options(2)	—	—	61,965	51,709	66,201
Refinancing costs(4)	(39,807)	(15,794)	(18,393)	(131,622)	(30,281)
EBITDA from discontinued operations(9)	(2,979)	—	—	—	—
EBITDA	1,581,044	1,373,636	1,149,272	892,583	792,689
Adjustments:					
Inventory purchase accounting adjustments(5)	20,621	23,449	11,362	10,441	7,352
Acquisition integration costs(6)	6,341	18,539	12,554	7,239	10,942
Acquisition transaction-related expenses(7)	4,229	15,711	12,289	3,480	8,139
Non-cash stock and deferred compensation expense(3)	45,524	48,306	31,500	26,332	48,884
Refinancing costs(4)	39,807	15,794	18,393	131,622	30,281
Other, net(8)	12,997	(239)	(1,716)	1,510	1,991
EBITDA As Defined	$ 1,710,563	$ 1,495,196	$ 1,233,654	$ 1,073,207	$ 900,278

(1) Represents interest expense excluding the amortization of debt issuance costs, original issue discount and premium.

(2) For the period ended September 30, 2016, the income tax provision and excess tax benefit from exercise of stock options were impacted by the adoption of ASU 2016-09, "Improvements to Employee Share-Based Payment Accounting." Refer to Note 4, "Recent Accounting Pronouncements," in the notes to the consolidated financial statements included herein for additional information.

(3) Represents the compensation expense recognized by TD Group under our stock incentive plans.

(4) Represents costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements.

(5) Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when the inventory was sold.

(6) Represents costs incurred to integrate acquired businesses and product lines into TD Group's operations, facility relocation costs and other acquisition-related costs.

(7) Represents transaction-related costs comprising deal fees; legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

(8) Primarily represents gain or loss on sale of fixed assets, foreign currency transaction gain or loss and employer withholding taxes on dividend equivalent payments. In the periods prior to fiscal 2017, foreign currency transaction gain or loss other than related to intercompany loans is not included in the adjustments to EBITDA, as the foreign currency transaction gain or loss was immaterial during those periods.

(9) During the fourth quarter of 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale and as discontinued operations as of September 30, 2017. Refer to Note 22, "Discontinued Operations," for further information.

ITEM 7. 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 Financial Data" and TD Group's consolidated financial statements and the related notes included elsewhere in this report. 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" included elsewhere in this report. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

For fiscal year 2017, we generated net sales of $3,504.3 million, gross profit of $1,984.6 million or 56.6% of sales, and net income of $596.9 million. We believe we have achieved steady, long-term growth in sales and improvements in operating performance since our formation in 1993 due to our competitive strengths and through execution of our value-driven operating strategy. More specifically, focusing our businesses on our value-driven operating strategy of obtaining profitable new business, carefully controlling the cost structure and pricing our highly engineered value-added products to fairly reflect the value we provide and the resources required to do so has historically resulted in improvements in gross profit and income from operations over the long term.

Our selective acquisition strategy has also contributed to the growth of our business. The integration of certain acquisitions into our existing businesses combined with implementing our proven operating strategy has historically resulted in improvements of the financial performance of the acquired business.

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 approximately 95,000 commercial transport, regional transport, military and general aviation fixed wing turbine aircraft and rotary wing aircraft.

Diversified Revenue Base. We believe that our diversified revenue base reduces our dependence on any particular product, platform or market channel 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.

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 potential disincentives to competition for certain products.

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 and 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.
- *Improving Our Cost Structure.* We are committed to maintaining and continuously improving our lean cost structure through detailed attention to the cost of each of the products that we offer and our organizational structure, with a focus on 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 value to our customers. We believe 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 aerospace 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. As of the date of this report, we have successfully acquired approximately 60 businesses and/or product lines since our formation in 1993. Many of these acquisitions have been integrated into an existing TransDigm production facility, which enables a higher production capacity utilization, which in turn improves gross profit levels due to the ability to spread the fixed manufacturing overhead costs over higher production volume.

Acquisitions during the previous three fiscal years are more fully described in Note 2, "Acquisitions," in the notes to the consolidated financial statements included herein.

Critical Accounting Policies

Our consolidated financial statements have been prepared in conformity 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.

Below are those policies applied in preparing our financial statements that management believes are the most dependent on the application of estimates and assumptions. For additional accounting policies, see Note 3, "Summary of Significant Accounting Policies," in the notes to the consolidated financial statements included herein.

Revenue Recognition and Related Allowances: Revenue is recognized from the sale of products when title and risk of loss passes to the customer, which is generally at the time of shipment. Substantially all product sales are made pursuant to firm, fixed-price purchase orders received from customers. Collectibility of amounts recorded as revenue is reasonably assured at the time of sale. Provisions for returns, 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.

Allowance for Doubtful Accounts: 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 credit losses and estimated credit 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. Depending on the resolution of potential credit and other collection issues, or if the financial condition of any of the Company's customers were to deteriorate and their ability to make required payments were to become impaired, increases in these allowances may be required. Historically, changes in estimates in the allowance for doubtful accounts have not been significant.

Inventories: Inventories are stated at the lower of cost or market. Cost of inventories is generally determined by the average cost and the first-in, first-out (FIFO) methods and includes material, labor and overhead related to the manufacturing process. Because the Company sells products that are installed on airframes that can be in-service for 25 or more years, it must keep a supply of such products on hand while the airframes are in use. Where management estimated that the current market value was below cost or determined that future demand was lower than current inventory levels, based on historical experience, current and projected market demand, current and projected volume trends and other relevant current and projected factors associated with the current economic conditions, a reduction in inventory cost to estimated net realizable value was made by recording a provision included in cost of sales. Although management believes that the Company's estimates of excess and obsolete 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. Historically, changes in estimates in the net realizable value of inventories have not been significant.

Goodwill and Other Intangible Assets: In accordance with ASC 805, "Business Combinations," the Company uses the acquisition method of accounting to allocate costs of acquired businesses to the assets acquired and liabilities assumed based on their estimated fair values at the dates of acquisition. The excess costs of acquired businesses over the fair values of the assets acquired and liabilities assumed were recognized as goodwill. The valuations of the acquired assets and liabilities will impact the determination of future operating results. In addition to using management estimates and negotiated amounts, the Company used a variety of information sources to determine the estimated fair values of acquired assets and liabilities including third-party appraisals for the estimated value and lives of identifiable intangible assets. Fair value adjustments to the Company's 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.

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 the Company's intent to do so. Goodwill and identifiable intangible assets are recorded at their estimated fair value on the date of acquisition and are reviewed at least annually for impairment based on cash flow projections and fair value estimates.

GAAP requires that the annual, and any interim, impairment assessment be performed at the reporting unit level. The reporting unit level is one level below an operating segment. Substantially all goodwill was determined and recognized for each reporting unit pursuant to the accounting for the merger or acquisition as of the date of each transaction. With respect to acquisitions integrated into an existing reporting unit, any acquired goodwill is combined with the goodwill of the reporting unit.

At the time of goodwill impairment testing, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, and whether it is necessary to perform the quantitative goodwill impairment test. The quantitative test is required only if the Company concludes that it is more likely than not that a reporting unit's fair value is less than its carrying amount, or if the Company elects not to perform a qualitative assessment of a reporting unit. For the quantitative test, management determines the estimated fair value through the use of a discounted cash flow valuation model incorporating discount rates commensurate with the risks involved for each reporting unit. If the calculated estimated fair value is less than the current carrying value, impairment of goodwill of the reporting unit may exist. The use of a discounted cash flow valuation model to determine estimated fair value is common practice in impairment testing. The key assumptions used in the discounted cash flow valuation model for impairment testing includes discount rates, growth rates, cash flow projections and terminal value rates. Discount rates are set by using the Weighted Average Cost of Capital ("WACC") methodology. The WACC methodology considers market and industry data as well as company specific risk factors for each reporting unit in determining the appropriate discount rates to be used. The discount rate utilized for each reporting unit is indicative of the return an investor would expect to receive for investing in such a business.

Management, considering industry and company-specific historical and projected data, develops growth rates, sales projections and cash flow projections for each reporting unit. Terminal value rate determination follows common methodology of capturing the present value of perpetual cash flow estimates beyond the last projected period assuming a constant WACC and low long-term growth rates. As an indicator that each reporting unit has been valued appropriately through the use of the discounted cash flow valuation model, the aggregate of all reporting unit's estimated fair value is reconciled to the total market capitalization of the Company.

The Company had 34 reporting units with goodwill as of the first day of the fourth quarter of fiscal 2017, the date of the last annual impairment test. The estimated fair values of each of the reporting units was substantially in excess of their respective carrying values, and therefore, no goodwill impairment was recorded. The Company performed a sensitivity analysis on the discount rate, which is a significant assumption in the calculation of fair values. With a one percentage point increase in the discount rate, nearly all of the reporting units would continue to have fair values substantially in excess of their respective carrying values.

Management tests indefinite-lived intangible assets for impairment at the asset level, as determined by appropriate asset valuation at the time of acquisition. The impairment test for indefinite-lived intangible assets consists of a comparison between the estimated fair values and carrying values. If the carrying amounts of intangible assets that have indefinite useful lives exceed their estimated fair values, an impairment loss will be recognized in an amount equal to the difference. Management utilizes the royalty savings valuation method to determine the estimated fair value for each indefinite-lived intangible asset. In this method, management estimates the royalty savings arising from the ownership of the intangible asset. The key assumptions used in estimating the royalty savings for impairment testing include discount rates, royalty rates, growth rates, sales projections and terminal value rates. Discount rates used are similar to the rates developed by the WACC methodology considering any differences in company-specific risk factors between reporting units and the indefinite-lived intangible assets. Royalty rates are established by management with the advice of valuation experts and periodically substantiated by valuation experts. Management, considering industry and company-specific historical and projected data, develops growth rates and sales projections for each significant intangible asset. Terminal value rate determination follows common methodology of capturing the present value of perpetual sales estimates beyond the last projected period assuming a constant WACC and low long-term growth rates.

The discounted cash flow and royalty savings valuation methodologies require management to make certain assumptions based upon information available at the time the valuations are performed. Actual results could differ from these assumptions. Management believes the assumptions used are reflective of what a market participant would have used in calculating fair value considering the current economic conditions.

Stock-Based Compensation: The cost of the Company's stock-based compensation is recorded in accordance with ASC 718, "Stock Compensation." The Company uses a Black-Scholes-Merton option pricing model to estimate the grant-date fair value of the stock options awarded. The Black-Scholes-Merton model requires assumptions regarding the expected volatility of the Company's common shares, the risk-free interest rate, the expected life of the stock options award and the Company's dividend yield. The Company utilizes historical data in determining these assumptions. An increase or decrease in the assumptions or economic events outside of management's control could have an impact on the Black-Scholes-Merton model.

Income Taxes: The Company estimates income taxes in each jurisdiction in which it operates. This involves estimating taxable earnings, specific taxable and deductible items, the likelihood of generating sufficient future taxable income to utilize deferred tax assets and possible exposures related to future tax audits. To the extent these estimates change, adjustments to deferred and accrued income taxes are made in the period in which the changes occur. Historically, such adjustments have not been significant.

Results of Operations

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

	Fiscal Years Ended September 30,					
	2017	2017 % of Sales	2016	2016 % of Sales	2015	2015 % of Sales
Net sales	$ 3,504,286	100.0 %	$ 3,171,411	100.0%	$ 2,707,115	100.0%
Cost of sales	1,519,659	43.4	1,443,348	45.5	1,257,270	46.4
Selling and administrative expenses	415,575	11.9	382,858	12.1	321,624	11.9
Amortization of intangible assets	89,226	2.5	77,445	2.4	54,219	2.0
Income from operations	1,479,826	42.2	1,267,760	40.0	1,074,002	39.7
Interest expense, net	602,589	17.2	483,850	15.3	418,785	15.5
Refinancing costs	39,807	1.1	15,794	0.5	18,393	0.7
Income tax provision	208,889	6.0	181,702	5.7	189,612	7.0
Income from continuing operations	628,541	17.9	586,414	18.5	447,212	16.5
Loss from discontinued operations, net of tax	(31,654)	(0.9)	—	—	—	—
Net income	$ 596,887	17.0 %	$ 586,414	18.5%	$ 447,212	16.5%

Fiscal year ended September 30, 2017 compared with fiscal year ended September 30, 2016

Total Company

Net Sales. Net organic sales and acquisition sales and the related dollar and percentage changes for the fiscal years ended September 30, 2017 and 2016 were as follows (amounts in millions):

	Fiscal Years Ended			
	September 30, 2017	September 30, 2016	Change	% Change Total Sales
Organic sales	$ 3,248.6	$ 3,171.4	$ 77.2	2.4%
Acquisition sales	255.7	—	255.7	8.1%
	$ 3,504.3	$ 3,171.4	$ 332.9	10.5%

Acquisition sales represent sales of acquired businesses for the period up to one year subsequent to their acquisition date. The amount of acquisition sales shown in the table above was attributable to the Third Quarter 2017 Acquisitions in fiscal year 2017 and the acquisitions of Y&F/Tactair, DDC and Breeze-Eastern in fiscal year 2016.

The increase in organic sales was primarily driven by commercial aftermarket organic sales increasing by $34.8 million, or 3.0% and defense organic sales increasing by $41.5 million, or 4.4%. Slightly offsetting the increases was commercial OEM organic sales decreasing by $2.8 million, or 0.3%.

Cost of Sales and Gross Profit. Cost of sales increased by $76.4 million, or 5.3%, to $1,519.7 million for the fiscal year ended September 30, 2017 compared to $1,443.3 million for the fiscal year ended September 30, 2016. Cost of sales and the related percentage of total sales for the fiscal years ended September 30, 2017 and 2016 were as follows (amounts in millions):

	Fiscal Years Ended			
	September 30, 2017	September 30, 2016	Change	% Change
Cost of sales—excluding costs below	$ 1,490.5	$ 1,405.6	$ 84.9	6.0 %
% of total sales	42.5%	44.3%		
Inventory purchase accounting adjustments	20.6	23.4	(2.8)	(12.0)%
% of total sales	0.6%	0.7%		
Acquisition integration costs	4.0	8.3	(4.3)	(51.8)%
% of total sales	0.1%	0.3%		
Stock compensation expense	4.6	6.0	(1.4)	(23.3)%
% of total sales	0.1%	0.2%		
Total cost of sales	1,519.7	1,443.3	$ 76.4	5.3 %
% of total sales	43.4%	45.5%		
Gross profit	$ 1,984.6	$ 1,728.1	$ 256.5	14.8 %
Gross profit percentage	56.6%	54.5%		

The increase in the dollar amount of cost of sales during the fiscal year ended September 30, 2017 was primarily due to increased volume associated with the sales from acquisitions and organic sales growth.

Gross profit as a percentage of sales increased by 2.1 percentage points to 56.6% for the fiscal year ended September 30, 2017 from 54.5% for the fiscal year ended September 30, 2016. The dollar amount of gross profit increased by $256.5 million, or 14.8%, for the fiscal year ended September 30, 2017 compared to the comparable period last year due to the following items:

- Gross profit on the sales from the acquisitions indicated above (excluding acquisition-related costs) was approximately $153.6 million for the fiscal year ended September 30, 2017, which represented gross profit of approximately 60% of the acquisition sales. The higher gross profit margin on the acquisition sales increased gross profit as a percentage of consolidated sales by approximately 1 percentage point.
- Organic sales growth described above, application of our three core value-driven operating strategies (obtaining profitable new business, continually improving our cost structure, and providing highly engineered value-added products to customers), and positive leverage on our fixed overhead costs spread over a higher production volume, resulted in a net increase in gross profit of approximately $94.4 million for the fiscal year ended September 30, 2017.
- Gross profit was also improved by the reduction of the impact of inventory purchase accounting adjustments, acquisition integration costs and stock compensation expense charged to cost of sales of approximately $8.5 million.

Selling and Administrative Expenses. Selling and administrative expenses increased by $32.7 million to $415.6 million, or 11.9% of sales, for the fiscal year ended September 30, 2017 from $382.9 million, or 12.1% of sales, for the comparable period last year. Selling and administrative expenses and the related percentage of total sales for the fiscal years ended September 30, 2017 and 2016 were as follows (amounts in millions):

	Fiscal Years Ended			
	September 30, 2017	**September 30, 2016**	**Change**	**% Change**
Selling and administrative expenses—excluding costs below	$ 368.1	$ 314.5	$ 53.6	17.0 %
% of total sales	10.5%	9.9%		
Stock compensation expense	41.0	42.4	(1.4)	(3.3)%
% of total sales	1.2%	1.3%		
Acquisition-related expenses	6.5	26.0	(19.5)	(75.0)%
% of total sales	0.2%	0.8%		
Total selling and administrative expenses	$ 415.6	$ 382.9	$ 32.7	8.5 %
% of total sales	11.9%	12.1%		

The increase in the dollar amount of selling and administrative expenses during the fiscal year ended September 30, 2017 is primarily due to higher selling and administrative expenses relating to recent acquisitions of approximately $47.7 million, which was approximately 19% of acquisition sales. The increase is partially offset by lower acquisition-related and stock compensation expenses of $19.5 million and $1.4 million, respectively.

Amortization of Intangible Assets. Amortization of intangible assets increased to $89.2 million for the fiscal year ended September 30, 2017 from $77.4 million for the comparable period last year. The net increase of $11.8 million was primarily due to the Third Quarter 2017 Acquisitions and full year amortization recorded from the fiscal 2016 acquisitions of Breeze-Eastern, DDC and Y&F/Tactair.

Refinancing Costs. Refinancing costs of $39.8 million were recorded during the year ended September 30, 2017 representing debt issuance costs expensed in connection with the debt financing activity as disclosed in Note 11, "Debt," to the consolidated financial statements. Included within the $39.8 million was approximately $31.9 million in debt issuance costs and premium related to the repurchase of the 2021 Notes. Refinancing costs of $15.8 million were recorded during the fiscal year ended September 30, 2016 representing debt issuance costs expensed in connection with the debt financing activity in June 2016.

Interest Expense-net. Interest expense-net includes interest on borrowings outstanding, amortization of debt issuance costs, original issue discount and premium, and revolving credit facility fees offset by interest income. Interest expense-net increased $118.7 million, or 24.5%, to $602.6 million for the fiscal year ended September 30, 2017 from $483.9 million for the comparable period last year. The net increase in interest expense-net was primarily due to an increase in the weighted average level of outstanding borrowings, which was approximately $10,993 million for the fiscal year ended September 30, 2017 and approximately $8,834 million for the fiscal year ended September 30, 2016. The weighted average cash interest rate was consistent at 5.3% during the fiscal years ended September 30, 2017 and 2016. The increase in weighted average level of borrowings was due to the issuance of the 2026 Notes for $950 million in June 2016, the incremental term loans of $950 million in June 2016, the additional net debt financing of $641 million in the first fiscal quarter of 2017, the additional 2025 Notes offering of $300 million in the second fiscal quarter of 2017, the additional $100 million drawn on the trade receivable securitization facility in the fourth quarter of fiscal 2017 and the additional net debt financing of $575 million in the fourth quarter of fiscal 2017. The weighted average interest rate for cash interest payments on total borrowings outstanding at September 30, 2017 was 5.2%.

Income Taxes. Income tax expense as a percentage of income before income taxes was approximately 24.9% for the fiscal year ended September 30, 2017 compared to 23.7% for the fiscal year ended September 30, 2016. The Company's effective tax rate for these periods was less than the Federal statutory tax rate due primarily to excess tax benefits on equity compensation, foreign earnings taxed at rates lower than the U.S. statutory rates, and the domestic manufacturing deduction. The increase in the effective tax rate for the fiscal year ended September 30, 2017 compared to the fiscal year ended September 30, 2016 was primarily due to foreign earnings taxed at higher rates versus the prior year foreign earnings.

Loss from Discontinued Operations. Loss from discontinued operations is comprised of the operating loss from the Schroth operations that were classified as held-for-sale as of September 30, 2017. The loss includes a $32 million impairment charge to write-down Schroth's assets to fair value. More detailed information can be found in Note 22, "Discontinued Operations."

Net Income. Net income increased $10.5 million, or 1.8%, to $596.9 million for the fiscal year ended September 30, 2017 compared to net income of $586.4 million for the year ended September 30, 2016, primarily as a result of the factors referred to above.

Earnings per Share. The basic and diluted earnings per share were $7.88 for the fiscal year ended September 30, 2017 and $10.39 per share for the fiscal year ended September 30, 2016. For the fiscal year ended September 30, 2017, basic and diluted earnings per share from continuing operations were $8.45 and basic and diluted loss per share from discontinued operations were $(0.57). Net income for the fiscal year ended September 30, 2017 of $596.9 million was decreased by dividend equivalent payments of $159.3 million resulting in net income available to common shareholders of $437.6 million. Net income for the fiscal year ended September 30, 2016 of $586.4 million was decreased by dividend equivalent payments of $3.0 million resulting in net income available to common shareholders of $583.4 million. The decrease in earnings per share of $2.51 per share to $7.88 per share is a result of the factors referred to above.

Business Segments

Segment Net Sales. Net sales by segment for the fiscal years ended September 30, 2017 and 2016 were as follows (amounts in millions):

	Fiscal Years Ended September 30,					
	2017	% of Sales	2016	% of Sales	Change	% Change
Power & Control	$ 1,948.2	55.6%	$ 1,621.7	51.1%	$ 326.5	20.1 %
Airframe	1,442.1	41.2%	1,447.9	45.7%	(5.8)	(0.4)%
Non-aviation	114.0	3.2%	101.8	3.2%	12.2	12.0 %
	$ 3,504.3	100.0%	$ 3,171.4	100.0%	$ 332.9	10.5 %

Organic sales for the Power & Control segment increased $70.8 million, or an increase of 4.3%, when compared to the fiscal year ended September 30, 2016. The organic sales increase resulted from increases in commercial aftermarket sales ($40.9 million, an increase of 7.5%), defense sales ($28.2 million, an increase of 4.4%), and commercial OEM sales ($1.0 million, an increase of 0.3%). Acquisition sales for the Power & Control segment totaled $255.7 million, or an increase of 15.8%, resulting from the Third Quarter 2017 Acquisitions and the acquisitions of Y&F/Tactair, DDC and Breeze-Eastern in fiscal year 2016.

Organic sales for the Airframe segment decreased $5.8 million, or a decrease of 0.4%, when compared to the fiscal year ended September 30, 2016. The organic sales decrease primarily resulted from decreases in commercial aftermarket sales ($6.1 million, a decrease of 1.0%), commercial OEM sales ($5.3 million, a decrease of 1.1%) and non-aerospace sales ($6.9 million, a decrease of 39.4%) offset by an increase in defense sales ($12.5 million, an increase of 4.2%). There was no impact from acquisitions in the results of the Airframe segment.

Organic sales for the Non-aviation segment increased $12.2 million, or an increase of 12.0%, when compared to the fiscal year ended September 30, 2016. The sales increase was primarily due to an increase in non-aerospace sales of $9.9 million, an increase of 11.5%. There was no impact from acquisitions in the results of the Non-aviation segment.

EBITDA As Defined. EBITDA As Defined by segment for the fiscal years ended September 30, 2017 and 2016 were as follows (amounts in millions):

	Fiscal Years Ended September 30,					
	2017	% of Segment Sales	2016	% of Segment Sales	Change	% Change
Power & Control	$ 981.0	50.4%	$ 787.4	48.6%	$ 193.6	24.6%
Airframe	726.6	50.4%	709.9	49.0%	16.7	2.4%
Non-aviation	41.5	36.4%	28.2	27.7%	13.3	47.2%
	$ 1,749.1	49.9%	$ 1,525.5	48.1%	$ 223.6	14.7%

Organic EBITDA As Defined for the Power & Control segment increased approximately $82.7 million for the fiscal year ended September 30, 2017 compared to the fiscal year ended September 30, 2016. EBITDA As Defined from the Third Quarter 2017 Acquisitions and the acquisitions of Y&F/Tactair, DDC and Breeze-Eastern in fiscal year 2016 was approximately $110.9 million for the fiscal year ended September 30, 2017.

Organic EBITDA As Defined for the Airframe segment increased approximately $16.7 million for the fiscal year ended September 30, 2017 compared to the fiscal year ended September 30, 2016. There was no impact from acquisitions in the results of the Airframe segment.

Organic EBITDA As Defined for the Non-aviation segment increased approximately $13.3 million for the fiscal year ended September 30, 2017 compared to the fiscal year ended September 30, 2016. There was no impact from acquisitions in the results of the Non-aviation segment.

Fiscal year ended September 30, 2016 compared with fiscal year ended September 30, 2015

Total Company

Net Sales. Net organic sales and acquisition sales and the related dollar and percentage changes for the fiscal years ended September 30, 2016 and 2015 were as follows (amounts in millions):

	Fiscal Years Ended			
	September 30, 2016	September 30, 2015	Change	% Change Total Sales
Organic sales	$ 2,762.2	$ 2,707.1	$ 55.1	2.0%
Acquisition sales	409.2	—	409.2	15.1%
	$ 3,171.4	$ 2,707.1	$ 464.3	17.1%

Acquisition sales represent sales of acquired businesses for the period up to one year subsequent to their acquisition date. The amount of acquisition sales shown in the table above was attributable to the acquisitions of Breeze-Eastern and DDC in fiscal year 2016 and and the acquisitions of PneuDraulics, Pexco Aerospace, Adams Rite Aerospace Gmbh and Telair Cargo Group in fiscal year 2015.

Commercial aftermarket organic sales increased $61.3 million, or 6.1%, commercial OEM organic sales decreased by $8.8 million, or an increase of 1.1%, and defense organic sales were flat when comparing the fiscal year ended September 30, 2016 compared to fiscal year ended September 30, 2015.

Cost of Sales and Gross Profit. Cost of sales increased by $186.0 million, or 14.8%, to $1,443.3 million for the fiscal year ended September 30, 2016 compared to $1,257.3 million for the fiscal year ended September 30, 2015. Cost of sales and the related percentage of total sales for the fiscal years ended September 30, 2016 and 2015 were as follows (amounts in millions):

	Fiscal Years Ended			
	September 30, 2016	September 30, 2015	Change	% Change
Cost of sales—excluding acquisition-related costs below	$ 1,405.6	$ 1,235.1	$ 170.5	13.8%
% of total sales	44.3%	45.6%		
Inventory purchase accounting adjustments	23.4	11.4	12.0	105.3%
% of total sales	0.7%	0.4%		
Acquisition integration costs	8.3	6.1	2.2	36.1%
% of total sales	0.3%	0.2%		
Stock compensation expense	6.0	4.7	1.3	27.7%
% of total sales	0.2%	0.2%		
Total cost of sales	$ 1,443.3	$ 1,257.3	$ 186.0	14.8%
% of total sales	45.5%	46.4%		
Gross profit	$ 1,728.1	$ 1,449.8	$ 278.3	19.2%
Gross profit percentage	54.5%	53.6%		

The increase in the dollar amount of cost of sales during the fiscal year ended September 30, 2016 was primarily due to increased volume associated with the sales from acquisitions and organic sales growth.

Gross profit as a percentage of sales increased by 0.9 percentage points to 54.5% for the fiscal year ended September 30, 2016 from 53.6% for the fiscal year ended September 30, 2015. The dollar amount of gross profit increased by $278.3 million, or 19.2%, for the fiscal year ended September 30, 2016 compared to the comparable period last year due to the following items:

- Gross profit on the sales from the acquisitions indicated above (excluding acquisition-related costs) was approximately $171.2 million for the fiscal year ended September 30, 2016, which represented gross profit of approximately 42% of the acquisition sales. The lower gross profit margin on the acquisition sales reduced gross profit as a percentage of consolidated sales by approximately 2 percentage points.
- Organic sales growth described above, application of our three core value-driven operating strategies (obtaining profitable new business, continually improving our cost structure, and providing highly engineered value-added products to customers), and positive leverage on our fixed overhead costs spread over a higher production volume, resulted in a net increase in gross profit of approximately $122.6 million for the fiscal year ended September 30, 2016.
- Slightly offsetting the increases in gross profit was the impact of higher inventory purchase accounting adjustments acquisition integration costs and stock compensation expense charged to cost of sales of approximately $15.5 million.

Selling and Administrative Expenses. Selling and administrative expenses increased by $61.3 million to $382.9 million, or 12.1% of sales, for the fiscal year ended September 30, 2016 from $321.6 million, or 11.9% of sales, for the comparable period last year. Selling and administrative expenses and the related percentage of total sales for the fiscal years ended September 30, 2016 and 2015 were as follows (amounts in millions):

	Fiscal Years Ended			
	September 30, 2016	September 30, 2015	Change	% Change
Selling and administrative expenses—excluding costs below	$ 314.5	$ 276.1	$ 38.4	13.9%
% of total sales	9.9%	10.2%		
Stock compensation expense	42.4	26.8	15.6	58.2%
% of total sales	1.3%	1.0%		
Acquisition-related expenses	26.0	18.7	7.3	39.0%
% of total sales	0.8%	0.7%		
Total selling and administrative expenses	$ 382.9	$ 321.6	$ 61.3	19.1%
% of total sales	12.1%	11.9%		

The increase in the dollar amount of selling and administrative expenses during the fiscal year ended September 30, 2016 is primarily due to higher selling and administrative expenses relating to recent acquisitions of approximately $44.8 million, which was approximately 11% of acquisition sales, and higher acquisition-related and stock compensation expenses of $7.3 million and $15.6 million, respectively.

Amortization of Intangible Assets. Amortization of intangible assets decreased to $77.4 million for the fiscal year ended September 30, 2016 from $54.2 million for the comparable period last year. The net increase of $23.2 million was primarily due to the acquisitions of Breeze-Eastern and DDC in fiscal 2016 and full year amortization recorded on the acquisitions made in 2015.

Refinancing Costs. Refinancing costs of $15.8 million were recorded during the fiscal year ended September 30, 2016 representing debt issuance costs expensed in connection with the debt financing activity in June 2016. Included within the $15.8 million was approximately $1.4 million of unamortized debt issuance costs written off. Refinancing costs of $18.4 million were recorded during the fiscal year ended September 30, 2015 representing debt issuance costs expensed in conjunction with the debt financing activity in May 2015. Included within the $18.4 million was approximately $10.2 million of unamortized debt issuance costs written off.

Interest Expense-net. Interest expense-net includes interest on borrowings outstanding, amortization of debt issuance costs and revolving credit facility fees offset by interest income. Interest expense-net increased $65.1 million, or 15.5%, to $483.9 million for the fiscal year ended September 30, 2016 from $418.8 million for the comparable period last year. The net increase in interest expense-net was primarily due to an increase in the weighted average level of outstanding borrowings, which was approximately $8,834 million for the fiscal year ended September 30, 2016 and approximately $7,827 million for the fiscal year ended September 30, 2015 in addition to a slight increase in the weighted average cash interest rate during the fiscal year ended September 30, 2016 of 5.3% compared to the weighted average cash interest rate during the comparable prior period of 5.2%. The increase in weighted average level of borrowings was primarily due to the issuance of the 2026 Notes for $950.0 million in June 2016, the additional incremental term loans of $950 million in June 2016, the issuance of the 2025 Notes for $450 million in May 2015, and the additional incremental term loan of $1.0 billion in May 2015. The weighted average interest rate for cash interest payments on total borrowings outstanding at September 30, 2016 was 5.2%.

Income Taxes. Income tax expense as a percentage of income before income taxes was approximately 24.9% for the fiscal year ended September 30, 2017 compared to 23.7% for the fiscal year ended September 30, 2016. The Company's effective tax rate for these periods was less than the Federal statutory tax rate due primarily to excess tax benefits on equity compensation, foreign earning taxed at rates lower than the U.S. statutory rates, and the domestic manufacturing deduction. The decrease in the effective tax rate for the fiscal year ended September 30, 2017 compared to the fiscal year ended September 30, 2016 was primarily due to excess tax benefits on equity compensation and foreign earning taxed at rates lower than the U.S. statutory rates.

Net Income. Net income increased $139.2 million, or 31.1%, to $586.4 million for the fiscal year ended September 30, 2016 compared to net income of $447.2 million for the year ended September 30, 2015, primarily as a result of the factors referred to above.

Earnings per Share. The basic and diluted earnings per share were $10.39 for the fiscal year ended September 30, 2016 and $7.84 per share for the fiscal year ended September 30, 2015. Net income for the fiscal year ended September 30, 2016 of $586.4 million was decreased by dividend equivalent payments of $3.0 million resulting in net income available to common shareholders of $583.4 million. Net income for the fiscal year ended September 30, 2015 of $447.2 million was decreased by dividend equivalent payments of $3.4 million resulting in net income available to common shareholders of $443.8 million. The increase in earnings per share of $2.55 per share to $10.39 per share is a result of the factors referred to above.

Business Segments

Segment Net Sales. Net sales by segment for the fiscal years ended September 30, 2016 and 2015 were as follows (amounts in millions):

	Fiscal Years Ended September 30,					
	2016	% of Sales	2015	% of Sales	Change	% Change
Power & Control	$ 1,621.7	51.1%	$ 1,330.1	49.1%	$ 291.6	21.9%
Airframe	1,447.9	45.7%	1,280.7	47.3%	167.2	13.1%
Non-aviation	101.8	3.2%	96.3	3.6%	5.5	5.7%
	$ 3,171.4	100.0%	$ 2,707.1	100.0%	$ 464.3	17.2%

Organic sales for the Power & Control segment decreased approximately $21.2 million, or a decrease of 1.6%, when compared to the fiscal year ended September 30, 2015. The organic sales decrease resulted primarily from decrease in commercial OEM sales ($31.4 million, a decrease of 9.3%) and in defense sales ($20.6 million, a decrease of 4.0%) partially offset by an increase in commercial aftermarket sales ($32.1 million, an increase of 7.1%). Acquisition sales for the Power & Control segment totaled

$312.8 million, or an increase of 23.5%, resulting from the acquisitions of Breeze-Eastern and DDC in fiscal year 2016 and the acquisitions of PneuDraulics, Telair Europe, Telair US in fiscal year 2015.

Organic sales for the Airframe segment, increased approximately $70.7 million, or an increase of 5.5% when compared to the fiscal year ended September 30, 2015. The organic sales increase primarily resulted from increases in commercial aftermarket ($23.9 million, an increase of 5.3%), commercial OEM sale ($19.6 million, an increase of 4.5%) and defense sales ($21.6 million, an increase of 77%). Acquisition sales for the Airframe segment totaled $96.5 million, or an increase of 7.5%, resulting from the acquisitions of Pexco Aerospace, Adams Rite Aerospace GmbH and Nordisk Aviation Products in fiscal year 2015.

Sales for the Non-aviation segment increased $5.5 million when compared to the fiscal year ended September 30, 2015. The sales increase was primarily due to an increase in commercial OEM sales of approximately $3.0 million. There was no impact from acquisitions in the results of the Non-aviation segment.

EBITDA As Defined. EBITDA As Defined by segment for the fiscal years ended September 30, 2016 and 2015 were as follows (amounts in millions):

	Fiscal Years Ended September 30,					
	2016	% of Segment Sales	2015	% of Segment Sales	Change	% Change
Power & Control	$ 787.4	48.6%	$ 653.1	49.1%	$ 134.3	20.6%
Airframe	709.9	49.0%	585.5	45.7%	124.4	21.2%
Non-aviation	28.2	27.7%	22.4	23.3%	5.8	25.9%
	$ 1,525.5	48.1%	$ 1,261.0	46.6%	$ 264.5	21.0%

Organic EBITDA As Defined for the Power & Control segment increased approximately $22.9 million for the fiscal year ended September 30, 2016 compared to the fiscal year ended September 30, 2015. EBITDA As Defined from the acquisitions of Breeze-Eastern and DDC in fiscal year 2016 and the acquisitions of PneuDraulics, Telair Europe and Telair US in fiscal year 2015 was approximately $111.5 for th year ended September 30, 2016.

Organic EBITDA As Defined for the Airframe segment increased approximately $76.9 million for the fiscal year ended September 30, 2016 compared to the fiscal year ended September 30, 2015. EBITDA As Defined from the fiscal year 2015 acquisitions of Pexco Aerospace, Adams Rite Aerospace GmbH and Nordisk Aviation Products was approximately $47.5 million for the fiscal year ended September 30, 2016.

EBITDA As Defined for the Non-aviation segment increased approximately $5.8 million for the fiscal year ended September 30, 2016 compared to the fiscal year ended September 30, 2015. There was no impact from acquisitions in the results of the Non-aviation segment.

Backlog

For information about our backlog, see Item 1. - “Business.”

Foreign Operations

Our direct sales to foreign customers were approximately $1,318.9 million, $1,169.5 million, and $881.1 million for fiscal years 2017, 2016 and 2015, respectively. Sales to foreign customers are subject to numerous additional risks, including foreign currency fluctuations, 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 the business or market opportunities of the Company 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 the Company’s raw materials and operating expenses are sensitive to the effects of inflation, which could result in changing operating costs. The effects of inflation on the Company’s businesses during the fiscal years 2017, 2016 and 2015 were immaterial.

Liquidity and Capital Resources

We have historically maintained a capital structure comprising a mix of equity and debt financing. We vary our leverage both to optimize our equity return and to pursue acquisitions. We expect to meet our current debt obligations as they come due through internally generated funds from current levels of operations and/or through refinancing in the debt markets prior to the maturity dates of our debt.

We continually evaluate our debt facilities to assess whether they most efficiently and effectively meet the current and future needs of our business. The Company evaluates from time to time the appropriateness of its current leverage, taking into consideration the Company's debt holders, equity holders, credit ratings, acquisition opportunities and other factors. The Company's debt leverage ratio, which is computed as total debt divided by EBITDA As Defined for the applicable twelve-month period, has varied widely during the Company's history, ranging from approximately 3.5 to 7.2. Our debt leverage ratio at September 30, 2017 was approximately 6.9.

If the Company has excess cash, it generally prioritizes allocating the excess cash in the following manner: (1) capital spending at existing businesses, (2) acquisitions of businesses, (3) payment of a special dividend and/or repurchases of our common stock and (4) prepayment of indebtedness or repurchase of debt. Whether the Company undertakes additional common stock repurchases or other aforementioned activities will depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. In addition, the Company may issue additional debt if prevailing market conditions are favorable to doing so.

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

As a result of the additional debt financing during the fiscal year ended September 30, 2017, interest payments will increase going forward in accordance with the terms of the related debt agreements. However, in connection with the continued application of our three core value-driven operating strategies (obtaining profitable new business, continually improving our cost structure and providing highly engineered value-added products to customers), we expect our efforts will continue to generate strong margins and provide more than sufficient cash from operating activities to meet our interest obligations and liquidity needs. We believe our cash from operations and available borrowing capacity will enable us to make opportunistic investments in our own stock, make strategic business combinations and/or pay dividends to our shareholders.

In the future, the Company may increase its borrowings in connection with acquisitions, if cash flow from operating activities becomes insufficient to fund current operations or for other short-term cash needs or for stock repurchases or dividends. Our future leverage will also be impacted by the then current conditions of the credit markets.

Operating Activities. The Company generated $788.7 million of net cash from operating activities during fiscal 2017 compared to $683.3 million during fiscal 2016, a net increase of $105.4 million. The net increase is primarily attributable to an increase in income from continuing operations and items adjusting net income for non-cash expenses and income of $38.8 million, and favorable changes in trade accounts receivable, inventories, and accounts payable of $28.9 million, net.

The change in trade accounts receivable during fiscal 2017 was a use of $54.7 million in cash compared to a use of cash of $80.1 million in fiscal 2016, which is a reduction to the use of cash of $25.4 million year over year. The lower use of cash in fiscal 2017 compared to fiscal 2016 is attributable to the timing of sales and collections on trade accounts receivable.

The change in inventories was a source of cash of $5.1 million in fiscal 2017 compared to a use of cash of $2.1 million in fiscal 2016, which is attributable to increased monitoring of inventory management.

The change in accounts payable during fiscal 2017 was a use of cash of $10.4 million compared to a use of cash of $6.7 million in fiscal 2016. The increase in the use of cash was primarily attributable the timing of payments to vendors.

The Company generated $683.3 million of net cash from operating activities during fiscal 2016 compared to $520.9 million during fiscal 2015. The net increase of $162.4 million was due primarily to an increase in income from continuing operations.

Investing Activities. Net cash used in investing activities was $287.0 million during fiscal 2017 primarily consisting of capital expenditures of $71.0 million, cash paid in connection with the Third Quarter 2017 Acquisitions of $106.3 million, the Schroth acquisition of $79.7 million and the cash settlement of the Breeze-Eastern dissenting shares litigation of $28.7 million. The Company expects its capital expenditures in fiscal year 2018 to be between $85 million and $95 million. The Company's capital expenditures incurred from year to year are primarily for projects that are consistent with our three core value-driven operating strategies (obtaining profitable new business, continually improve our cost structure and providing highly engineered value-added products to customers).

Net cash used in investing activities was $1,443.0 million during fiscal 2016 consisting primarily of the acquisitions of Breeze-Eastern, DDC and Y&F/Tactair for a total of $1,399.1 million and capital expenditures of $44.0 million.

Net cash used in investing activities was $1,679.1 million during fiscal 2015 consisting primarily of the acquisitions of Telair Cargo Group, Adams Rite Aerospace GmbH, Pexco Aerospace and PneuDraulics for a total of $1,624.3 million and capital expenditures of $54.9 million.

Financing Activities. Net cash used in financing activities during the fiscal year ended September 30, 2017 was $1,443.7 million. The use of cash was primarily related to the aggregate payment of $2,581.6 million for a $24.00 per share special dividend declared and paid during the first quarter of fiscal 2017 and a $22.00 per share special dividend declared and paid in the fourth quarter of fiscal 2017 and dividend equivalent payments. Also contributing to the use of cash was $1,284.7 million in debt service payments on the existing term loans and the remaining principal on the Tranche C Term Loans, redemption and related premium paid on the 2021 Notes aggregating to $528.8 million and $389.8 million related to treasury stock purchases under the Company's share repurchase program. Slightly offsetting the uses of cash were net proceeds from the 2017 term loans (Tranche F and Tranche G Term Loans) of $2,937.7 million and the additional 2025 Notes offering of $300.4 million, $99.5 million in net proceeds from an additional A/R Securitization draw in the fourth quarter of fiscal 2017 and $21.2 million in proceeds from stock option exercises.

Net cash provided by financing activities during the fiscal year ended September 30, 2016 was $1,632.5 million, which primarily comprised of net proceeds from the 2016 term loans of $1,711.5 million, net proceeds from our 2026 Notes of $939.6 million, and $30.1 million of cash proceeds from the exercise of stock options. These increases were partially offset by $834.4 million of repayments on our existing term loans, $207.8 million in treasury stock purchases under the Company’s share repurchase programs, $3.0 million in dividend equivalent payments and the impact from the adoption of ASU 2016-09 which resulted in the excess tax benefits related to share-based payment arrangements being classified within operating activities beginning in fiscal 2016.

Net cash provided by financing activities during the fiscal year ended September 30, 2015 was $1,054.9 million, which was comprised of $1,516.0 million in net proceeds under our Tranche E Term Loans, $445.3 million of net proceeds from our 2025 Notes, and $123.6 million of cash for tax benefits related to share-based payment arrangements and from the exercise of stock options slightly offset by $1,025.3 million of repayments on our term loans and $3.4 million in dividend equivalent payments.

Description of Senior Secured Term Loans and Indentures

Senior Secured Credit Facilities

On October 14, 2016, the Company entered into the Assumption Agreement with Credit Suisse AG, as administrative agent and collateral agent, and as a lender, in connection with the 2016 term loans. The Assumption Agreement, among other things, provided for (i) additional tranche F term loans in an aggregate principal amount equal to $650 million, which were fully drawn on October 14, 2016, and (ii) additional delayed draw tranche F term loans in an aggregate principal amount not to exceed $500 million, which were fully drawn on October 27, 2016. The terms and conditions that apply to the additional tranche F term loans and the additional delayed draw tranche F term loans are substantially the same as the terms and conditions that apply to the tranche F term loans under the 2016 term loans immediately prior to the Assumption Agreement.

On March 6, 2017, TD Group and certain subsidiaries of TransDigm entered into Amendment No. 2 to the Second Amended and Restated Credit Agreement (“Amendment No. 2”. Refer to Note 11, “Debt,” in the consolidated financial statements included within this Form 10-K for further information regarding the authorized dividends and share repurchases and the increase to the general investment basket established by Amendment No. 2.

On August 22, 2017, the Company entered into Amendment No. 3 and Incremental Term Loan Assumption Agreement to the Second Amended and Restated Credit Agreement (“Amendment No. 3”). Pursuant to Amendment No. 3, TransDigm, among other things, incurred the new tranche G term loans (the “Tranche G Term Loans”) in an aggregate principal amount equal to approximately $1.8 billion and repaid in full all of the Tranche C term loans outstanding under the Restated Credit Agreement. The Tranche G Term Loans were fully drawn on August 22, 2017. The Tranche G Term Loans mature on August 22, 2024. The terms and conditions (other than maturity date) that apply to the Tranche G Term Loans, including pricing, are substantially the same as the terms and conditions that applied to the Tranche C term loans immediately prior to Amendment No. 3. Amendment No. 3 also permitted (a) payment of a special dividend, share repurchase, or combination thereof, in an aggregate amount up to approximately $1.3 billion within 60 days of the effective date of Amendment No. 3, and (b) certain additional restricted payments, including the ability of the Company to declare or pay dividends or repurchase stock, in an aggregate amount not to exceed $1.5 billion within twelve months of the effective date of Amendment No. 3 provided that, among other conditions, if such additional loans are to be used by the Company to repurchase shares of its capital stock, the consolidated secured net debt ratio would be no greater than 4.00 to 1.00 and if such additional terms loans are to be used by TD Group to pay dividends or other distributions on or in respect of its capital stock, the consolidated net leverage ratio would be no greater than 6.00 to 1.00, in each case, after giving effect to such incremental term loans. If any portion of the $1.5 billion is not used for dividends or share repurchases over such twelve month period, such amount (not to exceed $500 million) may be used to repurchase stock at any time thereafter.

TransDigm has $6,973.0 million in fully drawn term loans (the "Term Loans Facility") and a $600 million revolving credit facility. The Term Loans Facility consists of four tranches of term loans as follows (aggregate principal amount disclosed is as of September 30, 2017):

Term Loans Facility	Aggregate Principal	Maturity Date	Interest Rate
Tranche D	$798 million	June 4, 2021	LIBO rate (1) + 3.00%
Tranche E	$1,503 million	May 14, 2022	LIBO rate (1) + 3.00%
Tranche F	$2,857 million	June 9, 2023	LIBO rate (1) + 3.00%
Tranche G	$1,815 million	August 22, 2024	LIBO rate (1) + 3.00%

(1) LIBO rate is subject to a floor of 0.75%.

The Term Loans Facility requires quarterly aggregate principal payments of $17.5 million. The revolving commitments consist of two tranches which include up to $100 million of multicurrency revolving commitments. At September 30, 2017, the Company had $15.7 million in letters of credit outstanding and $584.3 million in borrowings available under the revolving commitments.

The interest rates per annum applicable to the loans under the Credit Agreement are, at TransDigm's option, equal to either an alternate base rate or an adjusted LIBO rate for one, two, three or six-month (or to the extent agreed to by each relevant lender, nine or twelve-month) interest periods chosen by TransDigm, in each case plus an applicable margin percentage. The adjusted LIBO rate is subject to a floor of 0.75%. For the fiscal year 2017, the applicable interest rates ranged from approximately 3.75% to 4.26% on the existing term loans.

Under the terms of the Credit Agreement, TransDigm is entitled, on one or more occasions, to request additional term loans or additional revolving commitments to the extent that the existing or new lenders agree to provide such incremental term loans or additional revolving commitments provided that, among other conditions, our consolidated net leverage ratio would be no greater than 7.25 to 1.00 and the consolidated secured net debt ratio would be no greater than 4.25 to 1.00, in each case, after giving effect to such incremental term loans or additional revolving commitments

The Credit Agreement requires mandatory prepayments of principal based on certain percentages of Excess Cash Flow (as defined in the Credit Agreement), commencing 90 days after the end of each fiscal year, subject to certain exceptions. In addition, subject to certain exceptions (including, with respect to asset sales, the reinvestment in productive assets), TransDigm will be required to prepay the loans outstanding under the Credit Agreement at 100% of the principal amount thereof, plus accrued and unpaid interest, with the net cash proceeds of certain asset sales and issuance or incurrence of certain indebtedness. No matters mandating prepayments occurred during the year ended September 30, 2017.

Interest rate swaps and caps used to hedge and offset, respectively, the variable interest rates on the credit facility are described in Note 20, "Derivatives and Hedging Activities" to the consolidated financial statements included herein.

Indentures

Senior Subordinated Notes	Aggregate Principal	Maturity Date	Interest Rate
2020 Notes	$550 million	October 15, 2020	5.50%
2022 Notes	$1,150 million	July 15, 2022	6.00%
2024 Notes	$1,200 million	July 15, 2024	6.50%
2025 Notes	$750 million	May 15, 2025	6.50%
2026 Notes	$950 million	June 15, 2026	6.375%

The 2020 Notes, the 2022 Notes, the 2024 Notes, and the 2026 Notes (the "Notes") were issued at an issue price of 100% of the principal amount. The initial $450 million offering of the 2025 Notes (also considered to be part of the "Notes") were issued at an issue price of 100% of the principal amount and the subsequent $300 million offering in the quarter ended April 1, 2017 of 2025 Notes (further described below) were issued at an issue price of 101.5% of the principal amount.

Such Notes do not require principal payments prior to their maturity. Interest under the Notes is payable semi-annually. The Notes represent unsecured obligations of TransDigm Inc. ranking subordinate to TransDigm Inc.'s senior debt, as defined in the applicable Indentures.

The Notes are subordinated to all of TransDigm's existing and future senior debt, rank equally with all of its existing and future senior subordinated debt and rank senior to all of its future debt that is expressly subordinated to the Notes. The Notes are guaranteed on a senior subordinated unsecured basis by TD Group and its wholly-owned domestic subsidiaries named in the indentures. The guarantees of the Notes are subordinated to all of the guarantors' existing and future senior debt, rank equally with all of their existing and future senior subordinated debt and rank senior to all of their future debt that is expressly subordinated to the guarantees of the Notes. The Notes are structurally subordinated to all of the liabilities of TD Group's non-guarantor subsidiaries. The Notes contain many of the restrictive covenants included in the Credit Agreement. TransDigm is in compliance with all the covenants contained in the Notes.

During the first quarter of fiscal 2017, the Company offered to purchase in a cash tender offer all of its previously outstanding 2021 Notes with a portion of the proceeds received from the Incremental Term Loan Assumption Agreement.

During the second quarter of fiscal 2017, the Company issued $300 million in aggregate principal of its 2025 Notes at a premium of 1.5%, resulting in gross proceeds of $304.5 million. The new notes offered were an additional issuance of our existing 2025 Notes and were issued under the same indenture as the original issuance of the $450 million of 2025 Notes. With these additional Notes, there is a total of $750 million in aggregate principal amount of 2025 Notes.

Certain Restrictive Covenants in Our Debt Documents

The Credit Agreement and the Indentures governing the Notes 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 certain other indebtedness.

Pursuant to the Credit Agreement, prior to Amendment No. 2 and Amendment No. 3 as described below, and subject to certain conditions, TransDigm was permitted to make certain additional restricted payments, including to declare or pay dividends or repurchase stock, in an aggregate amount not to exceed $1,500 million on or prior to December 31, 2016. Subsequent to December 31, 2016, the aggregate amount of restricted payments remaining, not to exceed $500 million, were permissible solely to the extent that the proceeds were used to repurchase stock. The total restricted payments, as described above, made prior to December 31, 2016 totaled $1,326 million (all related to the special dividend payment and dividend equivalent payments). The remaining $50 million in dividend equivalent payments made in the quarter ended December 31, 2016 were applied against allowable restricted payments that carried over from previous years under our Credit Agreement. During January 2017, $150 million in stock repurchases were made (up to $174 million in stock repurchases were allowable) under this agreement.

On March 6, 2017, TD Group and certain subsidiaries of TransDigm entered into Amendment No. 2. Amendment No. 2 permitted, among other things, up to $1.5 billion of dividends and share repurchases on or prior to March 6, 2018. If any portion of the $1.5 billion was not used for dividends or share repurchases by March 6, 2018, such amount (not to exceed $500 million) may be used to repurchase stock at any time thereafter.

On August 22, 2017, the Company entered into Amendment No. 3. Pursuant to Amendment No. 3, TransDigm, among other things, incurred the Tranche G Term Loans in an aggregate principal amount equal to approximately $1.8 billion and repaid in full all of the Tranche C term loans outstanding under the Credit Agreement. The Tranche G Term Loans were fully drawn on August 22, 2017. The Tranche G Term Loans mature on August 22, 2024. The terms and conditions (other than maturity date) that applied to the Tranche G Term Loans, including pricing, are substantially the same as the terms and conditions that apply to the Tranche C term loans immediately prior to Amendment No. 3. Amendment No. 3 also permitted (a) payment of a special dividend, share repurchase, or combination thereof, in an aggregate amount up to approximately $1.3 billion within 60 days of the effective date of Amendment No. 3, and (b) certain additional restricted payments, including the ability of the Company to declare or pay dividends or repurchase stock, in an aggregate amount not to exceed $1.5 billion within twelve months of the effective date of Amendment No. 3. If any portion of such $1.5 billion is not used for dividends or share repurchases over such twelve month period, such amount (not to exceed $500 million) may be used to repurchase stock at any time thereafter.

In addition, under the Credit Agreement, if the usage of the revolving credit facility exceeds 25% of the total revolving commitments, the Company will be required to maintain a maximum consolidated net leverage ratio of net debt, as defined, to trailing four-quarter EBITDA As Defined. A breach of any of the covenants or an inability to comply with the required leverage ratio could result in a default under the Credit Agreement or the Indentures.

If any such default occurs, the lenders under the Credit Agreement 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 Credit Agreement 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 Credit Agreement, the lenders thereunder 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.

As of September 30, 2017, the Company was in compliance with all of its debt covenants.

Trade Receivables Securitization

For information about our trade receivables securitization, see Note 11, "Debt," to our consolidated financial statements included herein.

Stock Repurchase Program

For information about our stock repurchase programs, see Note 15, “Capital Stock,” to our consolidated financial statements included herein.

Contractual Obligations

The following is a summary of contractual cash obligations as of September 30, 2017 (in millions):

	2018	2019	2020	2021	2022	2023 and thereafter	Total
Senior Secured Term Loans(1)	$ 70.0	$ 70.0	$ 70.0	$ 835.2	$ 1,491.8	$ 4,435.9	$ 6,973.0
2020 Notes	—	—	—	550.0	—	—	550.0
2022 Notes	—	—	—	—	1,150.0	—	1,150.0
2024 Notes	—	—	—	—	—	1,200.0	1,200.0
2025 Notes	—	—	—	—	—	750.0	750.0
2026 Notes	—	—	—	—	—	950.0	950.0
Securitization Facility	300.0	—	—	—	—	—	300.0
Scheduled Interest Payments(2)	628.1	631.4	632.7	594.0	519.9	762.7	3,768.8
Operating Leases	18.0	17.5	14.6	12.6	11.5	33.6	107.8
Purchase Obligations	249.0	41.6	26.2	33.6	17.1	—	367.5
Total Contractual Cash Obligations	$ 1,265.1	$ 760.5	$ 743.5	$ 2,025.4	$ 3,190.3	$ 8,132.2	$ 16,117.1

(1) The Tranche D Term Loans mature in June 2021, the Tranche E Term Loans mature in May 2022, the Tranche F Term Loans mature in June 2023, and the Tranche G Term Loans mature in August 2024. The term loans require quarterly principal payments totaling $17.5 million.

(2) Assumes that the variable interest rate on our Tranche D, Tranche E, Tranche F and Tranche G borrowings under our Senior Secured Term Loans range from approximately 4.37% to 4.92% based on anticipated movements in the LIBO rate. In addition, interest payments include the impact of the existing interest rate swap and cap agreements described in Note 20, “Derivatives and Hedging Activities” to the consolidated financial statements herein.

In addition to the contractual obligations set forth above, the Company incurs 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 $71.0 million, $44.0 million, and $54.9 million during fiscal years 2017, 2016, and fiscal 2015, respectively. The Company expects its capital expenditures in fiscal year 2018 to be between $85 million and $95 million.

Off-Balance Sheet Arrangements

The Company utilizes letters of credit to back certain payment and performance obligations. Letters of credit are subject to limits based on amounts outstanding under the Company’s revolving credit facility.

New Accounting Standards

For information about new accounting standards, see Note 4, “Recent Accounting Pronouncements,” to our consolidated financial statements included herein.

Additional Disclosure Required by Indentures

Separate financial statements of TransDigm Inc. are not presented since TD Group has no operations or significant assets separate from its investment in TransDigm Inc. and since the Notes are guaranteed by TD Group and all direct and indirect domestic restricted subsidiaries of TransDigm Inc. TransDigm Inc.’s immaterial wholly owned foreign subsidiaries are not obligated to guarantee the Notes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate 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 September 30, 2017, we had borrowings under our term loans of approximately $6,973 million that were subject to interest rate risk. Borrowings under our term loans bear interest, at our option, at a rate equal to either an alternate base rate or an adjusted LIBOR for a one-, two-, three- or six-month (or to the extent available to each lender, nine- or twelve-month) interest period chosen by us, in each case, plus an applicable margin percentage. 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 our term loans. The effect of a hypothetical one percentage point increase in interest rates would increase the annual interest costs under our term loans by approximately $67 million based on the amount of outstanding borrowings at September 30, 2017. The weighted average interest rate on the $6,973 million of borrowings under our term loans on September 30, 2017 was 4.5%.

Interest rate swaps and caps used to hedge and offset, respectively, the variable interest rates on the credit facility are described in Note 20, "Derivatives and Hedging Activities," to our consolidated financial statements included herein. We do not hold or issue derivative instruments for speculative purposes.

For information about the fair value of the aggregate principal amount of borrowings under our term loans and the fair value of the Notes, see Note 19, "Fair Value Measurements," to our consolidated financial statements included herein.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is contained on pages F-1 through F-42 of this Report.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2017, TD Group carried out an evaluation, under the supervision and with the participation of TD Group's management, including its Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), of the effectiveness of the design and operation of TD Group's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that TD Group's disclosure controls and procedures are effective to ensure that information required to be disclosed by TD Group in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to TD Group's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, TD Group's management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in designing and evaluating the controls and procedures.

Management's Report on Internal Control Over Financial Reporting

The management of TD Group is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a-15(f). Using criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO) in Internal Control-Integrated Framework, TransDigm's management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2017. Based on our assessment, management concluded that the Company's internal control over financial reporting was effective as of September 30, 2017.

During fiscal 2017, we completed the acquisitions of Schroth and the Third Quarter 2017 Acquisitions. The results of operations are included in our consolidated financial statements from the date of acquisition. As permitted by the Securities and Exchange Commission, we have elected to exclude Schroth and the Third Quarter 2017 Acquisitions from our assessment of the effectiveness of our internal control over financial reporting as of September 30, 2017. Total assets as of September 30, 2017 and revenues for the fiscal year ended September 30, 2017 for these fiscal 2017 acquisitions constituted 2% and 1%, respectively, of each of these key measures as reported in our consolidated financial statements.

The effectiveness of the Company's internal control over financial reporting as of September 30, 2017 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which is included elsewhere in this Annual Report on Form 10-K and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the fourth quarter of fiscal 2017 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
TransDigm Group Incorporated

We have audited TransDigm Group Incorporated's internal control over financial reporting as of September 30, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). TransDigm Group Incorporated's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Schroth and the Third Quarter 2017 Acquisitions, which are included in the 2017 consolidated financial statements of TransDigm Group Incorporated and constituted 2% of total assets as of September 30, 2017 and 1% of revenues for the year then ended. Our audit of internal control over financial reporting of TransDigm Group Incorporated also did not include an evaluation of the internal control over financial reporting of Schroth or the Third Quarter 2017 Acquisitions.

In our opinion, TransDigm Group Incorporated maintained, in all material respects, effective internal control over financial reporting as of September 30, 2017, based on the COSO criteria**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of TransDigm Group Incorporated as of September 30, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in stockholders' deficit and cash flows for each of the three years in the period ended September 30, 2017 of TransDigm Group Incorporated and our report dated November 13, 2017 expressed an unqualified opinion thereon**.**

/s/ Ernst & Young LLP

Cleveland, Ohio
November 13, 2017

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Directors and Executive Officers

Information regarding TD Group's directors will be set forth under the caption "Proposal One: Election of Directors" in our Proxy Statement, which is incorporated herein by reference. The following table sets forth certain information concerning TD Group's executive officers:

Name	Age	Position
W. Nicholas Howley	65	Chief Executive Officer and Chairman of the Board of Directors
Robert S. Henderson	61	Vice Chairman
Kevin Stein	51	President and Chief Operating Officer
Terrance M. Paradie	49	Executive Vice President and Chief Financial Officer
Bernt G. Iversen II	60	Executive Vice President—Mergers & Acquisitions and Business Development
James Skulina	58	Executive Vice President
Peter Palmer	53	Executive Vice President
Jorge Valladares III	43	Executive Vice President
Roger V. Jones	57	Executive Vice President
Joel Reiss	47	Executive Vice President

Mr. Howley was named Chairman of the Board of Directors of TD Group in July 2003. He has served as Chief Executive Officer of TD Group since December 2005 and of TransDigm Inc. since December 2001. Mr. Howley served as President of TD Group from July 2003 through December 2015, as Chief Operating Officer of TransDigm Inc. from December 1998 through December 2001 and as President of TransDigm Inc. from December 1998 through September 2005. Mr. Howley was a director of Polypore International Inc., a NYSE-listed manufacturer of polymer-based membranes used in separation and filtration processes through October 2012. Mr. Howley was a director of Satair A/S, a Danish public company that is an aerospace distributor, including a distributor of the Company's products through October 2011.

Mr. Henderson was appointed Vice Chairman in January 2017. Prior to that, Mr. Henderson served as Chief Operating Officer—Airframe from October 2014 to December 2016. Mr. Henderson also previously served as Executive Vice President from December 2005 to October 2014, and as President of the AdelWiggins Group, a division of TransDigm Inc., from August 1999 to April 2008.

Mr. Stein was appointed President and Chief Operating Officer in January 2017. Prior to that, Mr. Stein served as Chief Operating Officer—Power from October 2014 to December 2016. Prior to joining TransDigm, Mr. Stein served as Executive Vice President and President of the Structurals division of Precision Castparts Corp. from November 2011 to October 2014 and Executive Vice President and President of the Fasteners division of Precision Castparts Corp. from January 2009 through November 2011.

Mr. Paradie was appointed Executive Vice President and Chief Financial Officer in April 2015. Prior to joining TransDigm, Mr. Paradie held various titles at Cliffs Natural Resources Inc., a NYSE-listed international mining company, including Chief Financial Officer (from October 2012 to April 2015) and Executive Vice President (from March 2013 to April 2015).

Mr. Iversen was appointed Executive Vice President—Mergers & Acquisitions and Business Development in May 2012. Prior to that, Mr. Iversen served as Executive Vice President of TD Group from December 6, 2010 through May 2012 and as President of Champion Aerospace LLC, a wholly-owned subsidiary of TransDigm Inc., from June 2006 to December 2010.

Mr. Skulina was appointed Executive Vice President in January 2012. Prior to that, Mr. Skulina served as President of the Aero Fluid Products division of AeroControlex Group, Inc., a wholly-owned subsidiary of TransDigm Inc., from September 2009 to December 2011, and as Controller of TransDigm Inc., from August 2007 to August 2009.

Mr. Palmer was appointed Executive Vice President in February 2012. Prior to that, Mr. Palmer served as President of AdelWiggins Group, a division of TransDigm Inc., from April 2010 to February 2012, and as President of CEF Industries, LLC, a wholly-owned subsidiary of TransDigm Inc., from June 2008 to March 2010.

Mr. Valladares was appointed Executive Vice President in October 2013. Prior to that, Mr. Valladares served as President of AvtechTyee, Inc. (formerly Avtech Corporation), a wholly-owned subsidiary of TransDigm Inc., from August 2009 to September 2013, and as President of AdelWiggins Group, a division of TransDigm Inc., from April 2008 to July 2009.

Mr. Jones was appointed Executive Vice President in October 2015. Prior to that, Mr. Jones served as President of AeroControlex, a wholly-owned subsidiary of TransDigm Inc., from September 2009 to October 2015.

Mr. Reiss was appointed Executive Vice President in October 2015. Prior to that, Mr. Reiss served as President of Hartwell Corporation, a wholly-owned subsidiary of TransDigm Inc., from May 2012 to October 2015, and as President of Skurka Aerospace, also a wholly-owned subsidiary of TransDigm Inc., from July 2010 to May 2012.

Section 16(a) Beneficial Ownership Reporting Compliance

The information regarding compliance with Section 16 of the Securities Exchange Act of 1934 will be set forth under the caption entitled "Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement, which is incorporated herein by reference.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics, which applies to all of our directors, officers, and employees and a Code of Ethics for Senior Financial Officers which includes additional ethical obligations for our senior financial management (which includes our chief executive officer, president, chief financial officer, division presidents, controllers, treasurer, and chief internal auditor). Please refer to the information set forth under the caption "Corporate Governance—Codes of Ethics & Whistleblower Policy" in our Proxy Statement, which is incorporated herein by reference. Our Code of Business Conduct and Ethics and our Code of Ethics for Senior Financial Officers is available on our website at *www.transdigm.com*. Any person may receive a copy without charge by writing to us at TransDigm Group Incorporated, 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114. We intend to disclose on our website any amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics that applies to directors and executive officers and that is required to be disclosed pursuant to the rules of the Securities and Exchange Commission.

Nominations of Directors

The procedure by which stockholders may recommend nominees to our Board of Directors will be set forth under the caption "Corporate Governance-Board Committees—Nominating and Corporate Governance Committee" in our Proxy Statement, which is incorporated herein by reference.

Audit Committee

The information regarding the audit committee of our Board of Directors and audit committee financial experts will be set forth under the caption "Corporate Governance-Board Committees—Audit Committee" in our Proxy Statement, which is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be set forth under the captions "Executive Compensation", "Compensation of Directors", "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report" in our Proxy Statement, which is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information regarding security ownership of certain beneficial owners and management will be set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" in our Proxy Statement, which is incorporated herein by reference.

Equity Compensation Plan Information

Plan category	Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders[(1)]	5,726,002 [(2)]	$ 154.58	4,137,011 [(3)]

(1) Includes information related to the 2003 stock option plan, the 2006 stock incentive plan and the 2014 stock option plan.

(2) This amount represents 77,829, 4,786,114 and 862,059 shares subject to outstanding stock options under our 2003 stock option plan, 2006 stock incentive plan and 2014 stock option plan, respectively. No further grants may be made under our 2003 stock option plan and 2006 stock incentive plan, although outstanding stock options continue in force in accordance with their terms.

(3) This amount represents remaining shares available for award under our 2014 stock option plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be set forth under the captions entitled "Certain Relationships and Related Transactions," "Compensation of Directors," and "Independence of Directors" in our Proxy Statement, which is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item will be set forth under the caption "Principal Accounting Fees and Services" in our Proxy Statement, which is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents Filed with Report

(a) (1) Financial Statements

(a) (3) Exhibits

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
2.1	Purchase Agreement, dated February 20, 2015, among AAR International, Inc., AAR Manufacturing, Inc., TransDigm Inc. and TransDigm Germany GmbH	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed February 24, 2015 (File No. 001-32833)
2.2	Agreement and Plan of Merger dated as of May 23, 2016 among TransDigm Inc., Thunder Merger Sub Inc., ILC Holdings, Inc. and Behrman Capital PEP L.P.	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 26, 2016 (File No. 001-32833)
3.1	Second Amended and Restated Certificate of Incorporation, filed April 28, 2014, of TransDigm Group Incorporated	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 28, 2014 (File No. 001-32833)
3.2	Second Amended and Restated Bylaws of TransDigm Group Incorporated	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 28, 2014 (File No. 001-32833)
3.3	Certificate of Incorporation, filed July 2, 1993, of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.4	Certificate of Amendment, filed July 22, 1993, of the Certificate of Incorporation of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.5	Bylaws of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.6	Certificate of Incorporation, filed July 10, 2009, of Acme Aerospace Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2009 (File No. 001-32833)
3.7	Bylaws of Acme Aerospace Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2009 (File No. 001-32833)
3.8	Articles of Incorporation, filed July 30, 1986, of ARP Acquisition Corporation (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.9	Certificate of Amendment, filed September 12, 1986, of the Articles of Incorporation of ARP Acquisition Corporation (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.10	Certificate of Amendment, filed January 27, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.11	Certificate of Amendment, filed December 31, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.12	Certificate of Amendment, filed August 11, 1997, of the Articles of Incorporation of Adams Rite Sabre International, Inc. (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.13	Amended and Restated Bylaws of Adams Rite Aerospace, Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.14	Certificate of Incorporation, filed June 18, 2007, of AeroControlex Group, Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.15	Bylaws of AeroControlex Group, Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.16	Certificate of Formation, filed September 25, 2013, of Aerosonic LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.17	Limited Liability Company Agreement of Aerosonic LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.18	Certificate of Incorporation, filed November 13, 2009, of Airborne Acquisition, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.19	Bylaws of Airborne Acquisition, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.20	Amended and Restated Certificate of Incorporation, filed January 25, 2010, of HDT International Holdings, Inc. (now known as Airborne Global, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.21	Certificate of Amendment to Certificate of Incorporation, filed February 24, 2010, of HDT International Holdings, Inc. (now known as Airborne Global, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.22	Certificate of Amendment to Certificate of Incorporation, filed December 10, 2013, of HDT International Holdings, Inc. (now known as Airborne Global, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.23	Bylaws of HDT International Holdings, Inc. (now known as Airborne Global, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.24	Certificate of Incorporation, filed November 13, 2009, of Airborne Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.25	Bylaws of Airborne Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.26	Certificate of Incorporation, filed September 1, 1995, of Wardle Storeys Inc. (now known as Airborne Systems NA Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.27	Certificate of Amendment to Certificate of Incorporation, filed May 28, 2002, of Wardle Storeys Inc. (now known as Airborne Systems NA Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.28	Bylaws of Airborne Systems NA Inc., as amended	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.29	Certificate of Incorporation, filed April 23, 2007, of Airborne Systems North America Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.30	Bylaws of Airborne Systems North America Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.31	Certificate of Incorporation, filed April 25, 1989, of Irvin Industries (Del), Inc. (now known as Airborne Systems North America of CA Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.32	Certificate of Amendment to Certificate of Incorporation, filed June 2, 1989, of Irvin Industries (Del), Inc. (now known as Airborne Systems North America of CA Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.33	Certificate of Amendment to Certificate of Incorporation, filed April 30, 1996, of Irvin Industries, Inc. (now known as Airborne Systems North America of CA Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.34	Certificate of Amendment to Certificate of Incorporation, filed April 23, 1997, of Irvin Aerospace Inc. (now known as Airborne Systems North America of CA Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.35	Bylaws of Airborne Systems North America of CA Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.36	Certificate of Incorporation, Profit, filed October 28, 1994, of Wardle Storeys (Parachutes) Inc. (now known as Airborne Systems North America of NJ Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.37	Certificate of Merger, filed February 9, 1995, of Para-Flite Inc. with and into Wardle Storeys (Parachutes) Inc. (now known as Airborne Systems North America of NJ Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.38	Certificate of Amendment to Certificate of Incorporation, filed April 23, 1997, of Para-Flite Inc. (now known as Airborne Systems North America of NJ Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.39	Certificate of Correction to Certificate of Incorporation, filed June 27, 2007, of Airborne Systems North America of NJ Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.40	Bylaws of Airborne Systems North America of NJ Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.41	Certificate of Incorporation, filed May 8, 1985, of Am-Safe, Inc. (now known as AmSafe, Inc.)	Incorporated by reference to Form TransDigm Group Incorporated's 10-Q filed May 9, 2012 (File No. 001-32833)
3.42	Certificate of Amendment of Certificate of Incorporation, filed May 19, 2005, of Am-Safe, Inc. (now known as AmSafe, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.43	By-Laws of Am-Safe, Inc. (now known as AmSafe, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.44	Certificate of Incorporation, filed October 16, 2007, of AmSafe Global Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.45	Amended and Restated By-Laws of AmSafe Global Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.46	Restated Certificate of Incorporation, filed July 10, 1967, of Arkwin Industries, Inc.	Incorporated by reference to Amendment No. 3 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed June 27, 2013 (File No. 333-186494)
3.47	Certificate of Amendment, filed November 4, 1981, of Arkwin Industries, Inc.	Incorporated by reference to Amendment No. 3 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed June 27, 2013 (File No. 333-186494)
3.48	Certificate of Amendment, filed June 11, 1999, of Arkwin Industries, Inc.	Incorporated by reference to Amendment No. 3 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed June 27, 2013 (File No. 333-186494)
3.49	Bylaws of Arkwin Industries, Inc.	Incorporated by reference to Amendment No. 3 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed June 27, 2013 (File No. 333-186494)
3.50	Certificate of Incorporation, filed March 7, 2003, of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.51	Certificate of Amendment of Certificate of Incorporation, filed May 12, 2003, of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.52	Certificate of Amendment of Certificate of Incorporation, filed July 17, 2003, of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.53	Bylaws of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.54	Certificate of Formation, filed June 28, 2007, of Avionic Instruments LLC	Filed Herewith
3.55	Limited Liability Company Agreement of Avionic Instruments LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No.333-144366)
3.56	Certificate of Incorporation, filed December 29, 1992, of Avionic Specialties, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.57	Bylaws of Avionic Specialties, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
3.58	Articles of Incorporation, filed October 3, 1963, of Avtech Corporation (now known as AvtechTyee, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.59	Articles of Amendment of Articles of Incorporation, filed March 30, 1984, of Avtech Corporation (now known as AvtechTyee, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.60	Articles of Amendment of Articles of Incorporation, filed April 17, 1989, of Avtech Corporation (now known as AvtechTyee, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.61	Articles of Amendment of Articles of Incorporation, filed July 17, 1998, of Avtech Corporation (now known as AvtechTyee, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.62	Articles of Amendment of Articles of Incorporation, filed May 20, 2003, of Avtech Corporation (now known as Avtech Tyee, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4, filed July 6, 2007 (File No. 333-144366)
3.63	Articles of Amendment of Articles of Incorporation, filed May 2, 2012, of AvtechTyee, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 16, 2012 (File No. 001-32833)
3.64	Bylaws of Avtech Corporation (now known as AvtechTyee, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.65	Certificate of Incorporation, filed October 24, 1977, of Transformer Technology Corporation (now known as Beta Transformer Technology Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.66	Certificate of Amendment of Certificate of Incorporation, filed December 1, 1977, of Transformer Technology Corporation (now known as Beta Transformer Technology Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.67	Bylaws of Transformer Technology Corporation (now known as Beta Transformer Technology Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.68	Certificate of Formation, filed May 30, 2013, of Beta Transformer Technology LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.69	Amended and Restated Limited Liability Company Agreement, filed July 7, 2016, of Beta Transformer Technology LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.70	Certificate of Formation of Breeze-Eastern LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 11, 2016 (File No. 001-32833)
3.71	Limited Liability Company Agreement of Breeze-Eastern LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 11, 2016 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.72	Articles of Incorporation, filed February 6, 1998, of Air Carrier Acquisition Corp. (now known as Bridport-Air Carrier, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.73	Articles of Amendment, filed February 23, 1998, of Air Carrier Acquisition Corp. (now known as Bridport-Air Carrier, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.74	Articles of Amendment, filed December 14, 1999, of Bridport-Air Carrier, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.75	Amended and Restated By-Laws of Bridport-Air Carrier, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.76	Certificate of Incorporation, filed May 9, 2000, of Erie Acquisition Corp. (now known as Bridport Erie Aviation, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.77	Certificate of Amendment of Certificate of Incorporation, filed May 30, 2000, of Erie Acquisition Corp. (now known as Bridport Erie Aviation, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.78	Certificate of Amendment of Certificate of Incorporation, filed June 19, 2000, of Bridport Erie Aviation, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.79	Amended and Restated By-Laws of Erie Acquisition Corp. (now known as Bridport Erie Aviation, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.80	Certificate of Incorporation, filed July 2, 2004, of Bridport Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.81	Amended and Restated By-Laws of Bridport Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.82	Certificate of Incorporation filed August 6, 2007, of Bruce Aerospace, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)
3.83	Bylaws of Bruce Aerospace, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)
3.84	Certificate of Conversion, effective June 30, 2007, converting CDA InterCorp into CDA InterCorp LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.85	Operating Agreement of CDA InterCorp LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.86	Certificate of Formation, filed September 30, 2010, of CEF Industries, LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 24, 2009 (File No. 001-32833)
3.87	Limited Liability Company Agreement of CEF Industries, LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 24, 2009 (File No. 001-32833)
3.88	Certificate of Formation, effective June 30, 2007, of Champion Aerospace LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.89	Limited Liability Company Agreement of Champion Aerospace LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.90	Certificate of Incorporation, filed October 23, 1970, of ILC Data Devices Corporation (now known as Data Device Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.91	Certificate of Amendment of Certificate of Incorporation, filed April 23, 1999, of ILC Data Devices Corporation (now known as Data Device Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.92	Certificate of Amendment of Certificate of Incorporation, filed July 14, 2014, of Data Device Corporation	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.93	Bylaws of ILC Data Devices Corporation (now known as Data Device Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.94	Certificate of Incorporation, filed November 20, 2009, of Dukes Aerospace, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed December 4, 2009 (File No. 001-32833)
3.95	Bylaws of Dukes Aerospace, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed December 4, 2009 (File No. 001-32833)
3.96	Certificate of Formation, filed February 29, 2000, of Western Sky Industries, LLC (now known as Electromech Technologies LLC)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.97	Certificate of Amendment, filed December 18, 2013, of Western Sky Industries, LLC (now known as Electromech Technologies LLC)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014
3.98	Second Amended and Restated Limited Liability Agreement of Western Sky Industries, LLC (now known as Electromech Technologies LLC)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.99	Certificate of Conversion, effective March 31, 2014, of Harco LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed August 7, 2014 (File No. 333-197935)
3.100	Limited Liability Company Agreement of Harco LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed August 7, 2014 (File No. 333-197935)
3.101	Articles of Incorporation, filed May 10, 1957, of Hartwell Aviation Supply Company (now known as Hartwell Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.102	Certificate of Amendment, filed June 9, 1960, of Articles of Incorporation of Hartwell Aviation Supply Company (now known as Hartwell Corporation)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.103	Certification of Amendment, filed October 23, 1987, of Articles of Incorporation of Hartwell Corporation	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.104	Certificate of Amendment, filed April 9, 1997, of Articles of Incorporation of Hartwell Corporation	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.105	Bylaws of Hartwell Corporation	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.106	Amended and Restated Certificate of Incorporation, filed June 23, 2016, of ILC Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.107	Bylaws of ILC Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.108	Certificate of Formation, filed August 12, 2008, of New ILC Mergeco, LLC (now known as ILC Industries, LLC)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.109	Certificate of Amendment to Certificate of Formation, filed December 3, 2010, of New ILC Mergeco, LLC (now known as ILC Industries, LLC)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.110	Limited Liability Company Agreement of ILC Industries, LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.111	Certificate of Formation, filed January 26, 2007, of Johnson Liverpool LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.112	Amended and Restated Limited Liability Company Agreement of Johnson Liverpool LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.113	Certificate of Incorporation, filed March 28, 1994, of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.114	Certificate of Amendment, filed May 18, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.115	Certificate of Amendment, filed May 24, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.116	Certificate of Amendment, filed August 28, 2003, of the Certificate of Incorporation of Marathon Power Technology Company (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 28, 2006 (File No. 001-32833)
3.117	Bylaws of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.118	Certificate of Incorporation, filed April 13, 2007, of McKechnie Aerospace DE, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.119	Bylaws of McKechnie Aerospace DE, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.120	Certificate of Incorporation, filed April 25, 2007, of McKechnie Aerospace Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.121	Bylaws of McKechnie Aerospace Holdings, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.122	Certificate of Incorporation, filed December 11, 1998, of McKechnie US Holdings Inc. (now known as McKechnie Aerospace Investments, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.123	Certificate of Amendment, filed May 11, 2007, to the Certificate of Incorporation of McKechnie Investments, Inc. (now known as McKechnie Aerospace Investments, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.124	Amended and Restated Bylaws of McKechnie Aerospace Investments, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.125	Certificate of Formation, filed May 11, 2005, of Melrose US 3 LLC (now known as McKechnie Aerospace US LLC)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.126	Certificate of Amendment, filed May 11, 2007, to Certificate of Formation of Melrose US 3 LLC (now known as McKechnie Aerospace US LLC)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.127	Limited Liability Company Agreement of McKechnie Aerospace US LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.128	Certificate of Incorporation, filed April 28, 2015, of PX Acquisition Co. (now known as Pexco Aerospace, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2015 (File No. 001-32833)
3.129	Certificate of Amendment, filed May 14, 2015, of Certificate of Incorporation of PX Acquisition Co. (now known as Pexco Aerospace, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2015 (File No. 001-32833)
3.130	Bylaws of Pexco Aerospace, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2015 (File No. 001-32833)
3.131	Articles of Incorporation, filed October 3, 1956, of Pneudraulics, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
3.132	Certificate of Amendment, filed December 9, 1970, of Articles of Incorporation of Pneudraulics, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
3.133	Restated Bylaws of Pneudraulics, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
3.134	Certificate of Formation, filed May 30, 2007, of Schneller LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2012 (File No. 001-32833)
3.135	Amended and Restated Limited Liability Company Agreement, dated August 31, 2011, of Schneller LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2012 (File No. 001-32833)
3.136	Certificate of Incorporation of Semco Instruments, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed September 7, 2010 (File No. 001-32833)
3.137	Certificate of Amendment to Certificate of Incorporation, filed October 17, 2012, of Semco Instruments, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 16, 2012 (File No. 001-32833)
3.138	Amended and Restated Bylaws of Semco Instruments, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed September 7, 2010 (File No. 001-32833)
3.139	Certificate of Incorporation, filed September 16, 1994, of Am-Safe Commercial Products, Inc. (now known as Shield Restraint Systems, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.140	Certificate of Amendment of Certificate of Incorporation, filed May 19, 2005, of AmSafe Commercial Products, Inc. (now known as Shield Restraint Systems, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.141	Certificate of Amendment of Certificate of Incorporation, filed August 27, 2014 of AmSafe Commercial Products, Inc. (now known as Shield Restraint Systems, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 14, 2014 (File No. 001-32833)
3.142	By Laws of Am-Safe Commercial Products, Inc. (now known as Shield Restraint Systems, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 9, 2012 (File No. 001-32833)
3.143	Certificate of Incorporation, filed December 22, 2004, of Skurka Aerospace Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed October 11, 2006 (File No. 333-137937)
3.144	Bylaws of Skurka Aerospace Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed October 11, 2006 (File No. 333-137937)
3.145	Certificate of Incorporation, filed August 22, 1986, of Tactair Fluid Controls, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.146	Certificate of Amendment of Certificate of Incorporation of Tactair Fluid Controls, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.147	Bylaws of Tactair Fluid Controls, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.148	Certificate of Formation, filed March 27, 2015, of Telair International LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 5, 2015 (File No. 001-32833)
3.149	Limited Liability Company Agreement of Telair International LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 5, 2015 (File No. 001-32833)
3.150	Certificate of Formation, filed February 23, 2015, of Telair US LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 5, 2015 (File No. 001-32833)
3.151	Limited Liability Company Agreement of Telair US LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 5, 2015 (File No. 001-32833)
3.152	Articles of Incorporation, filed August 6, 1999, of Texas Rotronics, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.153	Bylaws of Texas Rotronics, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2011 (File No. 001-32833)
3.154	Certificate of Formation, effective June 30, 2007, of Transicoil LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.155	Limited Liability Company Agreement of Transicoil LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.156	Certificate of Formation, filed June 13, 2013, of Whippany Actuation Systems, LLC	Incorporated by reference to Amendment No. 3 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed June 27, 2013 (File No. 333-186494)
3.157	Limited Liability Agreement of Whippany Actuation Systems, LLC	Incorporated by reference to Amendment No. 3 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed June 27, 2013 (File No. 333-186494)
3.158	Restated Certificate of Incorporation, filed November 10, 2016, of Young & Franklin, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.159	Bylaws of Young & Franklin, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
3.160	Restated Certificate of Incorporation, filed June 27, 2014, of North Hills Processing Corp.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
3.161	Bylaws of Porta Systems Corp. (now known as North Hills Signal Processing Corp.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
3.162	Certificate of Incorporation, filed October 12, 1982, of Porta Systems Overseas Corp (now known as North Hills Signal Processing Overseas Corp)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
3.163	Certificate of Amendment to Certificate of Incorporation, filed October 6, 2010, of Porta Systems Overseas Corp (now known as North Hills Signal Processing Overseas Corp)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
3.164	Bylaws of Porta Systems Overseas Corp. (now known as North Hills Signal Processing Overseas Corp)	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
3.165	Certificate of Formation, filed December 13, 2016, of Wings Acquisition Sub LLC (now known as Interiors In Flight LLC)	Filed Herewith
3.166	Limited Liability Agreement of Wings Acquisition Sub LLC (now known as Interiors in Flight LLC)	Filed Herewith
3.167	Certificate of Formation, filed December 13, 2016, of Wings Acquisition Co LLC (now known as SCHROTH Safety Products LLC)	Filed Herewith
3.168	Limited Liability Agreement of Wings Acquisition Co LLC (now known as SCHROTH Safety Products LLC)	Filed Herewith
4.1	Form of Stock Certificate	Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed March 13, 2006 (File No. 333-130483)
4.2	Indenture, dated as of October 15, 2012, among TransDigm Inc., as issuer, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to TransDigm Inc.'s 5.5% Senior Subordinated Notes due 2020	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 15, 2012 (File No. 001-32833)
4.3	First Supplemental Indenture, dated as of June 5, 2013, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 11, 2013 (File No. 001-32833)
4.4	Second Supplemental Indenture, dated as of June 26, 2013, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed July 1, 2013 (File No. 001-32833)
4.5	Third Supplemental Indenture, dated as of December 19, 2013, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
4.6	Fourth Supplemental Indenture, dated as of April 9, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 5, 2015 (File No. 001-32833)
4.7	Fifth Supplemental Indenture, dated as of June 12, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2015 (File No. 001-32833)
4.8	Sixth Supplemental Indenture, dated as of August 28, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
4.9	Seventh Supplemental Indenture, dated as of April 1, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
4.10	Eighth Supplemental Indenture, dated as of July 8, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.11	Ninth Supplemental Indenture, dated as of October 28, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.12	Tenth Supplemental Indenture, dated as of March 31, 2017, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 10, 2017 (File No. 001-32833)
4.13	Eleventh Supplemental Indenture, dated as of May 9, 2017, among TransDigm, Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
4.14	Indenture, dated as of June 4, 2014, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to TransDigm Inc.'s 6.00% Senior Subordinated Notes due 2022	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2014 (File No. 001-32833)
4.15	First Supplemental Indenture, dated as of April 9, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 5, 2015 (File No. 001-32833)
4.16	Second Supplemental Indenture, dated as of June 12, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2015 (File No. 001-32833)
4.17	Third Supplemental Indenture, dated as of August 28, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
4.18	Fourth Supplemental Indenture, dated as of April 1, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.19	Fifth Supplemental Indenture, dated as of July 8, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.20	Sixth Supplemental Indenture, dated as of October 28, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.21	Seventh Supplemental Indenture, dated as of March 31, 2017, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 10, 2017 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
4.22	Eighth Supplemental Indenture, dated as of May 9, 2017, among TransDigm, Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
4.23	Indenture, dated as of June 4, 2014, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to TransDigm Inc.'s 6.50% Senior Subordinated Notes due 2024	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2014 (File No. 001-32833)
4.24	First Supplemental Indenture, dated as of April 9, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 5, 2015 (File No. 001-32833)
4.25	Second Supplemental Indenture, dated as of June 12, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2015 (File No. 001-32833)
4.26	Third Supplemental Indenture, dated as of August 28, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
4.27	Fourth Supplemental Indenture, dated as of April 1, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.28	Fifth Supplemental Indenture, dated as of July 8, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.29	Sixth Supplemental Indenture, dated as of October 28, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.30	Seventh Supplemental Indenture, dated as of March 31, 2017, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to 10-Q filed May 10, 2017 (File No. 001-32833)
4.31	Eighth Supplemental Indenture, dated as of May 9, 2017, among TransDigm, Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
4.32	Indenture, dated as of May 14, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to TransDigm Inc.'s 6.50% Senior Subordinated Notes due 2025	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 19, 2015 (File No. 001-32833)
4.33	First Supplemental Indenture, dated as of June 12, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 5, 2015 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
4.34	Second Supplemental Indenture, dated as of August 28, 2015, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
4.35	Third Supplemental Indenture, dated as of April 1, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.36	Fourth Supplemental Indenture, dated as of July 8, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.37	Fifth Supplemental Indenture, dated as of October 28, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.38	Sixth Supplemental Indenture, dated as of March 31, 2017, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 10, 2017 (File No. 001-32833)
4.39	Seventh Supplemental Indenture, dated as of May 9, 2017, among TransDigm, Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
4.40	Indenture, dated as of June 6, 2016, among TransDigm Inc., Transdigm Group Incorporated, the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to TransDigm Inc.'s 6.375% Senior Subordinated Notes due 2026	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 14, 2016 (File No. 001-32833)
4.41	First Supplemental Indenture, dated as of July 8, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.42	Second Supplemental Indenture, dated as of October 28, 2016, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 15, 2016 (File No. 001-32833)
4.43	Third Supplemental Indenture, dated as of March 31, 2017, among TransDigm Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 10, 2017 (File No. 001-32833)
4.44	Fourth Supplemental Indenture, dated as of May 9, 2017, among TransDigm, Inc., TransDigm Group Incorporated, the guarantors listed on the signature pages thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 8, 2017 (File No. 001-32833)
4.45	Form of 5.50% Senior Subordinated Notes due 2020	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 15, 2012 (File No. 001-32833)
4.46	Form of 6.00% Senior Subordinated Notes due 2022	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2014 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
4.47	Form of 6.50% Senior Subordinated Notes due 2024	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2014 (File No. 001-32833)
4.48	Form of 6.50% Senior Subordinated Notes due 2025	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 19, 2015
4.49	Form of 6.375% Senior Subordinated Notes due 2026	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 14, 2016 (File No. 001-32833)
4.50	Form of Notation of Guarantee of 5.50% Senior Subordinated Notes due 2020	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 15, 2012 (File No. 001-32833)
4.51	Form of Notation of Guarantee of 6.00% Senior Subordinated Notes due 2022	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2014 (File No. 001-32833)
4.52	Form of Notation of Guarantee of 6.50% Senior Subordinated Notes due 2024	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2014 (File No. 001-32833)
4.53	Form of Notation of Guarantee of 6.50% Senior Subordinated Notes due 2025	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 19, 2015 (File No. 001-32833)
4.54	Form of Notation of Guarantee of 6.375% Senior Subordinated Notes due 2026	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 14, 2016 (File No. 001-32833)
10.1	Fourth Amended and Restated Employment Agreement, dated December 10, 2015, between TransDigm Group Incorporated and W. Nicholas Howley*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed Decmber 10, 2015 (File No. 001-32833)
10.2	Employment Agreement, dated April 27, 2015, between TransDigm Group Incorporated and Terrance Paradie	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 28, 2015
10.3	Amended and Restated Employment Agreement, dated December 14, 2016, between TransDigm Group Incorporated and Robert Henderson*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed December 15, 2016 (File No. 001-32833)
10.4	Amended and Restated Employment Agreement, dated December 14, 2016, between TransDigm Group Incorporated and Kevin Stein*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed December 15, 2016 (File No. 001-32833)
10.5	Employment Agreement, Dated February 24, 2011, between TransDigm Group Incorporated and Bernt Iversen*	Incorporated by reference to TramsDigm Group Incorporated's Form 8-K filed February 25, 2011 (File No. 001-32833)
10.6	Employment Agreement, dated April 20, 2012, between TransDigm Group Incorporated and James Skulina*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 24, 2012 (File No. 001-32833)
10.7	Employment Agreement, dated April 20, 2012, between TransDigm Group Incorporated and Peter Palmer*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 24, 2012 (File No. 001-32833)
10.8	Employment Agreement, dated October 23, 2013, between TransDigm Group Incorporated and Jorge Valladares*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 29, 2013 (File No. 001-32833)
10.9	Form of Employment Agreement, dated October 2015, between TransDigm Group Incorporated and each of Joel Reiss and Roger Jones*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 27, 2015
10.10	First Amendment to Employment Agreement, dated April 20, 2012, between TransDigm Group Incorporated and Bernt Iversen*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 24, 2012 (File No. 001-32833)
10.11	Form of Amendment to Employment Agreement between TransDigm Group Incorporated and each of Bernt Iversen, Peter Palmer and James Skulina*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 25, 2012 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
10.12	Form of Amendment to Employment Agreement, dated October 2015, between TransDigm Group Incorporated and each of Terrance Paradie, Bernt Iversen, James Skulina, Peter Palmer and Jorge Valladares*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 27, 2015 (File No. 001-32833)
10.13	Fourth Amendment to Employment Agreement, dated November 11, 2016, between TransDigm Group Incorporated and Bernt Iversen*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed November 15, 2016 (File No. 001-32833)
10.14	Second Amendment to Employment Agreement, dated November 11, 2016, between TransDigm Group Incorporated and Terrance Paradie*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed November 15, 2016 (File No. 001-32833)
10.15	TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan*	Incorporated by reference to Amendment No. 1 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed November 7, 2006 (File No. 333-137937)
10.16	Amendment No. 1 to TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)
10.17	Amendment No. 2 to TransDigm Group Incorporated Fourth Amended and Restated Stock Option Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 7, 2008 (File No. 001-32833)
10.18	Amendment No. 3 to TransDigm Group Incorporated Fourth Amended and Restated Stock Option Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 28, 2009 (File No. 001-32833)
10.19	TransDigm Group Incorporated 2006 Stock Incentive Plan*	Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed March 13, 2006 (File No. 333-130483)
10.20	Amendment No. 1, dated October 20, 2006, to the TransDigm Group Incorporated 2006 Stock Incentive Plan*	Incorporated by reference to Amendment No. 1 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed November 7, 2006 (File No. 333-137937)
10.21	Second Amendment to TransDigm Group Incorporated 2006 Stock Incentive Plan, dated April 25, 2008*	Incorporated by reference to TransDigm Group Incorporated's Schedule 14A filed June 6, 2008 (File No. 001-32833)
10.22	TransDigm Group Incorporated 2014 Stock Option Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 6, 2014 (File No. 001-32833)
10.23	Director Share Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 10, 2016 (File No. 001-32833)
10.24	Form of Option Agreements for options granted in fiscal 2013*	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 14, 2014 (File No. 001-32833)
10.25	Form of Option Agreements for options granted in fiscal 2014*	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 14, 2014 (File No. 001-32833)
10.26	Form of Option Agreements for options granted in fiscal 2015*	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed January 30, 2015 (File No. 001-32833)
10.27	Form of Option Agreements for options granted in fiscal 2016*	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 10, 2016 (File No. 001-32833)
10.28	Form of Stock Option Agreement for options awarded in fiscal 2017*	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 8, 2017 (File No. 001-32833)
10.29	Stock Option Grant Notice and Stock Option Agreement dated November 13, 2014 between TransDigm Group Incorporated and W. Nicholas Howley*	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed January 30, 2015 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
10.30	Stock Option Grant Notice and Stock Option Agreement dated November 10, 2016 between TransDigm Group Incorporated and W. Nicholas Howley (annual equity award)*	Incorporated by reference to TransDigm Group Incorporated's Form10-Q filed February 8, 2017 (File No. 001-32833)
10.31	Stock Option Grant Notice and Stock Option Agreement dated November 10, 2016 between TransDigm Group Incorporated and W. Nicholas Howley (equity award in lieu of fiscal 2016 bonus and calendar 2017 salary)*	Incorporated by reference to TransDigm Group Incorporated's Form10-Q filed February 8, 2017 (File No. 001-32833)
10.32	Fourth Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed August 2, 2013 (File No. 001-32833)
10.33	Third Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed August 2, 2013 (File No. 001-32833)
10.34	TransDigm Group Incorporated 2014 Stock Option Plan Dividend Equivalent Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 28, 2014 (File No. 001-32833)
10.35	Amendment and Restatement Agreement, and Second Amendment and Restated Credit Agreement, dated as of June 4, 2014, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. from time to time party thereto, the lenders party thereto, as lenders, and Credit Suisse AG, as administrative agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2014 (File No. 001-32833)
10.36	Incremental Assumption and Refinancing Facility Agreement, dated as of May 14, 2015, among TransDigm Inc., TransDigm Group Incorporated, the subsidiary guarantors party thereto, Credit Suisse AG, as administrative agent and collateral agent, and the other agents and lenders named therein	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 19, 2015 (File No. 001-32833)
10.37	Loan Modification Agreement, dated as of May 20, 2015, among TransDigm Inc., TransDigm Group Incorporated, the subsidiary guarantors party thereto, Credit Suisse AG, as administrative agent and collateral agent, and the other agents and lenders party thereto	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 27, 2015 (File No. 001-32833)
10.38	Incremental Revolving Credit Assumption and Refinancing Facility Agreement, dated as of May 20, 2015, among TransDigm Inc., TransDigm Group Incorporated, the subsidiary guarantors party thereto, Credit Suisse AG, as administrative agent and collateral agent and the other agents and lenders party thereto	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 27, 2015 (File No. 001-32833)
10.39	Incremental Term Loan Assumption Agreement dated October 14, 2016 among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. party thereto, the lenders party thereto and Credit Suisse AG, as administrative and collateral agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 14, 2016 (File No. 001-32833)
10.40	Amendment No. 2 to the Second Amended and Restated Credit Agreement, dated as of March 6, 2017, among TransDigm Inc., as borrower, TransDigm Group Incorporated, as guarantor, the subsidiary guarantors party thereto, Credit Suisse AG, as administrative agent and collateral agent, and the other agents and lenders named therein	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed March 8, 2017 (File No. 001-32833)
10.41	Amendment No. 3 to the Second Amended and Restated Credit Agreement, dated as of August 22, 2017, among TransDigm Inc., as borrower, TransDigm Group Incorporated, as guarantor, the subsidiary guarantors party thereto, Credit Suisse AG, as administrative agent and collateral agent, and the other agents and lenders named therein	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed August 24, 2017 (File No. 001-32833)

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
10.42	Guarantee and Collateral Agreement, dated as of June 23, 2006, as amended and restated as of December 6, 2010, as further amended and restated as of February 14, 2011 and February 28, 2013, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse AG as administrative agent and collateral agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed March 6, 2013 (File No. 001-32833)
10.43	Receivables Purchase Agreement, dated October 21, 2013, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association as a Purchaser and a Purchaser Agent, the various other Purchasers and Purchaser Agents from time to time party thereto, and PNC National Association as Administrator	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 5, 2014 (File No. 001-32833)
10.44	First Amendment to the Receivables Purchase Agreement, dated March 25, 2014, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association as a Purchaser, Purchaser Agent for its Purchaser Group and as Administrator	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
10.45	Second Amendment to the Receivables Purchase Agreement, dated August 8, 2014, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association, as a Committed Purchaser, as a Purchaser Agent for its Purchaser Group and Administrator, and Credit Agricole Corporate and Investment Bank, as a Committed Purchaser and as a Purchase Agent for its Purchaser Group	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
10.46	Third Amendment to the Receivables Purchase Agreement, dated March 20, 2015, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association, as a Committed Purchaser, as a Purchaser Agent for its Purchaser Group and Administrator, Atlantic Asset Securitization LLC, as a Conduit Purchaser, and Credit Agricole Corporate and Investment Bank, as a Committed Purchaser and as a Purchase Agent for its and Atlantic's Purchaser Group	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 13, 2015 (File No. 001-32833)
10.47	Fourth Amendment to the Receivables Purchase Agreement dated as of August 4, 2015, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association, as a Committed Purchase, as a Purchaser Agent for its Purchaser Group and Administrator, Atlantic Asset Securitization LLC, as a Conduit Purchaser, and Credit Agricole Corporate and Investment Bank, as a Committed Purchaser and as a Purchaser Agent for its and Atlantic's Purchaser Group	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed August 7, 2015 (File No. 001-32833)
10.48	Ninth Amendment to the Receivables Purchase Agreement dated as of August 1, 2017, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association, as a Committed Purchaser, as Purchaser Agent for its Purchaser Group and as Administrator, Atlantic Asset Securitization LLC, as a Conduit Purchaser, Credit Agricole Corporate and Investment Bank, as a Committed Purchaser and as a Purchaser Agent for its and Atlantic's Purchaser Group, and Fifth Third Bank, as a Committed Purchaser and as Purchaser Agent for its Purchaser Group	Filed Herewith
12.1	Statement of Computation of Ratio of Earnings to Fixed Charges	Filed Herewith
21.1	Subsidiaries of TransDigm Group Incorporated	Filed Herewith

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
23.1	Consent of Independent Registered Public Accounting Firm	Filed Herewith
31.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed Herewith
31.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed Herewith
32.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed Herewith
32.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed Herewith
101	Financial Statements and Notes to Consolidated Financial Statements formatted in XBRL.	Filed Herewith

* Indicates management contract or compensatory plan contract or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on November 13, 2017.

TRANSDIGM GROUP INCORPORATED

By:	/s/ Terrance M. Paradie
Name:	**Terrance M. Paradie**
Title:	**Executive Vice President and Chief Financial Officer**

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

Signature	Title	Date
/s/ W. Nicholas Howley **W. Nicholas Howley**	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	November 13, 2017
/s/ Terrance M. Paradie **Terrance M. Paradie**	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	November 13, 2017
/s/ David Barr **David Barr**	Director	November 13, 2017
/s/ William Dries **William Dries**	Director	November 13, 2017
/s/ Mervin Dunn **Mervin Dunn**	Director	November 13, 2017
/s/ Michael Graff **Michael Graff**	Director	November 13, 2017
/s/ Sean P. Hennessy **Sean P. Hennessy**	Director	November 13, 2017
/s/ George E. McCullough **George E. McCullough**	Director	November 13, 2017
/s/ Douglas Peacock **Douglas Peacock**	Director	November 13, 2017
/s/ Robert J. Small **Robert J. Small**	Director	November 13, 2017
/s/ John Staer **John Staer**	Director	November 13, 2017
/s/ Raymond F. Laubenthal **Raymond F. Laubenthal**	Director	November 13, 2017

TRANSDIGM GROUP INCORPORATED AND SUBSIDIARIES
ANNUAL REPORT ON FORM 10-K:
FISCAL YEAR ENDED SEPTEMBER 30, 2017
ITEM 8 AND ITEM 15(a) (1)
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
INDEX

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
TransDigm Group Incorporated

We have audited the accompanying consolidated balance sheets of TransDigm Group Incorporated as of September 30, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in stockholders' deficit and cash flows for each of the three years in the period ended September 30, 2017. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TransDigm Group Incorporated at September, 30, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2017, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), TransDigm Group Incorporated's internal control over financial reporting as of September 30, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 13, 2017, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Cleveland, Ohio
November 13, 2017

TRANSDIGM GROUP INCORPORATED

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2017 AND 2016
(Amounts in thousands, except share amounts)

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 650,561	$ 1,586,994
Trade accounts receivable—Net	636,127	576,339
Inventories—Net	730,681	724,011
Assets held-for-sale	77,500	—
Prepaid expenses and other	38,683	43,353
Total current assets	2,133,552	2,930,697
PROPERTY, PLANT AND EQUIPMENT—Net	324,924	310,580
GOODWILL	5,745,338	5,679,452
OTHER INTANGIBLE ASSETS—Net	1,717,862	1,764,343
OTHER	53,985	41,205
TOTAL ASSETS	$ 9,975,661	$ 10,726,277
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 69,454	$ 52,645
Short-term borrowings—trade receivable securitization facility	299,587	199,771
Accounts payable	148,761	156,075
Accrued liabilities	335,888	344,112
Liabilities held-for-sale	17,304	—
Total current liabilities	870,994	752,603
LONG-TERM DEBT	11,393,620	9,943,191
DEFERRED INCOME TAXES	500,949	492,255
OTHER NON-CURRENT LIABILITIES	161,302	189,718
Total liabilities	12,926,865	11,377,767
STOCKHOLDERS' DEFICIT:		
Common stock—$.01 par value; authorized 224,400,000 shares; issued 56,093,659 and 55,767,767 shares at September 30, 2017 and 2016, respectively	561	558
Additional paid-in capital	1,095,319	1,028,972
Accumulated deficit	(3,187,220)	(1,146,963)
Accumulated other comprehensive loss	(85,143)	(149,787)
Treasury stock, at cost; 4,159,207 and 2,433,035 shares at September 30, 2017 and 2016, respectively	(774,721)	(384,270)
Total stockholders' deficit	(2,951,204)	(651,490)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 9,975,661	$ 10,726,277

See Notes to Consolidated Financial Statements

TRANSDIGM GROUP INCORPORATED

CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share amounts)

	Fiscal Years Ended September 30,		
	2017	**2016**	**2015**
NET SALES	$ 3,504,286	$ 3,171,411	$ 2,707,115
COST OF SALES	1,519,659	1,443,348	1,257,270
GROSS PROFIT	1,984,627	1,728,063	1,449,845
SELLING AND ADMINISTRATIVE EXPENSES	415,575	382,858	321,624
AMORTIZATION OF INTANGIBLE ASSETS	89,226	77,445	54,219
INCOME FROM OPERATIONS	1,479,826	1,267,760	1,074,002
INTEREST EXPENSE—Net	602,589	483,850	418,785
REFINANCING COSTS	39,807	15,794	18,393
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	837,430	768,116	636,824
INCOME TAX PROVISION	208,889	181,702	189,612
INCOME FROM CONTINUING OPERATIONS	628,541	586,414	447,212
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	(31,654)	—	—
NET INCOME	596,887	586,414	447,212
NET INCOME APPLICABLE TO COMMON STOCK	$ 437,630	$ 583,414	$ 443,847
Net earnings per share:			
Net earnings per share from continuing operations—basic and diluted	$ 8.45	$ 10.39	$ 7.84
Net loss per share from discontinued operations—basic and diluted	(0.57)	$ —	$ —
Net earnings per share	$ 7.88	$ 10.39	$ 7.84
Cash dividends paid per common share	$ 46.00	$ —	$ —
Weighted-average shares outstanding:			
Basic and diluted	55,530	56,157	56,606

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands)

	Fiscal Years Ended September 30,		
	2017	**2016**	**2015**
Net income	$ 596,887	$ 586,414	$ 447,212
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	22,241	(31,846)	(29,448)
Interest rate swap and cap agreements	34,471	(9,648)	(35,604)
Pension liability adjustments	7,932	(12,284)	(5,786)
Other comprehensive income (loss), net of tax	64,644	(53,778)	(70,838)
TOTAL COMPREHENSIVE INCOME	$ 661,531	$ 532,636	$ 376,374

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(Amounts in thousands, except share and per share amounts)

	Common Stock					Treasury Stock		
	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Number of Shares	Value	Total
BALANCE—September 30, 2014	53,832,246	$ 538	$ 794,767	$ (2,150,293)	$ (25,171)	(1,415,100)	$ (175,940)	$ (1,556,099)
Unvested dividend equivalent payments	—	—	—	(14,151)	—	—	—	(14,151)
Compensation expense recognized for employee stock options and restricted stock	—	—	31,500	—	—	—	—	31,500
Excess tax benefits related to share-based payment arrangements	—	—	61,965	—	—	—	—	61,965
Exercise of employee stock options	1,248,175	13	61,674	—	—	—	—	61,687
Common stock issued	19,673	—	418	—	—	—	—	418
Net income	—	—	—	447,212	—	—	—	447,212
Interest rate swaps, net of tax	—	—	—	—	(35,604)	—	—	(35,604)
Foreign currency translation adjustments	—	—	—	—	(29,448)	—	—	(29,448)
Pension liability adjustments, net of tax	—	—	—	—	(5,786)	—	—	(5,786)
BALANCE—September 30, 2015	55,100,094	551	950,324	(1,717,232)	(96,009)	(1,415,100)	(175,940)	(1,038,306)
Unvested dividend equivalent payments and other	—	—	—	(16,145)	—	—	—	(16,145)
Compensation expense recognized for employee stock options and restricted stock	—	—	48,306	—	—	—	—	48,306
Exercise of employee stock options and restricted stock activity, net	666,709	7	30,112	—	—	(2,548)	(575)	29,544
Treasury stock purchased	—	—	—	—	—	(1,015,387)	(207,755)	(207,755)
Common stock issued	964	—	230	—	—	—	—	230
Net income	—	—	—	586,414	—	—	—	586,414
Interest rate swaps and caps, net of tax	—	—	—	—	(9,648)	—	—	(9,648)
Foreign currency translation adjustments	—	—	—	—	(31,846)	—	—	(31,846)
Pension liability adjustments, net of tax	—	—	—	—	(12,284)	—	—	(12,284)
BALANCE—September 30, 2016	55,767,767	558	1,028,972	(1,146,963)	(149,787)	(2,433,035)	(384,270)	(651,490)
Dividends paid	—	—	—	(2,422,295)	—	—	—	(2,422,295)
Unvested dividend equivalent payments and other	—	—	—	(214,849)	—	—	—	(214,849)
Compensation expense recognized for employee stock options and restricted stock	—	—	44,931	—	—	—	—	44,931
Exercise of employee stock options, restricted stock activity and other, net	324,908	3	21,177	—	—	(2,548)	(630)	20,550
Treasury stock purchased	—	—	—	—	—	(1,723,624)	(389,821)	(389,821)
Common stock issued	984	—	239	—	—	—	—	239
Net income	—	—	—	596,887	—	—	—	596,887
Interest rate swaps and caps, net of tax	—	—	—	—	34,471	—	—	34,471
Foreign currency translation adjustments	—	—	—	—	22,241	—	—	22,241
Pension liability adjustments, net of tax	—	—	—	—	7,932	—	—	7,932
BALANCE—September 30, 2017	56,093,659	$ 561	$ 1,095,319	$ (3,187,220)	$ (85,143)	(4,159,207)	$ (774,721)	$ (2,951,204)

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Fiscal Years Ended September 30,		
	2017	**2016**	**2015**
OPERATING ACTIVITIES:			
Net income	$ 596,887	$ 586,414	$ 447,212
Net loss from discontinued operations	31,654	—	—
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	50,937	43,455	35,939
Amortization of intangible assets and product certification costs	90,088	78,215	57,724
Amortization of debt issuance costs, original issue discount and premium	21,106	16,211	15,797
Refinancing costs	39,807	15,794	18,393
Non-cash equity compensation	45,524	48,306	31,500
Excess tax benefits related to share-based payment arrangements	—	—	(61,965)
Deferred income taxes	(918)	5,808	660
Changes in assets/liabilities, net of effects from acquisitions of businesses:			
Trade accounts receivable	(54,669)	(80,114)	(25,418)
Inventories	5,127	(2,073)	(25,974)
Income taxes receivable/payable	18,219	(12,299)	65,418
Other assets	(10,564)	(4,919)	(12,392)
Accounts payable	(10,354)	(6,657)	13,480
Accrued interest	(958)	17,933	(3,934)
Accrued and other liabilities	(33,153)	(22,776)	(35,502)
Net cash provided by operating activities	788,733	683,298	520,938
INVESTING ACTIVITIES:			
Capital expenditures, net of disposals	(71,013)	(43,982)	(54,871)
Payments made in connection with acquisitions	(136,295)	(1,399,064)	(1,624,278)
Acquisition of Schroth, net of cash acquired	(79,695)	—	—
Net cash used in investing activities	(287,003)	(1,443,046)	(1,679,149)
FINANCING ACTIVITIES:			
Excess tax benefits related to share-based payment arrangements	—	—	61,965
Proceeds from exercise of stock options	21,177	30,112	61,674
Dividends paid	(2,581,552)	(3,000)	(3,365)
Treasury stock purchased	(389,821)	(207,755)	—
Proceeds from term loans, net	2,937,773	1,711,515	1,515,954
Repayment on term loans	(1,284,698)	(834,409)	(1,025,318)
Proceeds from senior subordinated notes, net	300,386	939,584	445,303
Cash tender and redemption of senior subordinated notes due 2021, including premium	(528,847)	—	—
Proceeds from trade receivable securitization facility, net	99,471	—	—
Financing fees and other	(17,571)	(3,580)	(1,266)
Net cash (used in) provided by financing activities	(1,443,682)	1,632,467	1,054,947
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	5,519	242	(2,251)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(936,433)	872,961	(105,515)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,586,994	714,033	819,548
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 650,561	$ 1,586,994	$ 714,033
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for interest	$ 587,718	$ 448,608	$ 398,939
Cash paid during the period for income taxes	$ 185,295	$ 183,291	$ 127,363

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Description of the Business—TransDigm Group Incorporated ("TD Group"), through its wholly-owned subsidiary, TransDigm Inc., is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. TransDigm Inc., along with TransDigm Inc.'s direct and indirect wholly-owned operating subsidiaries (collectively, with TD Group, the "Company" or "TransDigm"), offers a broad range of proprietary aerospace components. TD Group has no significant assets or operations other than its 100% ownership of TransDigm Inc. TD Group's common stock is listed on the New York Stock Exchange, or the NYSE, under the trading symbol "TDG."

Major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, NiCad batteries and chargers, engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, databus and power controls, cockpit security components and systems, specialized cockpit displays, aircraft audio systems, specialized lavatory components, seat belts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes, high performance hoists, winches and lifting devices, and cargo loading, handling and delivery systems.

2. ACQUISITIONS

During the last three fiscal years, the Company completed the acquisitions of Schroth, Y&F/Tactair, DDC, Breeze-Eastern, PneuDraulics, Pexco Aerospace, Adams Rite Aerospace GmbH and Telair Cargo Group. Additionally, during the third quarter of fiscal 2017, the Company acquired three separate aerospace product lines (collectively, the "Third Quarter 2017 Acquisitions"). The Company accounted for the acquisitions using the acquisition method and included the results of operations of the acquisitions in its consolidated financial statements from the effective date of each acquisition. As of September 30, 2017, the one-year measurement period is open for Schroth and the Third Quarter 2017 Acquisitions and therefore the assets acquired and liabilities assumed related to these acquisitions are subject to adjustment until the end of the respective one-year measurement period. The Company is in the process of obtaining a third-party valuation of certain tangible and intangible assets of the Third Quarter 2017 Acquisitions; therefore, the values attributed to those acquired assets and liabilities in the consolidated financial statements are subject to adjustment. Pro forma net sales and results of operations for the acquisitions, had they occurred at the beginning of the applicable fiscal year ended September 30, 2017 or 2016, are not material and, accordingly, are not provided.

The acquisitions strengthen and expand the Company's position to design, produce and supply highly engineered proprietary aerospace components in niche markets with significant aftermarket content and provide opportunities to create value through the application of our three core value-driven operating strategies (obtaining profitable new business, improving our cost structure, and providing highly engineered value-added products to customers). The purchase price paid for each acquisition reflects the current earnings before interest, taxes, depreciation and amortization (EBITDA) and cash flows, as well as the future EBITDA and cash flows expected to be generated by the business, which are driven in most cases by the recurring aftermarket consumption over the life of a particular aircraft, estimated to be approximately 25 to 30 years.

Third Quarter 2017 Acquisitions – During the third quarter of fiscal 2017, the Company acquired the Third Quarter 2017 Acquisitions for a total purchase price of approximately $106.3 million in cash, which includes working capital settlements totaling $1.0 million paid in the third and fourth quarter of 2017. All three product lines consist primarily of proprietary, sole source products with significant aftermarket content. The products include highly engineered aerospace controls, quick disconnect couplings, and communication electronics. Each product line acquired was consolidated into an existing TransDigm reporting unit within TransDigm's Power & Control segment. The Company expects that approximately $62 million of goodwill recognized for the acquisitions will be deductible for tax purposes over 15 years and approximately $9 million of goodwill recognized for the acquisitions will not be deductible for tax purposes.

Schroth – On February 22, 2017, the Company acquired all of the outstanding stock of Schroth Safety Products GmbH and certain aviation and defense assets and liabilities from subsidiaries of Takata Corporation (collectively, "Schroth"), for a total purchase price of approximately $89.7 million, of which $79.7 million was paid in cash (including a working capital settlement of $0.8 million paid in the third quarter of 2017) and the remaining approximately $10.0 million of which is accrued primarily related to an indemnity holdback to be settled within the one-year measurement period.

In connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition, during the fourth quarter of 2017, the Company committed to dispose of the Schroth business. Therefore, Schroth was classified as held-for-sale as of September 30, 2017. The results of operations of Schroth are reflected as discontinued operations in the accompanying consolidated financial statements. Schroth designs and manufactures proprietary, highly engineered, advanced safety systems for aviation, racing and military ground vehicles around the world. Prior to being classified as discontinued operations, Schroth was included in TransDigm's Airframe segment.

The loss from discontinued operations in the consolidated statements of income includes a $32.0 million impairment charge to write down Schroth's assets to estimated fair value. The impairment charge recorded in the fourth quarter of 2017 was based on an internal assessment around the recovery of the Schroth assets. Schroth's assets have been recorded at fair value in the consolidated balance sheet as of September 30, 2017. Further disclosure related to Schroth's discontinued operations is included in Note 22.

Y&F/Tactair – On September 23, 2016, the Company acquired all of the outstanding stock of Young & Franklin, Inc., the parent company of Tactair Fluid Controls, Inc., for approximately $258.8 million in cash, which includes a working capital settlement of $2.7 million paid in the first quarter of 2017. Y&F/Tactair manufactures proprietary, highly engineered valves and actuators. Y&F/Tactair is included in TransDigm's Power & Control segment. The purchase price includes approximately $74.5 million of tax benefits being realized by the Company over a 15-year period that began in the first quarter of fiscal 2017. The Company expects that approximately $124 million of goodwill recognized for the acquisition will be deductible for tax purposes over 15 years and approximately $8 million of goodwill recognized for the acquisition will not be deductible for tax purposes.

Data Device Corporation – On June 23, 2016, the Company acquired all of the outstanding stock of ILC Holdings, Inc., the parent company of Data Device Corporation, for a total purchase price of approximately $997.7 million in cash, which includes a working capital settlement of $1.4 million received in the first quarter of fiscal 2017. TransDigm financed the acquisition of DDC with cash proceeds from the issuance of senior subordinated notes due in June 2026 and term loans. DDC is a supplier of databus and power controls and related products that are used primarily in military avionics, commercial aerospace and space applications. DDC is included in TransDigm's Power & Control segment.

The total purchase price of DDC was allocated to the underlying assets acquired and liabilities assumed based upon management's estimated fair values at the date of acquisition. To the extent the purchase price exceeded the estimated fair value of the net identifiable tangible and intangible assets acquired, such excess was allocated to goodwill. The following table summarizes the final purchase price allocation of the estimated fair values of the assets acquired and liabilities assumed at the transaction date (in thousands).

Assets acquired:		
Current assets, excluding cash acquired	$	107,728
Property, plant, and equipment		20,818
Intangible assets		229,300
Goodwill		750,935
Other		2,036
Total assets acquired		1,110,817
Liabilities assumed:		
Current liabilities		26,520
Other noncurrent liabilities		86,642
Total liabilities assumed		113,162
Net assets acquired	$	997,655

Approximately $740 million of goodwill recognized for the acquisition is not deductible for tax purposes and approximately $11 million of goodwill recognized for the acquisition is deductible for tax purposes over 15 years.

Breeze-Eastern – On January 4, 2016, the Company completed the tender offer for all of the outstanding stock of Breeze-Eastern for $19.61 per share in cash. The purchase price was approximately $205.9 million, of which $146.4 million (net of cash acquired of $30.8 million) was paid at closing and $34.9 million was paid to dissenting shareholders during the first fiscal quarter of 2017. Of the $34.9 million payment, $28.7 million related to the original merger consideration and $6.2 million represented the settlement reached with the dissenting shareholders resolving the dispute over the dissenting shareholders' statutory appraisal action. Of the $6.2 million settlement, $4.9 million was recorded as selling and administrative expense and $1.3 million was recorded as interest expense for statutory interest arising under Delaware General Corporate Law. Once the Company paid the $34.9 million settlement to the dissenting shareholders on October 20, 2016, the dissenting stockholders fully released their claims against the Company. Breeze-Eastern manufactures high performance lifting and pulling devices for military and civilian aircraft, including rescue hoists, winches and cargo hooks, and weapons-lifting systems. Breeze-Eastern is included in TransDigm's Power & Control segment. All of the approximately $115 million of goodwill recognized for the acquisition is not deductible for tax purposes.

PneuDraulics – On August 19, 2015, the Company acquired all of the outstanding stock of PneuDraulics, Inc. for approximately $321.5 million in cash, which is net of a working capital settlement received in fiscal 2016 of $2.0 million. PneuDraulics manufactures proprietary, highly engineered aerospace pneumatic and hydraulic components and subsystems for commercial transport, regional, business jet and military applications. PneuDraulics is included in TransDigm's Power & Control segment. The purchase price includes approximately $108.1 million of tax benefits being realized by the Company over a 15-year period that began in the fourth quarter of fiscal 2015. All of the approximately $223 million of goodwill recognized for the acquisition is deductible for tax purposes.

Pexco Aerospace – On May 14, 2015, the Company acquired the assets of the aerospace business of Pexco LLC ("Pexco Aerospace") for a total purchase price of approximately $496.4 million in cash. Pexco Aerospace manufactures extruded plastic interior parts for use in the commercial aerospace industry. Pexco Aerospace is included in TransDigm's Airframe segment. The purchase price includes approximately $166.4 million of tax benefits being realized by TransDigm over a 15-year period that began in the third quarter of fiscal 2015. All of the approximately $406 million of goodwill recognized for the acquisition is deductible for tax purposes.

Adams Rite Aerospace GmbH – On March 31, 2015, the Company acquired the aerospace business of Franke Aquarotter GmbH (now known as Adams Rite Aerospace GmbH) for approximately $75.3 million in cash. Adams Rite Aerospace GmbH manufactures proprietary faucets and related products for use on commercial transports and regional jets. Adams Rite Aerospace GmbH is included in TransDigm's Airframe segment. All of the approximately $64 million of goodwill recognized for the acquisition is not deductible for tax purposes.

Telair Cargo Group – On March 26, 2015, the Company acquired all of the outstanding stock of Telair International GmbH ("Telair Europe"), all of the outstanding stock of Nordisk Aviation Products ("Nordisk") and the assets of the AAR Cargo business (collectively, "Telair Cargo Group"). The total purchase price was approximately $730.9 million in cash. Telair Cargo Group manufactures aerospace on-board cargo loading and handling, restraint systems and unit load devices for a variety of commercial and military platforms with positions on a wide range of new and existing aircraft. The business consists of three reporting units: Telair Europe, Nordisk and Telair US. Telair Europe and Telair US are included in TransDigm's Power & Control segment and Nordisk is included in TransDigm's Airframe segment. Approximately $33 million of goodwill recognized for the acquisition is deductible for tax purposes and approximately $450 million of goodwill recognized for the acquisition is not deductible for tax purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation—The accompanying consolidated financial statements were prepared in conformity with generally accepted accounting principles in the United States ("GAAP") and include the accounts of TD Group and subsidiaries. All significant intercompany balances and transactions have been eliminated. Certain reclassifications have been made to the current period annual and interim final statements as during the fourth quarter of 2017, the Company committed to disposing of Schroth. As of September 30, 2017, Schroth was classified as held-for-sale and the results of operations for Schroth are reflected as discontinued operations in the accompanying consolidated financial statements. Refer to Note 22, "Discontinued Operations," for further information.

Revenue Recognition and Related Allowances—Revenue is recognized from the sale of products when title and risk of loss passes to the customer, which is generally at the time of shipment. Substantially all product sales are made pursuant to firm, fixed-price purchase orders received from customers. Provisions for estimated returns, 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. Due to uncertainties in the estimation process, it is possible that actual results may vary from the estimates.

Shipping and Handling Costs—Shipping and handling costs are included in cost of sales in the consolidated statements of income.

Research and Development Costs—The Company expenses research and development costs as incurred and classifies such amounts in selling and administrative expenses. The expense recognized for research and development costs for the years ended September 30, 2017, 2016 and 2015 was approximately $73.8 million, $58.6 million, and $48.3 million, respectively.

Cash Equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for Uncollectible Accounts—The Company reserves for amounts determined to be uncollectible based on specific identification of losses and estimated losses based on historical experience. The allowance also incorporates a provision for the estimated impact of disputes with customers. 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 or improve, the allowance for doubtful accounts could increase or decrease.

Inventories—Inventories are stated at the lower of cost or market. Cost of inventories is generally determined by the average cost and the first-in, first-out (FIFO) methods and includes material, labor and overhead related to the manufacturing process. Provision for potentially obsolete or slow-moving inventory is made based on management's analysis of inventory levels and future sales forecasts.

Property, Plant and Equipment—Property, plant and equipment are stated at cost and include improvements which significantly increase capacities or extend the useful lives of existing plant and equipment. Depreciation is computed using the straight-line method over the following estimated useful lives: land improvements from 10 to 20 years, buildings and improvements from 5 to 30 years, machinery and equipment from 2 to 10 years and furniture and fixtures from 3 to 10 years. Net gains or losses related to asset dispositions are recognized in earnings in the period in which dispositions occur. Routine maintenance, repairs and replacements are expensed as incurred.

Property, plant and equipment is assessed for potential impairment whenever indicators of impairment are present by determining whether the carrying value of the property can be recovered through projected, undiscounted cash flows from future operations over the property's remaining estimated useful life. Any impairment recognized is the amount by which the carrying amount exceeds the fair value of the asset. Fair value is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows.

Debt Issuance Costs, Premiums and Discounts—The cost of obtaining financing as well as premiums and discounts are amortized using the effective interest method over the terms of the respective obligations as a component of interest expense within the consolidated statements of income. Debt issuance costs are presented in the consolidated balance sheets as a direct reduction from the carrying amount of the related debt liabilities.

Intangible Assets—Intangible assets consist of identifiable intangibles acquired or recognized in accounting for the acquisitions (trademarks, trade names, technology, order backlog and other intangible assets) and goodwill. Goodwill and intangible assets that have indefinite useful lives (i.e., trademarks and trade names) are subject to annual impairment testing. Management determines fair value using a discounted future cash flow analysis or other accepted valuation techniques. The Company performs an annual impairment test for goodwill and other intangible assets as of the first day of the fourth fiscal quarter of each year, or more frequently, if an event occurs or circumstances change that would more likely than not reduce fair value below current value.

At the time of goodwill impairment testing, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, and whether it is therefore necessary to perform the quantitative goodwill impairment test. The quantitative goodwill impairment test consists of two steps. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit (as defined) with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not considered impaired, and the second step of the goodwill impairment test is unnecessary. The second step measures the amount of impairment, if any, by comparing the carrying value of the goodwill associated with a reporting unit to the implied fair value of the goodwill derived from the estimated overall fair value of the reporting unit and the individual fair values of the other assets and liabilities of the reporting unit.

GAAP requires that the annual, and any interim, impairment assessment be performed at the reporting unit level. The reporting unit level is one level below an operating segment. Substantially all goodwill was determined and recognized for each reporting unit pursuant to the accounting for the merger or acquisition as of the date of each transaction. With respect to acquisitions integrated into an existing reporting unit, any acquired goodwill is combined with the goodwill of the reporting unit.

The impairment test for indefinite lived intangible assets consists of a comparison between their fair values and carrying values. If the carrying amounts of intangible assets that have indefinite useful lives exceed their fair values, an impairment loss will be recognized in an amount equal to the sum of any such excesses.

The Company assesses the recoverability of its amortizable intangible assets only when indicators of impairment are present by determining whether the amortization over their remaining lives can be recovered through projected, undiscounted cash flows from future operations. Amortization of amortizable intangible assets is computed using the straight-line method over the following estimated useful lives: technology from 20 to 22 years, order backlog over one year, and other intangible assets over 20 years.

Stock-Based Compensation—The Company records stock-based compensation expense using the fair value method of accounting. Compensation expense is recorded over the vesting periods of the stock options, restricted stock and other stock-based incentives. No expense is recognized for any stock options, restricted stock and other stock-based incentives ultimately forfeited because the recipients fail to meet vesting requirements.

Income Taxes—The Company accounts for income taxes using an asset and liability approach. Deferred taxes are recorded for the difference between the book and tax basis of various assets and liabilities. A valuation allowance is provided when it is more likely than not that some or all of a deferred tax asset will not be realized.

Contingencies—During the ordinary course of business, the Company is from time to time threatened with, or may become a party to, legal actions and other proceedings. While the Company is currently involved in certain legal proceedings, it believes the results of these proceedings will not have a material adverse effect on its financial condition, results of operations, or cash flows.

Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comprehensive Income (Loss)—The term "comprehensive income (loss)" represents the change in stockholders' equity (deficit) from transactions and other events and circumstances resulting from non-stockholder sources. The Company's accumulated other comprehensive income or loss, consisting principally of fair value adjustments to its interest rate swap and cap agreements (net of tax), cumulative foreign currency translation adjustments and pension liability adjustments (net of tax), is reported separately in the accompanying consolidated statements of comprehensive income.

Foreign Currency Translation and Transactions—The assets and liabilities of subsidiaries located outside the United States are translated into U.S. dollars at the rates of exchange in effect at the balance sheet dates. Revenue and expense items are translated at the average monthly exchange rates prevailing during the period. Gains and losses resulting from foreign currency transactions are recognized currently in income, and those resulting from translation of financial statements are accumulated as a separate component of other comprehensive income (loss) for the period. Foreign currency gains or losses recognized currently in income from changes in exchange rates were immaterial to our results of operations.

Earnings per Share—Earnings per share information is determined using the two-class method, which includes the weighted-average number of common shares outstanding during the period and other securities that participate in dividends ("participating securities"). Our vested stock options are considered "participating securities" because they include non-forfeitable rights to dividends. In applying the two-class method, earnings are allocated to both common stock shares and participating securities based on their respective weighted-average shares outstanding for the period. Diluted earnings per share information may include the additional effect of other securities, if dilutive, in which case the dilutive effect of such securities is calculated using the treasury stock method. Contingently issuable shares are not included in earnings per share until the period in which the contingency is satisfied; therefore, basic and diluted earnings per share are the same.

4. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, which creates a new topic in the Accounting Standards Codification ("ASC") 606, "Revenue From Contracts With Customers*."* In addition to superseding and replacing nearly all existing U.S. GAAP revenue recognition guidance, including industry-specific guidance, ASC 606 establishes a new control-based revenue recognition model; changes the basis for deciding when revenue is recognized over time or at a point in time; provides new and more detailed guidance on specific topics; and expands and improves disclosures about revenue. The new revenue standards may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The guidance is effective for the Company for annual reporting periods, including interim periods therein, beginning October 1, 2018, which is the Company's planned date of adoption. The Company preliminarily expects to use the full retrospective method. The Company is continuing to evaluate the impact of the standard, and the planned adoption method is subject to change. For each reporting unit, we have evaluated a representative sample of contracts and other agreements with our customers and evaluated the provisions contained within these contracts and agreements in consideration of the five step model specified within ASC 606. We are in the process of documenting the impact of the standard on our current accounting policies and practices in order to identify material differences, if any, that would result from applying the new requirements to our revenue contracts. We continue to make progress on our assessment of ASC 606 and are also in the process of evaluating the impact, if any, on changes to our business processes, systems, and controls to support recognition and disclosure requirements under ASC 606.

In September 2015, the FASB issued ASU 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments," a new standard intended to simplify the accounting for measurement period adjustments in a business combination. Measurement period adjustments are changes to provisional amounts recorded when the accounting for a business combination is incomplete as of the end of a reporting period. The measurement period can extend for up to a year following the transaction date. During the measurement period, companies may make adjustments to provisional amounts when information necessary to complete the measurement is received. The new guidance requires companies to recognize these adjustments, including any related impacts to net income, in the reporting period in which the adjustments are determined. Companies are no longer required to retroactively apply measurement period adjustments to all periods presented. The guidance was effective for the Company on October 1, 2016. However, as early adoption was permissible, the Company adopted the pronouncement beginning October 1, 2015. The adoption of this standard did not have a significant impact on its consolidated financial statements and disclosures.

In February 2016, the FASB issued ASU 2016-02, “Leases (ASC 842),” which will require that a lessee recognize assets and liabilities on the balance sheet for all leases with a lease term of more than twelve months, with the result being the recognition of a right of use asset and a lease liability. The guidance is effective for the Company for annual reporting periods, including interim periods therein, beginning October 1, 2019, with early adoption permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements and disclosures.

In March 2016, the FASB issued ASU 2016-09, “Improvements to Employee Share-Based Payment Accounting.” The guidance requires the recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid in capital pools. The guidance also allows for the employer to repurchase more of an employee’s shares for tax withholding purposes without triggering liability accounting. In addition, the guidance allows for a policy election to account for forfeitures as they occur rather than on an estimated basis. ASU 2016-09 was effective for the Company for annual reporting periods, including interim periods therein, beginning October 1, 2017, with early adoption permitted. As early adoption is permissible, the Company adopted this standard in the fourth quarter of fiscal 2016. Changes were applied prospectively in accordance with the standard and prior periods were not adjusted. In addition, the Company continued to account for forfeitures on an estimated basis.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13)," which changes the impairment model for most financial assets. The new model uses a forward-looking expected loss method, which will generally result in earlier recognition of allowances for losses. ASU 2016-13 is effective for annual and interim periods beginning after December 15, 2019 and early adoption is permitted for annual and interim periods beginning after December 15, 2018. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements and disclosures.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows—Classification of Certain Cash Receipts and Cash Payments," which clarifies existing guidance related to accounting for cash receipts and cash payments and classification on the statement of cash flows. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, with early adoption permitted. The Company elected to early adopt this standard in the fourth quarter of fiscal 2017. The adoption of this standard did not have a significant impact on its consolidated statement of cash flows.

In January 2017, the FASB issued ASU 2017-04, “Simplifying the Test for Goodwill Impairment,” to eliminate Step 2 from the goodwill impairment test in order to simplify the subsequent measurement of goodwill. The guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The adoption of this standard is not expected to have a material impact on its consolidated financial statements and disclosures.

In May 2017, the FASB issued ASU 2017-09, "Compensation—Stock Compensation (ASC 718): Scope of Modification Accounting," which provides clarity on which changes to the terms or conditions of share-based payment awards require an entity to apply the modification accounting provisions required in ASC 718. The standard is effective for all entities for annual periods beginning after December 15, 2017, with early adoption permitted, including adoption in any interim period for which financial statements have not yet been issued. The adoption of this standard is not expected to have a material impact on its consolidated financial statements and disclosures.

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (ASC 815): Targeted Improvements to Accounting for Hedging Activities,” which amends the FASB’s hedge accounting model to enable entities to better portray their risk management activities in financial statements. The guidance eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item. The guidance also eases certain documentation and assessment requirements and modifies the accounting for components excluded from the assessment of hedge effectiveness. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018, and early adoption is permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements and disclosures.

5. EARNINGS PER SHARE (TWO-CLASS METHOD)

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Fiscal Years Ended September 30,		
	2017	2016	2015
Numerator for earnings per share:			
Net income from continuing operations	$ 628,541	$ 586,414	$ 447,212
Less dividends paid on participating securities	(159,257)	(3,000)	(3,365)
	$ 469,284	$ 583,414	$ 443,847
Net loss from discontinued operations	(31,654)	—	—
Net income applicable to common stock—basic and diluted	$ 437,630	$ 583,414	$ 443,847
Denominator for basic and diluted earnings per share under the two-class method:			
Weighted average common shares outstanding	52,517	53,326	53,112
Vested options deemed participating securities	3,013	2,831	3,494
Total shares for basic and diluted earnings per share	55,530	56,157	56,606
Net earnings per share from continuing operations—basic and diluted	$ 8.45	$ 10.39	$ 7.84
Net loss per share from discontinued operations—basic and diluted	(0.57)	—	—
Net earnings per share	$ 7.88	$ 10.39	$ 7.84

6. SALES AND TRADE ACCOUNTS RECEIVABLE

Sales—The Company’s sales and receivables are concentrated in the aerospace industry. TransDigm’s customers include: distributors of aerospace components; commercial airlines, large commercial transport and regional and business aircraft OEMs; various armed forces of the United States and friendly foreign governments; defense OEMs; system suppliers; and various other industrial customers.

Two customers accounted for approximately 13%, 13% and 11% and 11%, 12% and 12% of the Company’s net sales for fiscal years ended 2017, 2016 and 2015, respectively. Sales to these customers were split approximately evenly between the Power & Control and Airframe segments. Sales to foreign customers, primarily in Western Europe, Canada and Asia, were $1,318.9 million, $1,169.5 million and $881.1 million during fiscal years ended 2017, 2016 and 2015.

Trade Accounts Receivable—Trade accounts receivable consist of the following at September 30 (in thousands):

	2017	2016
Trade accounts receivable—gross	$ 639,946	$ 580,753
Allowance for uncollectible accounts	(3,819)	(4,414)
Trade accounts receivable—net	$ 636,127	$ 576,339

At September 30, 2017, approximately 12% of the Company’s trade accounts receivable was due from one customer. In addition, approximately 42% of the Company’s trade accounts receivable was due from entities that principally operate outside of the United States. Credit is extended based on an evaluation of each customer’s financial condition and collateral is generally not required.

7. INVENTORIES

Inventories consist of the following at September 30 (in thousands):

	2017	2016
Raw materials and purchased component parts	$ 496,899	$ 464,410
Work-in-progress	187,009	188,417
Finished Goods	131,548	153,253
Total	815,456	806,080
Reserves for excess and obsolete inventory	(84,775)	(82,069)
Inventories—net	$ 730,681	$ 724,011

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at September 30 (in thousands):

	2017	2016
Land and improvements	$ 56,554	$ 57,510
Buildings and improvements	161,990	153,691
Machinery, equipment and other	376,659	338,527
Construction in progress	22,037	15,958
Total	617,240	565,686
Accumulated depreciation	(292,316)	(255,106)
Property, plant and equipment—net	$ 324,924	$ 310,580

9. INTANGIBLE ASSETS

Other intangible assets - net in the consolidated balance sheets consist of the following at September 30 (in thousands):

	2017			2016		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Trademarks and trade names	$ 729,931	$ —	$ 729,931	$ 720,263	$ —	$ 720,263
Technology	1,292,719	351,638	941,081	1,279,335	288,429	990,906
Order backlog	29,000	26,668	2,332	55,341	29,641	25,700
Other	63,599	19,081	44,518	43,331	15,857	27,474
Total	$ 2,115,249	$ 397,387	$ 1,717,862	$ 2,098,270	$ 333,927	$ 1,764,343

Information regarding the amortization expense of amortizable intangible assets is detailed below (in thousands):

Annual Amortization Expense:

Years ended September 30,	
2017	$ 89,226
2016	77,445
2015	54,219

Estimated Amortization Expense:

Years ending September 30,		
2018	$	69,344
2019		67,011
2020		67,011
2021		67,011
2022		67,011

Intangible assets acquired during the year ended September 30, 2017 were as follows (in thousands):

	Gross Amount	Amortization Period
Intangible assets not subject to amortization:		
Goodwill	$ 129,152	
Trademarks and trade names	12,100	
	141,252	
Intangible assets subject to amortization:		
Technology	33,800	20 years
Order backlog	4,500	1 year
	38,300	18 years
Total	$ 179,552	

The changes in the carrying amount of goodwill by segment for the fiscal years ended September 30, 2016 and 2017 were as follows (in thousands):

	Power & Control	Airframe	Non-aviation	Total
Balance at September 30, 2015	$ 2,238,443	$ 2,392,408	$ 55,369	$ 4,686,220
Goodwill acquired during the year (Note 2)	1,008,510	—	—	1,008,510
Purchase price allocation adjustments	505	(792)	—	(287)
Currency translation adjustment	32	(15,023)	—	(14,991)
Balance at September 30, 2016	3,247,490	2,376,593	55,369	5,679,452
Goodwill acquired during the year (Note 2)	70,369	58,783	—	129,152
Write-down of discontinued operations (Note 22)	—	(32,000)	—	(32,000)
Reclass of goodwill acquired to assets held-for-sale (Note 22)	—	(26,783)	—	(26,783)
Purchase price allocation adjustments	(9,972)	—	—	(9,972)
Currency translation adjustment	—	5,489	—	5,489
Balance at September 30, 2017	$ 3,307,887	$ 2,382,082	$ 55,369	$ 5,745,338

10. ACCRUED LIABILITIES

Accrued liabilities consist of the following at September 30 (in thousands):

	2017	2016
Compensation and related benefits	$ 68,945	$ 69,323
Interest	82,222	83,180
Breeze-Eastern dissenting shares (see Note 2)	—	33,644
Interest rate swap agreements	20,740	29,191
Product warranties	22,971	24,334
Dividend equivalent payments—current (see Note 17)	56,506	19,503
Other	84,504	84,937
Total	$ 335,888	$ 344,112

11. DEBT

The Company’s debt consists of the following at September 30 (in thousands):

	2017			
	Gross Amount	Debt Issuance Costs	Original Issue Discount or Premium	Net Amount
Short-term borrowings—trade receivable securitization facility	$ 300,000	$ (413)	$ —	$ 299,587
Term loans	$ 6,973,009	$ (64,104)	$ (18,948)	$ 6,889,957
2020 Notes	550,000	(3,243)	—	546,757
2022 Notes	1,150,000	(6,941)	—	1,143,059
2024 Notes	1,200,000	(8,042)	—	1,191,958
2025 Notes	750,000	(4,033)	4,182	750,149
2026 Notes	950,000	(8,806)	—	941,194
	11,573,009	(95,169)	(14,766)	11,463,074
Less current portion	70,031	(577)	—	69,454
Long-term debt	$ 11,502,978	$ (94,592)	$ (14,766)	$ 11,393,620

	2016			
	Gross Amount	Debt Issuance Costs	Original Issue Discount or Premium	Net Amount
Short-term borrowings—trade receivable securitization facility	$ 200,000	$ (229)	$ —	$ 199,771
Term loans	$ 5,288,708	$ (42,662)	$ (11,439)	$ 5,234,607
2020 Notes	550,000	(4,299)	—	545,701
2021 Notes	500,000	(3,141)	—	496,859
2022 Notes	1,150,000	(8,381)	—	1,141,619
2024 Notes	1,200,000	(9,218)	—	1,190,782
2025 Notes	450,000	(4,144)	—	445,856
2026 Notes	950,000	(9,588)	—	940,412
	10,088,708	(81,433)	(11,439)	9,995,836
Less current portion	53,074	(429)	—	52,645
Long-term debt	$ 10,035,634	$ (81,004)	$ (11,439)	$ 9,943,191

Trade Receivable Securitization Facility

During fiscal 2014, the Company established a trade receivable securitization facility (the "Securitization Facility"). The Securitization Facility effectively increases the Company's borrowing capacity depending on the amount of the domestic operations' trade accounts receivable. The Securitization Facility includes the right for the Company to exercise annual one year extensions as long as there have been no termination events as defined by the agreement. The Company uses the proceeds from the Securitization Facility as an alternative to other forms of debt, effectively reducing borrowing costs. In August 2017, the Company amended the Securitization Facility to increase the borrowing capacity to $300 million and extend the maturity date to August 1, 2018. As of September 30, 2017, the Company has borrowed $300 million under the Securitization Facility. The Securitization Facility is collateralized by substantially all of the Company's domestic operations' trade accounts receivable.

Repurchase of Senior Subordinated Notes due 2021

On October 13, 2016, the Company announced a cash tender offer for any and all of its outstanding 2021 Notes. On October 27, 2016, the Company redeemed a principal amount of approximately $158 million in 2021 Notes outstanding for total consideration of $1,060.50 (plus accrued and unpaid interest) for each $1,000 aggregate principal amount. The total consideration included an early tender premium of $30.00 per $1,000 principal amount of 2021 Notes payable only with respect to each note validly tendered and not revoked on or before October 26, 2016. On November 28, 2016, pursuant to the terms of the indenture governing the 2021 Notes, the Company redeemed the remaining principal of $342 million in 2021 Notes outstanding at a redemption price of 105.625% of the principal amount (plus accrued and unpaid interest).

The Company recorded refinancing costs of $31.9 million during the fiscal year ended September 30, 2017 representing debt issuance costs expensed in conjunction with the redemption of the 2021 Notes. The costs consisted of the premium of $28.8 million paid to redeem the $500 million of 2021 Notes and the write-off of $3.1 million in unamortized debt issuance costs.

Incremental Term Loan Assumption Agreement

On October 14, 2016, the Company entered into an Incremental Term Loan Assumption Agreement (the "Assumption Agreement") with Credit Suisse AG, as administrative agent and collateral agent, and as a lender, in connection with the 2016 term loans. The Assumption Agreement, among other things, provides for (i) additional tranche F term loans in an aggregate principal amount equal to $650 million, which were fully drawn on October 14, 2016, and (ii) additional delayed draw tranche F term loans in an aggregate principal amount not to exceed $500 million, which were fully drawn on October 27, 2016, the proceeds of which were used to repurchase the Company's 2021 Notes. The terms and conditions that apply to the additional tranche F term loans and the additional delayed draw tranche F term loans are substantially the same as the terms and conditions that apply to the tranche F term loans under the 2016 term loans immediately prior to the Assumption Agreement.

The Company capitalized $11.3 million and expensed $0.2 million in refinancing costs associated with the Assumption Agreement during the fiscal year ended September 30, 2017.

Issuance of Senior Subordinated Notes

On March 1, 2017, TransDigm Inc. issued $300 million in aggregate principal amount of its 2025 Notes at an issue price of 101.5% of the principal amount. The new notes offered were an additional issuance to our existing $450 million of 2025 Notes. The new notes offered, together with the existing 2025 Notes, are treated as a single class for all purposes under the indenture.

The 2025 Notes bear interest at the rate of 6.5% per annum, which accrues from November 15, 2016 and is payable semiannually in arrears on May 15 and November 15 of each year, commencing on May 15, 2017. The 2025 Notes mature on May 15, 2025, unless earlier redeemed or repurchased, and are subject to the terms and conditions set forth in the indentures governing the 2025 Notes.

In addition to the premium of $4.5 million recorded upon the issuance of the additional $300 million of 2025 Notes, the Company capitalized $0.4 million and expensed $3.7 million in refinancing costs representing fees associated with the issuance of the additional $300 million of 2025 Notes during the fiscal year ended September 30, 2017.

Amendment No. 2 to the Second Amended and Restated Credit Agreement

On March 6, 2017, TD Group and certain subsidiaries of TransDigm entered into Amendment No. 2 to the Second Amended and Restated Credit Agreement, dated June 4, 2014, with Credit Suisse AG, as administrative agent and collateral agent (the "Agent"), and the other agents and lenders named therein. Amendment No. 2 permits, among other things, up to $1.5 billion of dividends and share repurchases over twelve months. If any portion of the $1.5 billion is not used for dividends or share repurchases over the twelve month period, such amount (not to exceed $500 million) may be used to repurchase stock at any time thereafter. Amendment No. 2 also increased the general investment basket to the greater of $400 million and 8% of consolidated total assets.

The Company capitalized $10.3 million and expensed $0.3 million in refinancing costs representing fees associated with Amendment No. 2 during the fiscal year ended September 30, 2017.

Amendment No. 3 to the Second Amended and Restated Credit Agreement

On August 22, 2017, the Company entered into Amendment No. 3 to the Second Amended and Restated Credit Agreement. Pursuant to Amendment No. 3, TransDigm, among other things, incurred new Tranche G Term Loans in an aggregate principal amount equal to approximately $1.8 billion and repaid in full all of the Tranche C term loans outstanding under the Credit Agreement. The Tranche G Term Loans were fully drawn on August 22, 2017. The Tranche G Term Loans mature on August 22, 2024. The terms and conditions (other than maturity date) that apply to the Tranche G Term Loans, including pricing, are substantially the same as the terms and conditions that apply to the Tranche C term loans immediately prior to Amendment No. 3. Amendment No. 3 also permitted (a) payment of a special dividend, share repurchase, or combination thereof, in an aggregate amount up to approximately $1.3 billion within 60 days of the effective date of Amendment No. 3, and (b) certain additional restricted payments, including the ability of the Company to declare or pay dividends or repurchase stock, in an aggregate amount not to exceed $1.5 billion within twelve months of the effective date of Amendment No. 3 and is subject to 6.0x consolidated net leverage ratio for dividends and 4.0x consolidated secured net debt ratio for share repurchases. If any portion of the $1.5 billion is not used for dividends or share repurchases over such twelve month period, such amount (not to exceed $500 million) may be used to repurchase stock at any time thereafter.

The Company capitalized $7.1 million representing fees associated with Amendment No. 3 during the fiscal year ended September 30, 2017.

The Company capitalized $16.5 million and expensed $2.2 million in refinancing costs representing debt issuances costs associated with the Tranche G Term Loans during the fiscal year ended September 30, 2017. Additionally, the Company wrote-off $1.5 million in unamortized debt issuance costs related to the Tranche C Term Loans.

Term Loans

As of September 30, 2017 and 2016, TransDigm had $6,973.0 million and $5,288.7 million in fully drawn term loans and $600.0 million in revolving commitments. The term loans consist of five tranches as follows (in millions):

			Aggregate Principal as of September 30,	
Term Loan Facility	**Maturity Date**	**Interest Rate**	**2017**	**2016**
Tranche C	February 28, 2020	LIBO rate (1) + 3.00%	$ —	$ 1,228.3
Tranche D	June 4, 2021	LIBO rate (1) + 3.00%	$ 798.1	$ 806.4
Tranche E	May 14, 2022	LIBO rate (1) + 3.00%	$ 1,503.4	$ 1,518.0
Tranche F	June 9, 2023	LIBO rate (1) + 3.00%	$ 2,857.0	$ 1,736.0
Tranche G	August 22, 2024	LIBO rate (1) + 3.00%	$ 1,814.5	$ —

The interest rates per annum applicable to all of the existing tranches of term loans are, at TransDigm's option, equal to either an alternate base rate or an adjusted LIBO rate for one, two, three or six-month (or to the extent agreed to by each relevant lender, nine or twelve-month) interest periods chosen by TransDigm, in each case plus an applicable margin percentage. The adjusted LIBO rate is subject to a floor of 0.75%. At September 30, 2017 and 2016, the applicable interest rates were as follows:

	Interest Rate as of September 30,	
Term Loan Facility	**2017**	**2016**
Tranche C	—%	3.75%
Tranche D	4.24%	3.75%
Tranche E	4.24%	3.75%
Tranche F	4.24%	3.75%
Tranche G	4.26%	—%

Debt Issuance Costs, Premiums and Discounts

During the year ended September 30, 2017, the Company recorded refinancing costs of $39.8 million representing debt issuance costs and premium expensed in conjunction with the new Tranche G Term Loans, the refinancing of the Tranche C Term Loans, and additional $300 million tack-on to the 6.375% Senior Subordinated Notes. During the year ended September 30, 2016, the Company recorded refinancing costs of $15.8 million representing debt issuance costs expensed in conjunction with the refinancing of the Tranche C Term Loans. During the year ended September 30, 2015 the Company recorded refinancing costs of $18.4 million representing debt issuance costs expensed in conjunction with the refinancing of the Tranche B Term Loans and Revolving B Commitments.

Interest Rate Swap and Cap Agreements

See Note 20, "Derivatives and Hedging Instruments" for information about how our interest rate swap and cap agreements are used to manage interest rate risk associated with floating-rate borrowings under our credit facilities.

Senior Subordinated Notes

Senior Subordinated Notes	Aggregate Principal	Maturity Date	Interest Rate
2020 Notes	$550 million	October 15, 2020	5.50%
2022 Notes	$1,150 million	July 15, 2022	6.00%
2024 Notes	$1,200 million	July 15, 2024	6.50%
2025 Notes	$750 million	May 15, 2025	6.50%
2026 Notes	$950 million	June 15, 2026	6.375%

The Notes are subordinated to all of TransDigm's existing and future senior debt, rank equally with all of its existing and future senior subordinated debt and rank senior to all of its future debt that is expressly subordinated to the Notes. The Notes are guaranteed on a senior subordinated unsecured basis by TD Group and its 100%-owned domestic subsidiaries named in the indentures. The guarantees of the Notes are subordinated to all of the guarantors' existing and future senior debt, rank equally with all of their existing and future senior subordinated debt and rank senior to all of their future debt that is expressly subordinated to the guarantees of the Notes. See Note 25, "Supplemental Guarantor Information," for further details. The Notes are structurally subordinated to all of the liabilities of TD Group's non-guarantor subsidiaries. The Notes contain many of the restrictive covenants included in the Restated Credit Agreement. TransDigm is in compliance with all the covenants contained in the Notes.

At September 30, 2017, future maturities of long-term debt are as follows (in thousands):

Years ended September 30,		
2018	$	70,031
2019		70,031
2020		70,031
2021		1,385,219
2022		2,641,834
Thereafter		7,335,863
	$	11,573,009

12. RETIREMENT PLANS

Defined Contribution Plans—The Company sponsors certain defined contribution employee savings plans that cover substantially all of the Company's non-union employees. Under certain plans, the Company contributes a percentage of employee compensation and matches a portion of employee contributions. The cost recognized for such contributions for the years ended September 30, 2017, 2016 and 2015 was approximately $14.6 million, $12.7 million and $9.9 million, respectively.

Defined Benefit Pension Plans—The Company maintains certain non-contributory defined benefit pension plans. The Company's funding policy is to contribute actuarially determined amounts allowable under tax and statutory regulations for the qualified plans. The Company uses a September 30th measurement date for its defined benefit pension plans.

The Company maintains certain qualified, non-contributory defined benefit pension plans, which together cover certain union employees. The plans provide benefits of stated amounts for each year of service. The plan assets as of September 30, 2017 and 2016 were approximately $69.9 million and $67.0 million, respectively. The Company's projected benefit obligation for these defined benefit pension plans at September 30, 2017 and 2016 was $91.7 million and $100.6 million, respectively. The total liability recognized at September 30, 2017 and 2016 was $21.8 million and $33.6 million, respectively. The decrease in the total liability at September 30, 2017 compared to September 30, 2016 is primarily attributable to the change in pension assumptions, particularly a higher discount rate and expected rate of return on assets, for the AmSafe Bridport Limited pension plan.

The net periodic pension cost recognized in the consolidated statements of income for the years ended September 30, 2017, 2016, and 2015 was $1.7 million, $1.0 million, and $0.6 million, respectively.

The Company has a non-qualified, non-contributory defined benefit pension plan, which covers certain retired employees. The plan is unfunded and provides defined benefits based on the final average salary of the employees as defined in the plan. The projected benefit obligation for this defined benefit pension plan and the total liability recognized in the Consolidated Balance Sheet at September 30, 2017 and 2016 was approximately $8.8 million and $8.6 million, respectively. The net periodic pension cost recognized in the consolidated statements of income for each of the years ended September 30, 2017, 2016 and 2015 was $0.4 million.

13. INCOME TAXES

The Company's income tax provision on income from continuing operations consists of the following for the periods shown below (in thousands):

	Fiscal Years Ended September 30,		
	2017	2016	2015
Current			
Federal	$ 179,884	$ 153,957	$ 163,182
State	8,596	9,234	7,823
Foreign	21,327	12,703	17,947
	209,807	175,894	188,952
Deferred	(918)	5,808	660
	$ 208,889	$ 181,702	$ 189,612

The differences between the income tax provision on income from continuing operations at the federal statutory income tax rate and the tax provision shown in the accompanying consolidated statements of income for the periods shown below are as follows (in thousands):

	Fiscal Years Ended September 30,		
	2017	2016	2015
Tax at statutory rate of 35%	$ 293,129	$ 268,841	$ 222,888
State and local income taxes, net of federal benefit	4,042	2,677	4,931
Stock compensation	(50,314)	(43,565)	—
Foreign rate differential	(29,685)	(30,079)	(14,332)
Domestic manufacturing deduction	(17,832)	(16,902)	(17,834)
Other—net	9,549	730	(6,041)
Income tax provision	$ 208,889	$ 181,702	$ 189,612

The components of the deferred taxes consist of the following at September 30 (in thousands):

	2017	2016
Deferred tax liabilities:		
Intangible assets	$ (647,140)	$ (627,633)
Property, plant and equipment	(29,240)	(31,438)
Unremitted foreign earnings	(10,784)	(9,434)
Employee benefits, compensation and other accrued obligations	107,195	86,229
Inventory	31,077	22,382
Net operating losses	33,462	29,266
Interest rate swaps and caps	15,961	36,478
Environmental	15,518	16,958
Product warranties	7,419	9,007
Other	8,797	3,216
Total	(467,735)	(464,969)
Add: Valuation allowance	(33,214)	(27,286)
Total net deferred tax liabilities	$ (500,949)	$ (492,255)

At September 30, 2017, the Company has United Kingdom net operating loss carryforwards of approximately $23.3 million, German net operating loss carryforwards of approximately $4.3 million and state net operating loss carryforwards of approximately $819.5 million that expire in various years from 2017 to 2034. A valuation allowance has been established equal to the amount of the net operating losses that the Company believes will not be utilized. The Company had state tax credit carryforwards of $2.6 million that expire from 2023 to 2029.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions, as well as foreign jurisdictions located in Belgium, Canada, China, France, Germany, Hong Kong, Hungary, Malaysia, Mexico, Norway, Singapore, Sri Lanka, Sweden and the United Kingdom. The Company is no longer subject to U.S. federal examinations for years before fiscal 2014. The Company is currently under examination in the U.S. for its fiscal 2014 federal taxes. The Company expects the examinations to be completed during fiscal 2018. In addition, the Company is subject to state income tax examinations for fiscal years 2009 and later.

The cumulative amount of the Company's foreign undistributed net earnings for which no deferred taxes have been provided is approximately $176.0 million at September 30, 2017. The Company has no plans to repatriate such earnings in the foreseeable future.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	2017	2016
Balance at beginning of period	$ 8,706	$ 6,859
Additions based on tax positions related to the prior year	500	2,014
Additions based on tax positions related to the current year	1,643	913
Reductions based on tax positions related to the prior year	(963)	(801)
Lapse in statute of limitations	(1,231)	(1,483)
Acquisitions	—	1,204
Balance at end of period	$ 8,655	$ 8,706

Unrecognized tax benefits at September 30, 2017 and 2016, the recognition of which would have an effect on the effective tax rate for each fiscal year, amounted to $8.7 million in each period. The Company classifies all income tax related interest and penalties as income tax expense, which were not significant for the years ended September 30, 2017, 2016 and 2015. As of September 30, 2017 and 2016, the Company accrued $1.2 million and $1.1 million, respectively, for the potential payment of interest and penalties. The Company anticipates no significant changes to its total unrecognized tax benefits through fiscal 2017.

14. ENVIRONMENTAL LIABILITIES

Our operations and facilities are subject to a number of federal, state, local and foreign environmental laws and regulations that govern, among other things, discharges of pollutants into the air and water, the generation, handling, storage and disposal of hazardous materials and wastes, the remediation of contamination and the health and safety of our employees. Environmental laws and regulations may require that the Company investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations. Certain facilities and third-party sites utilized by the Company have been identified as potentially responsible parties under the federal superfund laws and comparable state laws. The Company is currently involved in the investigation and remediation of a number of sites under applicable laws.

Estimates of the Company's environmental liabilities are based on current facts, laws, regulations and technology. These estimates take into consideration the Company's prior experience and professional judgment of the Company's environmental advisors. Estimates of the Company's environmental liabilities are further subject to uncertainties regarding the nature and extent of site contamination, the range of remediation alternatives available, evolving remediation standards, imprecise engineering evaluations and cost estimates, the extent of corrective actions that may be required and the number and financial condition of other potentially responsible parties, as well as the extent of their responsibility for the remediation.

Accordingly, as investigation and remediation proceed, it is likely that adjustments in the Company's accruals will be necessary to reflect new information. The amounts of any such adjustments could have a material adverse effect on the Company's results of operations or cash flows in a given period. Based on currently available information, however, the Company does not believe that future environmental costs in excess of those accrued with respect to sites for which the Company has been identified as a potentially responsible party are likely to have a material adverse effect on the Company's financial condition.

Environmental liabilities are recorded when the liability is probable and the costs are reasonably estimable, which generally is not later than at completion of a feasibility study or when the Company has recommended a remedy or has committed to an appropriate plan of action. The Company also takes into consideration the estimated period of time in which payments will be required. The liabilities are reviewed periodically and, as investigation and remediation proceed, adjustments are made as necessary.

Liabilities for losses from environmental remediation obligations do not consider the effects of inflation and anticipated expenditures are not discounted to their present value. The liabilities are not offset by possible recoveries from insurance carriers or other third parties, but do reflect anticipated allocations among potentially responsible parties at federal superfund sites or similar state-managed sites, third party indemnity obligations, and an assessment of the likelihood that such parties will fulfill their obligations at such sites.

The Company's consolidated balance sheets includes environmental remediation obligations at September 30, 2017 and 2016 of $39.9 million and $46.1 million, respectively.

15. CAPITAL STOCK

TD Group consists of 224,400,000 shares of $.01 par value common stock and 149,600,000 shares of $.01 par value preferred stock. The total number of shares of common stock issued at September 30, 2017 and 2016 was 56,093,659 and 55,767,767, respectively. The total number of shares held in treasury at September 30, 2017 and 2016 were 4,159,207 and 2,433,035, respectively. There were no shares of preferred stock outstanding at September 30, 2017 and 2016. The terms of the preferred stock have not been established.

The Board of Directors has previously authorized a common share repurchase program, which has been subject to amendments. On January 26, 2017, our Board of Directors increased the authorized amount of repurchases allowable under the stock program from $450 million to $472 million. The increase in the allowable repurchases under the stock repurchase program aligned the program with the restricted payments allowable under the Credit Agreement. On March 7, 2017, our Board of Directors authorized a new stock repurchase program replacing the $472 million program permitting repurchases of a portion of outstanding shares not to exceed $600 million in the aggregate, subject to any restrictions specified in the Credit Agreement and/or Indentures governing the existing Notes.

During the fiscal year ended September 30, 2017, in the aggregate, the Company repurchased 1,723,624 shares at a cost of $389.8 million at the weighted average cost of $226.16 under its stock repurchase programs.

As of September 30, 2017, the remaining amount of repurchases allowable under the $600 million program was $360.2 million subject to any restrictions specified in the Credit Agreement and/or Indentures governing the existing Notes.

On November 8, 2017, our Board of Directors, authorized a new stock repurchase program replacing the $600 million program permitting repurchases of our outstanding shares not to exceed $650 million in the aggregate, subject to any restrictions specified in the Credit Agreement and/or Indentures governing the existing Notes.

16. SEGMENTS

The Company's businesses are organized and managed in three reporting segments: Power & Control, Airframe and Non-aviation.

The Power & Control segment includes operations that primarily develop, produce and market systems and components that predominately provide power to or control power of the aircraft utilizing electronic, fluid, power and mechanical motion control technologies. Major product offerings include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, databus and power controls, high performance hoists, winches and lifting devices and cargo loading and handling systems. Primary customers of this segment are engine and power system and subsystem suppliers, airlines, third party maintenance suppliers, military buying agencies and repair depots. Products are sold in the original equipment and aftermarket market channels.

The Airframe segment includes operations that primarily develop, produce and market systems and components that are used in non-power airframe applications utilizing airframe and cabin structure technologies. Major product offerings include engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, cockpit security components and systems, aircraft audio systems, specialized lavatory components, seat belts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes and cargo delivery systems. Primary customers of this segment are airframe manufacturers and cabin system suppliers and subsystem suppliers, airlines, third party maintenance suppliers, military buying agencies and repair depots. Products are sold in the original equipment and aftermarket market channels.

The Non-aviation segment includes operations that primarily develop, produce and market products for non-aviation markets. Major product offerings include seat belts and safety restraints for ground transportation applications, mechanical/electro-mechanical actuators and controls for space applications, and refueling systems for heavy equipment used in mining, construction and other industries. Primary customers of this segment are off-road vehicle suppliers and subsystem suppliers, child restraint system suppliers, satellite and space system suppliers and manufacturers of heavy equipment used in mining, construction and other industries.

The primary measurement used by management to review and assess the operating performance of each segment is EBITDA As Defined. The Company defines EBITDA As Defined as earnings before interest, taxes, depreciation and amortization plus certain non-operating items recorded as corporate expenses including refinancing costs, acquisition-related costs, transaction-related costs and non-cash compensation charges incurred in connection with the Company's stock option plans. Acquisition-related costs represent accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when the inventory was sold; costs incurred to integrate acquired businesses and product lines into the Company's operations, facility relocation costs and other acquisition-related costs; transaction related costs comprising deal fees; legal, financial and tax diligence expenses and valuation costs that are required to be expensed as incurred and other acquisition accounting adjustments.

EBITDA As Defined is not a measurement of financial performance under GAAP. Although the Company uses EBITDA As Defined to assess the performance of its business and for various other purposes, the use of this non-GAAP financial measure as an analytical tool has limitations, and it should not be considered in isolation or as a substitute for analysis of the Company's results of operations as reported in accordance with GAAP.

The Company's segments are reported on the same basis used internally for evaluating performance and for allocating resources. The accounting policies for each segment are the same as those described in the summary of significant accounting policies in the Company's consolidated financial statements. Intersegment sales and transfers are recorded at values based on market prices, which creates intercompany profit on intersegment sales or transfers that is eliminated in consolidation. Intersegment sales were insignificant for the periods presented below. Certain corporate-level expenses are allocated to the operating segments.

The following table presents net sales by reportable segment (in thousands):

	Fiscal Years Ended September 30,		
	2017	2016	2015
Net sales to external customers			
Power & Control	$ 1,948,166	$ 1,621,741	$ 1,330,135
Airframe	1,442,073	1,447,894	1,280,706
Non-aviation	114,047	101,776	96,274
	$ 3,504,286	$ 3,171,411	$ 2,707,115

The following table reconciles EBITDA As Defined by segment to consolidated income from continuing operations before income taxes (in thousands):

	Fiscal Years Ended September 30,		
	2017	2016	2015
EBITDA As Defined			
Power & Control	$ 981,041	$ 787,418	$ 653,050
Airframe	726,619	709,858	585,472
Non-aviation	41,460	28,228	22,406
Total segment EBITDA As Defined	1,749,120	1,525,504	1,260,928
Unallocated corporate expenses	38,557	30,308	27,274
Total Company EBITDA As Defined	1,710,563	1,495,196	1,233,654
Depreciation and amortization	141,025	121,670	93,663
Interest expense, net	602,589	483,850	418,785
Acquisition-related costs	31,191	57,699	36,205
Stock compensation expense	45,524	48,306	31,500
Refinancing costs	39,807	15,794	18,393
Other, net	12,997	(239)	(1,716)
Income from continuing operations before income taxes	$ 837,430	$ 768,116	$ 636,824

The following table presents capital expenditures and depreciation and amortization by segment (in thousands):

	Fiscal Years Ended September 30,		
	2017	2016	2015
Capital expenditures			
Power & Control	$ 32,424	$ 25,120	$ 24,664
Airframe	34,526	16,498	28,086
Non-aviation	3,981	2,169	1,889
Corporate	82	195	232
	$ 71,013	$ 43,982	$ 54,871
Depreciation and amortization			
Power & Control	$ 85,681	$ 65,488	$ 39,336
Airframe	51,440	52,198	50,355
Non-aviation	2,745	2,860	2,846
Corporate	1,159	1,124	1,126
	$ 141,025	$ 121,670	$ 93,663

The following table presents total assets by segment (in thousands):

	September 30, 2017	September 30, 2016
Total assets		
Power & Control	$ 5,218,006	$ 5,184,303
Airframe	3,923,172	3,922,532
Non-aviation	142,389	131,319
Corporate	614,594	1,488,123
Assets of discontinued operations	77,500	—
	$ 9,975,661	$ 10,726,277

The Company's sales principally originate from the United States, and the Company's long-lived assets are principally located in the United States.

17. STOCK-BASED COMPENSATION

The Company's stock compensation plans are designed to assist the Company in attracting, retaining, motivating and rewarding key employees, directors or consultants, and promoting the creation of long-term value for stockholders by closely aligning the interests of these individuals with those of the Company's stockholders. The Company's stock compensation plans provide for the granting of stock options, restricted stock and other stock-based incentives.

Non-cash stock compensation expense recognized by the Company during the years ended September 30, 2017, 2016 and 2015 was $45.5 million, $48.3 million and $31.5 million, respectively.

The weighted-average grant date fair value of options granted during the fiscal years ended September 30, 2017, 2016 and 2015 was $67.11, $57.47 and $65.57, respectively.

Compensation expense is recognized based upon probability assessments of awards that are expected to vest in future periods. Such probability assessments are subject to revision and, therefore, unrecognized compensation expense is subject to future changes in estimate. As of September 30, 2017, there was approximately $52.4 million of total unrecognized compensation expense related to non-vested awards expected to vest, which is expected to be recognized over a weighted-average period of 2.6 years.

The fair value of the Company's employee stock options was estimated at the date of grant using a Black-Scholes-Merton option-pricing model with the following weighted average assumptions for all options granted during the fiscal years ended:

	Fiscal Years Ended September 30,		
	2017	2016	2015
Risk-free interest rate	1.56% to 2.01%	1.33% to 1.73%	1.33% to 1.64%
Expected life of options	5 years	5 years	5 years
Expected dividend yield of stock	—	—	—
Expected volatility of stock	25%	25%	35%

The risk-free interest rate is based upon the Treasury bond rates as of the grant date. The average expected life of stock-based awards is based on the Company's actual historical exercise experience. Expected volatility of stock was calculated using a rate based upon the historical volatility of TransDigm's common stock. Notwithstanding the special cash dividends declared and paid from time to time, the Company historically has not declared and paid regular cash dividends and does not anticipate declaring and paying regular cash dividends in future periods; thus, no dividend rate assumption is used.

The total fair value of options vested during fiscal years ended September 30, 2017, 2016 and 2015 was $42.9 million, $36.6 million and $14.9 million, respectively.

2014 Stock Option Plan

In July 2014, the Board of Directors of TD Group adopted a new stock option plan, which was subsequently approved by stockholders on October 2, 2014. The 2014 stock option plan permits TD Group to award our key employees, directors or consultants stock options. The total number of shares of TD Group common stock reserved for issuance or delivery under the 2014 stock option plan is 5,000,000, subject to adjustment in the event of any stock dividend or split, reorganization, recapitalization, merger, share exchange or any other similar corporate transaction or event.

Performance Vested Stock Options—All of the options granted through September 30, 2017 under the 2014 stock option plan have been pursuant to an equity incentive program adopted by the Company in 2008. Under the 2008 equity incentive program, all of the options granted will vest based on the Company's achievement of established operating performance goals. The following table summarizes the activity, pricing and other information for the Company's performance vested stock-based award activity during the fiscal year ended September 30, 2017:

	Number of Options	Weighted-Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at September 30, 2016	147,935	$ 228.73		
Granted	738,974	266.18		
Exercised	(930)	231.16		
Forfeited	(23,280)	251.79		
Expired	(640)	232.64		
Outstanding at September 30, 2017	862,059	$ 260.20	9.0 years	$ (3,925,661)
Expected to vest	397,725	$ 260.33	9.0 years	$ (1,861,447)
Exercisable at September 30, 2017	122,975	$ 246.01	8.8 years	$ 1,186,026

At September 30, 2017, there were 4,137,011 remaining shares available for award under TD Group's 2014 stock option plan.

2006 Stock Incentive Plan

In conjunction with the consummation of the Company's initial public offering, a 2006 stock incentive plan was adopted by TD Group. In July 2008 and March 2011, the plan was amended to increase the number of shares available for issuance thereunder. TD Group reserved 8,119,668 shares of its common stock for issuance to key employees, directors or consultants under the plan. Awards under the plan may be in the form of options, restricted stock or other stock-based awards. Options granted under the plan will expire no later than the tenth anniversary of the applicable date of grant of the options, and will have an exercise price of not less than the fair market value of our common stock on the date of grant. Restricted stock granted under the plan vests over three years.

Restricted Stock—The Company granted 17,700 restricted stock units with a weighted-average grant date fair value of $189.97 during the fiscal year ended September 30, 2015. During the fiscal year ended September 30, 2017, 5,900 restricted stock units vested, and 5,900 restricted stock units were outstanding at September 30, 2017.

Performance Vested Stock Options—All of the options granted under the 2006 stock incentive plan have been pursuant to an equity incentive program adopted by the Company in 2008. Under the 2008 equity incentive program, all of the options granted will vest based on the Company's achievement of established operating performance goals. The following table summarizes the activity, pricing and other information for the Company's performance vested stock-based award activity during the fiscal year ended September 30, 2017:

	Number of Options	Weighted-Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at September 30, 2016	5,239,871	$ 133.20		
Granted	—	—		
Exercised	(315,478)	66.67		
Forfeited	(138,179)	188.90		
Expired	(100)	226.34		
Outstanding at September 30, 2017	4,786,114	$ 135.95	5.2 years	$ 572,875,252
Expected to vest	1,052,250	$ 200.32	7.4 years	$ 58,217,596
Exercisable at September 30, 2017	3,464,551	$ 110.36	4.3 years	$ 503,350,041

The 2006 stock incentive plan expired on March 14, 2016 and no further shares were granted under the plan thereafter.

2003 Stock Option Plan

Certain executives and key employees of the Company were granted stock options under TD Group's 2003 stock option plan. Upon the closing of the acquisition of the Company by Warburg Pincus in 2003, certain employees rolled over certain then-existing options to purchase shares of common stock of TransDigm Holdings. These employees were granted rollover options to purchase an aggregate of 3,870,152 shares of common stock of TD Group (after giving effect to the 149.60 for 1.00 stock split effected on March 14, 2006). All rollover options granted were fully vested on the date of grant. In addition to shares of common stock reserved for issuance upon the exercise of rollover options, an aggregate of 5,469,301 shares of TD Group's common stock were reserved for issuance upon the exercise of new management options. In general, approximately 20% of all new management options vested based on employment service or a change in control. These time vested options had a graded vesting schedule of up to four years. Approximately 80% of all new management options vested (i) based upon the satisfaction of specified performance criteria, which is annual and cumulative EBITDA As Defined targets through 2008, or (ii) upon the occurrence of a change in control if the Investor Group (defined as Warburg Pincus and the other initial investors in TD Group) received a minimum specified rate of return. Unless terminated earlier, the options expire ten years from the date of grant.

TD Group reserved a total of 9,339,453 shares of its common stock for issuance to the Company's employees under the plan, which had all been issued as of September 30, 2013.

Time Vested Stock Options—During the fiscal year ended September 30, 2016, 5,486 of the Company's time vested stock-based options, with a weighted-average exercise price per option of $39.88, were exercised. There were no remaining options outstanding as of September 30, 2016.

Performance Vested Stock Options—The following table summarizes the activity, pricing and other information for the Company's performance vested stock-based award activity during the fiscal year ended September 30, 2017:

	Number of Options	Weighted-Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at September 30, 2016	86,329	$ 120.72		
Granted	—	—		
Exercised	(8,500)	34.88		
Outstanding at September 30, 2017	77,829	$ 130.09	5.1 years	$ 9,772,209
Exercisable at September 30, 2017	77,829	$ 130.09	5.1 years	$ 9,772,209

The total intrinsic value of time, performance and rollover options exercised during the fiscal years ended September 30, 2017, 2016 and 2015 was $61.1 million, $133.2 million and $206.9 million, respectively.

In addition to shares issued pursuant to options exercised, during the fiscal year ended September 30, 2017, 984 shares of common stock were issued with a weighted-average grant date fair value of $243.36 as payment to directors in lieu of cash.

Dividend Equivalent Plans

Pursuant to the Third Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan, the Second Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan and the 2014 Stock Option Plan Dividend Equivalent Plan, all of the options granted under the 2003 stock option plan, the 2006 stock incentive plan and the 2014 stock option plan are entitled to certain dividend equivalent payments in the event of the declaration of a dividend by the Company.

Dividend equivalent payments on vested options were $19.5 million, $3.0 million and $3.4 million during the years ended September 30, 2017, 2016 and 2015, respectively. During the first quarter of 2017, in connection with the special dividend declared in October 2016, we paid $1,280.1 million for the special dividend and $76.4 million for the related dividend equivalent payments. During the fourth quarter of 2017, in connection with the special dividend declared in August 2017, we paid $1,142.2 million for the special dividend and $63.3 million for the related dividend equivalent payments. At September 30, 2017, there was $56.5 million recorded in accrued liabilities and $39.4 million accrued in other non-current liabilities on the consolidated balance sheets related to the future dividend equivalent payments.

18. LEASES

TransDigm leases certain manufacturing facilities, offices, equipment and vehicles. Such leases, some of which are noncancelable and, in many cases, include renewals, expire at various dates. Rental expense during the years ended September 30, 2017, 2016 and 2015 was $19.0 million, $18.3 million and $14.0 million, respectively.

Future minimum rental commitments at September 30, 2017 under operating leases having initial or remaining non-cancelable lease terms exceeding one year are $18.0 million in fiscal 2018, $17.5 million in fiscal 2019, $14.6 million in fiscal 2020, $12.6 million in fiscal 2021, $11.5 million in fiscal 2022, and $33.6 million thereafter.

19. FAIR VALUE MEASUREMENTS

The following tables present our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following summarizes the carrying amounts and fair values of financial instruments (in thousands):

		September 30, 2017		September 30, 2016	
	Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Cash and cash equivalents	1	$ 650,561	$ 650,561	$ 1,586,994	$ 1,586,994
Interest rate cap agreements (1)	2	12,904	12,904	4,232	4,232
Interest rate swap agreements (1)	2	2,905	2,905	—	—
Liabilities:					
Interest rate swap agreements (2)	2	20,740	20,740	29,191	29,191
Interest rate swap agreements (3)	2	9,731	9,731	53,824	53,824
Short-term borrowings - trade receivable securitization facility (4)	1	299,587	299,587	199,771	199,771
Long-term debt, including current portion:					
Term loans (4)	2	6,889,957	6,965,628	5,234,607	5,284,037
2020 Notes (4)	1	546,757	558,250	545,701	566,500
2021 Notes (4)	1	—	—	496,859	530,000
2022 Notes (4)	1	1,143,059	1,178,750	1,141,619	1,214,688
2024 Notes (4)	1	1,191,958	1,236,000	1,190,782	1,266,000
2025 Notes (4)	1	750,149	776,807	445,856	469,125
2026 Notes (4)	1	941,194	971,375	940,412	985,625

(1) Included in other non-current assets on the consolidated balance sheet.

(2) Included in accrued liabilities on the consolidated balance sheet.

(3) Included in other non-current liabilities on the consolidated balance sheet.

(4) The carrying amount of the debt instrument is presented net of the debt issuance costs.

The Company values its financial instruments using an industry standard market approach, in which prices and other relevant information is generated by market transactions involving identical or comparable assets or liabilities. No financial instruments were recognized using unobservable inputs.

Interest rate swaps were measured at fair value using quoted market prices for the swap interest rate indexes over the term of the swap discounted to present value versus the fixed rate of the contract. The interest rate caps were measured at fair value using implied volatility rates of each individual caplet and the yield curve for the related periods. The estimated fair value of the Company's term loans was based on information provided by the agent under the Company's senior secured credit facility. The estimated fair values of the Company's notes were based upon quoted market prices. There has not been any impact to the fair value of derivative liabilities due to the Company's own credit risk. Similarly, there has not been any impact to the fair value of derivative assets based on the Company's evaluation of counterparties' credit risks.

The fair value of cash and cash equivalents, trade accounts receivable-net and accounts payable approximated book value due to the short-term nature of these instruments at September 30, 2017 and 2016.

20. DERIVATIVES AND HEDGING ACTIVITIES

The Company is exposed to, among other things, the impact of changes in interest rates in the normal course of business. The Company's risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes derivative financial instruments to offset a portion of these risks. The Company uses derivative financial instruments only to the extent necessary to hedge identified business risks and does not enter into such transactions for trading purposes. The Company generally does not require collateral or other security with counterparties to these financial instruments and is therefore subject to credit risk in the event of nonperformance; however, the Company monitors credit risk and currently does not anticipate nonperformance by other parties. The Company has agreements with each of its swap and cap counterparties that contain a provision whereby if the Company defaults on the credit facility the Company could also be declared in default on its swaps and caps, resulting in an acceleration of payment under the swaps and caps.

Interest rate swap and cap agreements are used to manage interest rate risk associated with floating-rate borrowings under our credit facility. The interest rate swap and cap agreements utilized by the Company effectively modify the Company's exposure to interest rate risk by converting a portion of the Company's floating-rate debt to a fixed rate basis through the expiration date of the interest rate swap and cap agreements, thereby reducing the impact of interest rate changes on future interest expense. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the term of the agreements without an exchange of the underlying principal amount. These derivative instruments qualify as effective cash flow hedges under GAAP. For these cash flow hedges, the effective portion of the gain or loss from the financial instruments was initially reported as a component of accumulated other comprehensive loss in stockholders' deficit and subsequently reclassified into earnings in the same line as the hedged item in the same period or periods during which the hedged item affected earnings.

The following table summarizes the Company's interest rate swap agreements:

Aggregate Notional Amount (in millions)	Start Date	End Date	Related Debt	Conversion of Related Variable Rate Debt to Fixed Rate of:
$1,000	9/30/2014	6/30/2019	Tranche G Term Loans	5.4% (2.4% plus the 3% margin percentage)
$400	9/30/2017	9/30/2022	Tranche G Term Loans	4.9% (1.9% plus the 3% margin percentage)
$750	6/30/2020	6/30/2022	Tranche F Term Loans	5.5% (2.5% plus the 3% margin percentage)
$500	12/30/2016	12/31/2021	Tranche F Term Loans	4.9% (1.9% plus the 3% margin percentage)
$1,000	6/28/2019	6/30/2021	Tranche F Term Loans	4.8% (1.8% plus the 3% margin percentage)
$750	3/31/2016	6/30/2020	Tranche D Term Loans	5.8% (2.8% plus the 3% margin percentage)

The following table summarizes the Company's interest rate cap agreements:

Aggregate Notional Amount (in millions)	Start Date	End Date	Related Debt	Offsets Variable Rate Debt Attributable to Fluctuations Above:
$750	6/30/2020	6/30/2022	Tranche F Term Loans	Three month LIBO rate of 2.5%
$400	12/30/2016	12/31/2021	Tranche F Term Loans	Three month LIBO rate of 2.5%
$400	6/30/2016	6/30/2021	Tranche F Term Loans	Three month LIBO rate of 2.0%
$750	9/30/2015	6/30/2020	Tranche E Term Loans	Three month LIBO rate of 2.5%

All interest rate swap and cap agreements are recognized in our consolidated balance sheets at fair value. In accordance with GAAP, certain derivative asset and liability balances are offset where master netting agreements provide for the legal right of setoff. For classification purposes, we record the net fair value of each type of derivative position that is expected to settle in less than one year with each counterparty as a net current asset or liability and each type of long-term position as a net long-term asset or liability. The amounts shown in the table below represent the gross amounts of recognized assets and liabilities, the amounts offset in the consolidated balance sheet and the net amounts of assets and liabilities presented therein.

	September 30, 2017		September 30, 2016	
	Asset	Liability	Asset	Liability
Interest rate cap agreements	$ 12,904	$ —	$ 4,232	$ —
Interest rate swap agreements	9,235	(36,801)	—	(83,015)
Total	22,139	(36,801)	4,232	(83,015)
Effect of counterparty netting	(6,330)	6,330	—	—
Net derivatives as classified in the balance sheet (1)	$ 15,809	$ (30,471)	$ 4,232	$ (83,015)

(1) Refer to Note 19, "Fair Value Measurements," for the consolidated balance sheet classification of our interest rate swap and cap agreements.

In connection with the refinancing of the 2011 Term Loans, the Company no longer designated the interest rate swap agreements relating to the $353 million aggregate notional amount as cash flow hedges for accounting purposes. Accordingly, amounts previously recorded as a component of accumulated other comprehensive loss in stockholder's deficit amortized into earnings totaled $3.2 million for the fiscal year ended September 30, 2015. There was no remaining amortization for these dedesignated swap agreements as of September 30, 2015.

Based on the fair value amounts of the interest rate swap and cap agreements determined as of September 30, 2017, the estimated net amount of existing gains and losses and caplet amortization expected to be reclassified into interest expense within the next twelve months is approximately $24.9 million.

Effective September 30, 2016, the Company redesignated the interest rate cap agreements related to the $400 million and the $750 million aggregate notional amount with cap rates of 2.0% and 2.5%, respectively, based on the expected probable cash flows associated with the 2016 term loans and 2015 term loans in consideration of the Company's ability to select one-month, two-month, three-month, or six-month LIBO rate set forth in the Credit Agreement. Accordingly, amounts previously recorded as a component of accumulated other comprehensive loss in stockholder's deficit amortized into interest expense was $3.8 million for the fiscal year ended September 30, 2017. The accumulated other comprehensive loss to be reclassified into interest expense over the remaining term of the cap agreements is $10.8 million with a related tax benefit of $4.0 million as of September 30, 2017. The amount recorded as a component of accumulated other comprehensive loss in stockholders' deficit related to these redesignated interest rate cap hedges as of September 30, 2016 was approximately $14.6 million with a related tax benefit of $5.5 million.

21. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the components of "Accumulated other comprehensive loss" ("AOCI") in the consolidated balance sheets, net of taxes, for the years ended September 30, 2017, 2016 and 2015 (in thousands):

	Unrealized (loss) gain on derivatives designated and qualifying as cash flow hedges (2)	Defined benefit pension plan activity (3)	Currency translation adjustment	Total
Balance at September 30, 2015	$ (51,492)	$ (12,013)	$ (32,504)	$ (96,009)
Other comprehensive loss before reclassification	(9,664)	(12,284)	(31,846)	(53,794)
Amounts reclassified from AOCI related to interest rate swap agreements (1)	16	—	—	16
Net current-period other comprehensive loss	$ (9,648)	$ (12,284)	$ (31,846)	$ (53,778)
Balance at September 30, 2016	$ (61,140)	$ (24,297)	$ (64,350)	$ (149,787)
Other comprehensive gain before reclassification	32,072	7,932	22,241	62,245
Amounts reclassified from AOCI related to interest rate swap agreements (1)	2,399	—	—	2,399
Net current-period other comprehensive gain	$ 34,471	$ 7,932	$ 22,241	$ 64,644
Balance at September 30, 2017	$ (26,669)	$ (16,365)	$ (42,109)	$ (85,143)

(1) This component of AOCI is included in interest expense (see Note 20, "Derivatives and Hedging Activities," for additional details).

(2) Unrealized (loss) gain represents interest rate swap and cap agreements, net of taxes of $(20,663), $6,868 and $20,716 for the years ended September 30, 2017, 2016 and 2015, respectively.

(3) Defined benefit pension plan activity represent pension liability adjustments, net of taxes of $(4,130), $6,017 and $3,299, respectively.

A summary of reclassifications out of accumulated other comprehensive loss for or the years ended September 30, 2017 is provided below (in thousands):

Description of reclassifications out of accumulated other comprehensive loss	Amount reclassified
Amortization from redesignated interest rate cap agreements (1)	$ 3,829
Deferred tax benefit from redesignated interest rate cap agreements	(1,430)
Losses reclassified into earnings, net of tax	$ 2,399

(1) This component of accumulated other comprehensive loss is included in interest expense (see Note 20, "Derivatives and Hedging Activity," for additional information).

22. DISCONTINUED OPERATIONS

In connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition, during the fourth quarter of 2017, the Company committed to dispose of the Schroth business. Therefore, Schroth was classified as held-for-sale as of September 30, 2017. The results of operations of Schroth are reflected as discontinued operations in the accompanying consolidated financial statements for all periods presented. The Company previously acquired Schroth in February 2017 (refer to Note 2, "Acquisitions"). Schroth designs and manufactures proprietary, highly engineered, advanced safety systems for aviation, racing and military ground vehicles around the world.

The loss from discontinued operations in the consolidated statements of income includes a $32.0 million impairment charge to write down the Schroth assets to fair value. The impairment charge recorded in the fourth quarter of 2017 was based on an internal assessment of the recovery of Schroth's assets. Schroth's assets have been recorded at fair value in the consolidated balance sheets as of September 30, 2017. The following is the summarized operating results from the date of acquisition of February 22, 2017 to September 30, 2017 (in thousands):

		2017
Net sales	$	24,590
Loss from discontinued operations before income taxes		(5,709)
Loss on classification as held-for-sale before income taxes		(32,000)
Income tax benefit		6,055
Loss from discontinued operations	$	(31,654)

At September 30, 2017, Schroth's assets-held-for sale and liabilities held-for sale are $77.5 million and $17.3 million, respectively. The following is the summarized balance sheet of Schroth's assets and liabilities held-for-sale as of September 30, 2017 (in thousands):

Assets and Liabilities of Discontinued Operations Held-for-Sale		Fiscal Year Ended September 30, 2017
Trade accounts receivable—Net	$	5,975
Inventories—Net		9,060
Prepaid expenses and other		809
Property, plant, and equipment—Net		4,367
Goodwill		26,783
Other intangible assets—Net		29,841
Other		665
Total assets of discontinued operations	$	77,500
Accounts payable	$	1,247
Accrued liabilities		12,801
Deferred income taxes		3,256
Total liabilities of discontinued operations	$	17,304

23. QUARTERLY FINANCIAL DATA (UNAUDITED)

	First Quarter Ended December 31, 2016	Second Quarter Ended April 1, 2017	Third Quarter Ended July 1, 2017	Fourth Quarter Ended September 30, 2017
	(in thousands, except per share amounts)			
Year Ended September 30, 2017[(1)]				
Net sales[(2)]	$ 814,018	$ 868,728	$ 897,655	$ 923,885
Gross profit[(2)]	444,255	489,437	519,696	531,239
Income from continuing operations[(2)]	118,871	155,691	169,832	184,147
Loss from discontinued operations[(2)]	—	(186)	(779)	(30,689)
Net income[(2)]	118,871	155,505	169,053	153,458
Net earnings per share from continuing operations—basic and diluted[(3)]	$ 0.41	$ 2.78	$ 3.09	$ 2.21
Net loss per share from discontinued operations —basic and diluted[(3)]	—	—	(0.01)	(0.56)
Net earnings per share—basic and diluted[(3)]	$ 0.41	$ 2.78	$ 3.08	$ 1.65

	First Quarter Ended January 2, 2016	Second Quarter Ended April 2, 2016	Third Quarter Ended July 2, 2016	Fourth Quarter Ended September 30, 2016
	(in thousands, except per share amounts)			
Year Ended September 30, 2016				
Net sales[(2)]	$ 701,695	$ 796,801	$ 797,692	$ 875,223
Gross profit[(2)]	374,567	425,662	443,515	484,319
Net income[(2)]	129,441	141,683	160,622	154,668
Net earnings per share—basic and diluted[(3)]	$ 2.23	$ 2.52	$ 2.88	$ 2.77

(1) Results adjusted to reflect amounts reclassified to discontinued operations due to the Company's classification of Schroth as discontinued operations at September 30, 2017. See Note 22, "Discontinued Operations," for additional information.

(2) The Company's operating results include the results of operations of acquisitions from the effective date of each acquisition. See Note 2 "Acquisitions," for additional details.

(3) The sum of the earnings per share for the four quarters in a year does not necessarily equal the total year earnings per share.

24. SUPPLEMENTAL GUARANTOR INFORMATION

TransDigm's 2020 Notes, 2022 Notes, 2024 Notes, 2025 Notes and 2026 Notes are jointly and severally guaranteed, on a senior subordinated basis, by TD Group and TransDigm Inc.'s 100% Domestic Restricted Subsidiaries, as defined in the Indentures. The following supplemental condensed consolidating financial information presents, in separate columns, the balance sheets of the Company as of September 30, 2017 and September 30, 2016 and its statements of income and cash flows for the fiscal years ended September 30, 2017, 2016 and 2015 for (i) TransDigm Group on a parent only basis with its investment in subsidiaries recorded under the equity method, (ii) TransDigm Inc. including its directly owned operations and non-operating entities, (iii) the Subsidiary Guarantors on a combined basis, (iv) Non-Guarantor Subsidiaries and (v) the Company on a consolidated basis.

Separate financial statements of TransDigm Inc. are not presented because TransDigm Inc.'s 2020 Notes, 2022 Notes, 2024 Notes, 2025 Notes and 2026 Notes are fully and unconditionally guaranteed on a senior subordinated basis by TD Group and all existing 100% owned domestic subsidiaries of TransDigm Inc. and because TD Group has no significant operations or assets separate from its investment in TransDigm Inc.

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2017
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 2,416	$ 439,473	$ (203)	$ 208,875	$ —	$ 650,561
Trade accounts receivable—Net	—	—	25,069	652,807	(41,749)	636,127
Inventories—Net	—	47,051	571,712	114,018	(2,100)	730,681
Assets held-for-sale	—	—	6,428	71,072	—	77,500
Prepaid expenses and other	—	4,746	24,141	9,796	—	38,683
Total current assets	2,416	491,270	627,147	1,056,568	(43,849)	2,133,552
INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY BALANCES	(2,953,620)	10,263,999	7,599,210	966,675	(15,876,264)	—
PROPERTY, PLANT AND EQUIPMENT—Net	—	16,032	261,434	47,458	—	324,924
GOODWILL	—	85,905	4,996,034	663,399	—	5,745,338
OTHER INTANGIBLE ASSETS—Net	—	27,620	1,438,006	252,236	—	1,717,862
OTHER	—	20,316	27,567	6,102	—	53,985
TOTAL ASSETS	$ (2,951,204)	$ 10,905,142	$ 14,949,398	$ 2,992,438	$ (15,920,113)	$ 9,975,661
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)						
CURRENT LIABILITIES:						
Current portion of long-term debt	$ —	$ 69,454	$ —	$ —	$ —	$ 69,454
Short-term borrowings—trade receivable securitization facility	—	—	—	299,587	—	299,587
Accounts payable	—	14,712	137,948	37,667	(41,566)	148,761
Accrued liabilities	—	180,916	103,902	51,070	—	335,888
Liabilities held-for-sale	—	—	—	17,304	—	17,304
Total current liabilities	—	265,082	241,850	405,628	(41,566)	870,994
LONG-TERM DEBT	—	11,393,620	—	—	—	11,393,620
DEFERRED INCOME TAXES	—	442,415	(99)	58,633	—	500,949
OTHER NON-CURRENT LIABILITIES	—	61,347	73,245	26,710	—	161,302
Total liabilities	—	12,162,464	314,996	490,971	(41,566)	12,926,865
STOCKHOLDERS' (DEFICIT) EQUITY	(2,951,204)	(1,257,322)	14,634,402	2,501,467	(15,878,547)	(2,951,204)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	$ (2,951,204)	$ 10,905,142	$ 14,949,398	$ 2,992,438	$ (15,920,113)	$ 9,975,661

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2016
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 13,560	$ 1,421,251	$ 8,808	$ 143,375	$ —	$ 1,586,994
Trade accounts receivable—Net	—	—	26,210	561,124	(10,995)	576,339
Inventories—Net	—	42,309	586,648	96,229	(1,175)	724,011
Prepaid expenses and other	—	8,209	27,381	7,763	—	43,353
Total current assets	13,560	1,471,769	649,047	808,491	(12,170)	2,930,697
INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY BALANCES	(665,050)	9,671,019	6,182,809	861,647	(16,050,425)	—
PROPERTY, PLANT AND EQUIPMENT—Net	—	15,991	250,544	44,045	—	310,580
GOODWILL	—	68,593	4,952,950	657,909	—	5,679,452
OTHER INTANGIBLE ASSETS—Net	—	24,801	1,483,285	256,257	—	1,764,343
OTHER	—	10,319	24,063	6,823	—	41,205
TOTAL ASSETS	$ (651,490)	$ 11,262,492	$ 13,542,698	$ 2,635,172	$ (16,062,595)	$ 10,726,277
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)						
CURRENT LIABILITIES:						
Current portion of long-term debt	$ —	$ 52,645	$ —	$ —	$ —	$ 52,645
Short-term borrowings—trade receivable securitization facility	—	—	—	199,771	—	199,771
Accounts payable	—	15,347	120,455	31,560	(11,287)	156,075
Accrued liabilities	—	159,909	123,646	60,557	—	344,112
Total current liabilities	—	227,901	244,101	291,888	(11,287)	752,603
LONG-TERM DEBT	—	9,943,191	—	—	—	9,943,191
DEFERRED INCOME TAXES	—	434,013	(544)	58,786	—	492,255
OTHER NON-CURRENT LIABILITIES	—	82,677	70,124	36,917	—	189,718
Total liabilities	—	10,687,782	313,681	387,591	(11,287)	11,377,767
STOCKHOLDERS' (DEFICIT) EQUITY	(651,490)	574,710	13,229,017	2,247,581	(16,051,308)	(651,490)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	$ (651,490)	$ 11,262,492	$ 13,542,698	$ 2,635,172	$ (16,062,595)	$ 10,726,277

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(Amounts in thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
NET SALES	$ —	$ 143,631	$ 2,911,950	$ 535,129	$ (86,424)	$ 3,504,286
COST OF SALES	—	79,403	1,191,770	333,985	(85,499)	1,519,659
GROSS PROFIT	—	64,228	1,720,180	201,144	(925)	1,984,627
SELLING AND ADMINISTRATIVE EXPENSES	69	97,677	284,819	33,010	—	415,575
AMORTIZATION OF INTANGIBLE ASSETS	—	1,003	80,053	8,170	—	89,226
(LOSS) INCOME FROM OPERATIONS	(69)	(34,452)	1,355,308	159,964	(925)	1,479,826
INTEREST EXPENSE (INCOME)—Net	—	614,353	(1,248)	(10,516)	—	602,589
REFINANCING COSTS	—	39,807	—	—	—	39,807
EQUITY IN INCOME OF SUBSIDIARIES	(596,956)	(1,318,945)	—	—	1,915,901	—
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	596,887	630,333	1,356,556	170,480	(1,916,826)	837,430
INCOME TAX PROVISION	—	33,377	156,251	19,261	—	208,889
INCOME FROM CONTINUING OPERATIONS	596,887	596,956	1,200,305	151,219	(1,916,826)	628,541
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	—	—	(9,496)	(22,158)	—	(31,654)
NET INCOME	596,887	596,956	1,190,809	129,061	(1,916,826)	596,887
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	64,644	31,603	16,310	58,856	(106,769)	64,644
TOTAL COMPREHENSIVE INCOME	$ 661,531	$ 628,559	$ 1,207,119	$ 187,917	$ (2,023,595)	$ 661,531

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
NET SALES	$ —	$ 132,407	$ 2,580,091	$ 486,198	$ (27,285)	$ 3,171,411
COST OF SALES	—	75,521	1,105,893	289,219	(27,285)	1,443,348
GROSS PROFIT	—	56,886	1,474,198	196,979	—	1,728,063
SELLING AND ADMINISTRATIVE EXPENSES	—	114,546	210,209	58,103	—	382,858
AMORTIZATION OF INTANGIBLE ASSETS	—	684	65,299	11,462	—	77,445
(LOSS) INCOME FROM OPERATIONS	—	(58,344)	1,198,690	127,414	—	1,267,760
INTEREST EXPENSE (INCOME)—Net	—	490,974	259	(7,383)	—	483,850
REFINANCING COSTS	—	15,794	—	—	—	15,794
EQUITY IN INCOME OF SUBSIDIARIES	(586,414)	(1,044,371)	—	—	1,630,785	—
INCOME BEFORE INCOME TAXES	586,414	479,259	1,198,431	134,797	(1,630,785)	768,116
INCOME TAX (BENEFIT) PROVISION	—	(107,155)	285,887	2,970	—	181,702
NET INCOME	$ 586,414	$ 586,414	$ 912,544	$ 131,827	$ (1,630,785)	$ 586,414
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX	(53,778)	6,381	(9,598)	(39,461)	42,678	(53,778)
TOTAL COMPREHENSIVE INCOME	$ 532,636	$ 592,795	$ 902,946	$ 92,366	$ (1,588,107)	$ 532,636

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
NET SALES	$ —	$ 131,378	$ 2,262,842	$ 324,675	$ (11,780)	$ 2,707,115
COST OF SALES	—	79,174	973,908	215,968	(11,780)	1,257,270
GROSS PROFIT	—	52,204	1,288,934	108,707	—	1,449,845
SELLING AND ADMINISTRATIVE EXPENSES	—	72,792	197,914	50,918	—	321,624
AMORTIZATION OF INTANGIBLE ASSETS	—	1,392	45,337	7,490	—	54,219
(LOSS) INCOME FROM OPERATIONS	—	(21,980)	1,045,683	50,299	—	1,074,002
INTEREST EXPENSE (INCOME)—Net	—	430,224	(487)	(10,952)	—	418,785
REFINANCING COSTS	—	18,393	—	—	—	18,393
EQUITY IN INCOME OF SUBSIDIARIES	(447,212)	(773,510)	—	—	1,220,722	—
INCOME BEFORE INCOME TAXES	447,212	302,913	1,046,170	61,251	(1,220,722)	636,824
INCOME TAX (BENEFIT) PROVISION	—	(144,299)	315,017	18,894	—	189,612
NET INCOME	$ 447,212	$ 447,212	$ 731,153	$ 42,357	$ (1,220,722)	$ 447,212
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX	(70,838)	(55,338)	770	(29,147)	83,715	(70,838)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 376,374	$ 391,874	$ 731,923	$ 13,210	$ (1,137,007)	$ 376,374

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(Amounts in thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (69)	$ (587,800)	$ 1,334,099	$ 42,028	$ 475	$ 788,733
INVESTING ACTIVITIES:						
Capital expenditures	—	(1,984)	(63,305)	(5,724)	—	(71,013)
Acquisition of business, net of cash acquired	—	(136,295)	—	—	—	(136,295)
Acquisition of Schroth, net of cash acquired	—	(79,695)	—	—	—	(79,695)
Net cash used in investing activities	—	(217,974)	(63,305)	(5,724)	—	(287,003)
FINANCING ACTIVITIES:						
Intercompany activities	2,939,121	(1,682,518)	(1,279,805)	23,677	(475)	—
Proceeds from exercise of stock options	21,177	—	—	—	—	21,177
Dividends paid	(2,581,552)	—	—	—	—	(2,581,552)
Treasury stock purchased	(389,821)	—	—	—	—	(389,821)
Proceeds from term loans, net	—	2,937,773	—	—	—	2,937,773
Repayment on term loans	—	(1,284,698)	—	—	—	(1,284,698)
Cash tender and redemption of senior subordinated notes due 2021, including premium	—	(528,847)	—	—	—	(528,847)
Proceeds from senior subordinated notes, net	—	300,386	—	—	—	300,386
Proceeds from trade receivable securitization facility, net	—	99,471	—	—	—	99,471
Financing fees and other	—	(17,571)	—	—	—	(17,571)
Net cash (used in) provided by financing activities	(11,075)	(176,004)	(1,279,805)	23,677	(475)	(1,443,682)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	—	5,519	—	5,519
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,144)	(981,778)	(9,011)	65,500	—	(936,433)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,560	1,421,251	8,808	143,375	—	1,586,994
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,416	$ 439,473	$ (203)	$ 208,875	$ —	$ 650,561

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ —	$ (230,931)	$ 944,152	$ (25,496)	$ (4,427)	$ 683,298
INVESTING ACTIVITIES:						
Capital expenditures	—	(1,716)	(32,608)	(9,658)	—	(43,982)
Acquisition of business, net of cash acquired	—	(1,399,064)	—	—	—	(1,399,064)
Net cash used in investing activities	—	(1,400,780)	(32,608)	(9,658)	—	(1,443,046)
FINANCING ACTIVITIES:						
Intercompany activities	192,703	580,487	(910,647)	133,030	4,427	—
Proceeds from exercise of stock options	30,112	—	—	—	—	30,112
Dividends paid	(3,000)	—	—	—	—	(3,000)
Treasury stock repurchased	(207,755)	—	—	—	—	(207,755)
Proceeds from term loans, net	—	1,711,515	—	—	—	1,711,515
Repayment on term loans	—	(834,409)	—	—	—	(834,409)
Proceeds from senior subordinated notes, net	—	939,584	—	—	—	939,584
Financing fees and other	—	(3,580)	—	—	—	(3,580)
Net cash provided by (used in) financing activities	12,060	2,393,597	(910,647)	133,030	4,427	1,632,467
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	—	242	—	242
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,060	761,886	897	98,118	—	872,961
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,500	659,365	7,911	45,257	—	714,033
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 13,560	$ 1,421,251	$ 8,808	$ 143,375	$ —	$ 1,586,994

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ —	$ (298,797)	$ 734,130	$ 82,451	$ 3,154	$ 520,938
INVESTING ACTIVITIES:						
Capital expenditures	—	(2,871)	(44,564)	(7,436)	—	(54,871)
Acquisition of businesses, net of cash acquired		(1,624,278)	—	—	—	(1,624,278)
Net cash used in investing activities	—	(1,627,149)	(44,564)	(7,436)	—	(1,679,149)
FINANCING ACTIVITIES:						
Intercompany activities	(120,862)	867,990	(685,448)	(58,526)	(3,154)	—
Excess tax benefits related to share-based payment arrangements	61,965	—	—	—	—	61,965
Proceeds from exercise of stock options	61,674	—	—	—	—	61,674
Dividends paid	(3,365)	—	—	—	—	(3,365)
Proceeds from term loans, net	—	1,515,954	—	—	—	1,515,954
Repayment on term loans	—	(1,025,318)	—	—	—	(1,025,318)
Proceeds from senior subordinated notes, net	—	445,303	—	—	—	445,303
Financing fees and other	—	(1,266)	—	—	—	(1,266)
Net cash (used in) provided by financing activities	(588)	1,802,663	(685,448)	(58,526)	(3,154)	1,054,947
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	—	(2,251)	—	(2,251)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(588)	(123,283)	4,118	14,238	—	(105,515)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,088	782,648	3,793	31,019	—	819,548
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,500	$ 659,365	$ 7,911	$ 45,257	$ —	$ 714,033

*****

TRANSDIGM GROUP INCORPORATED
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017, 2016, AND 2015
(Amounts in Thousands)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Acquisitions	Deductions from Reserve[1]	Balance at End of Period
Year Ended September 30, 2017					
Allowance for doubtful accounts	$ 4,414	$ 1,095	$ 363	$ (2,053)	$ 3,819
Reserve for excess and obsolete inventory	80,039	17,361	4,254	(21,879)	79,775
Valuation allowance for deferred tax assets	27,286	5,928	—	—	33,214
Year Ended September 30, 2016					
Allowance for doubtful accounts	$ 3,801	$ 1,043	$ 724	$ (1,154)	$ 4,414
Reserve for excess and obsolete inventory	64,158	26,407	—	(10,526)	80,039
Valuation allowance for deferred tax assets	17,645	9,641	—	—	27,286
Year Ended September 30, 2015					
Allowance for doubtful accounts	$ 4,091	$ (376)	$ 271	$ (185)	$ 3,801
Reserve for excess and obsolete inventory	55,586	15,554	—	(6,982)	64,158
Valuation allowance for deferred tax assets	24,267	(6,622)	—	—	17,645

(1) The amounts in this column represent charge-offs net of recoveries and the impact of foreign currency translation adjustments.

EXHIBIT INDEX
TO FORM 10-K FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT NO.	DESCRIPTION
3.54	Certificate of Formation, filed June 28, 2007, of Avionic Instruments LLC
3.165	Certificate of Formation, filed December 13, 2016, of Wings Acquisition Sub LLC (now known as Interiors In Flight LLC)
3.166	Limited Liability Agreement of Wings Acquisition Sub LLC (now known as Interiors in Flight LLC)
3.167	Certificate of Formation, filed December 13, 2016, of Wings Acquisition Co LLC (now known as SCHROTH Safety Products LLC)
3.168	Limited Liability Agreement of Wings Acquisition Co LLC (now known as SCHROTH Safety Products LLC)
10.48	Ninth Amendment to the Receivables Purchase Agreement dated as of August 1, 2017, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association, as a Committed Purchaser, as Purchaser Agent for its Purchaser Group and as Administrator, Atlantic Asset Securitization LLC, as a Conduit Purchaser, Credit Agricole Corporate and Investment Bank, as a Committed Purchaser and as a Purchaser Agent for its and Atlantic's Purchaser Group, and Fifth Third Bank, as a Committed Purchaser and as Purchaser Agent for its Purchaser Group
12.1	Statement of Computation of Ratio of Earnings to Fixed Charges
21.1	Subsidiaries of TransDigm Group Incorporated
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Financial Statements and Notes to Consolidated Financial Statements formatted in XBRL.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "AVIONIC INSTRUMENTS LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF INCORPORATION, FILED THE TENTH DAY OF OCTOBER, A.D. 1986, AT 10 O`CLOCK A.M.

CERTIFICATE OF AGREEMENT OF MERGER, FILED THE EIGHTEENTH DAY OF DECEMBER, A.D. 1986, AT 9 O`CLOCK A.M.

CERTIFICATE OF AMENDMENT, FILED THE NINTH DAY OF APRIL, A.D. 1987, AT 9 O`CLOCK A.M.

CERTIFICATE OF MERGER, FILED THE THIRTY-FIRST DAY OF DECEMBER, A.D. 1996, AT 9 O`CLOCK A.M.

CERTIFICATE OF AMENDMENT, FILED THE TWENTY-FOURTH DAY OF DECEMBER, A.D. 1997, AT 9 O`CLOCK A.M.

CERTIFICATE OF CHANGE OF REGISTERED AGENT, FILED THE THIRTEENTH DAY OF MARCH, A.D. 1998, AT 9 O`CLOCK A.M.

Jeffrey W. Bullock, Secretary of State

SECRETARY'S OFFICE 1793 DELAWARE 1847

2104150 8100H
SR# 20171025746

Authentication: 202061697
Date: 02-17-17

You may verify this certificate online at corp.delaware.gov/authver.shtml

CERTIFICATE OF CHANGE OF REGISTERED AGENT, FILED THE SECOND DAY OF AUGUST, A.D. 2005, AT 8 O`CLOCK A.M.

CERTIFICATE OF CONVERSION, FILED THE TWENTY-EIGHTH DAY OF JUNE, A.D. 2007, AT 1:28 O`CLOCK P.M.

CERTIFICATE OF FORMATION, FILED THE TWENTY-EIGHTH DAY OF JUNE, A.D. 2007, AT 1:28 O`CLOCK P.M.

CERTIFICATE OF MERGER, FILED THE TWENTY-NINTH DAY OF JUNE, A.D. 2007, AT 6:51 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE THIRTIETH DAY OF JUNE, A.D. 2007.

CERTIFICATE OF CORRECTION, CHANGING ITS NAME FROM "AVIONICS INSTRUMENTS LLC" TO "AVIONIC INSTRUMENTS LLC", FILED THE THIRTEENTH DAY OF JULY, A.D. 2007, AT 7:35 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY, "AVIONIC INSTRUMENTS LLC".

Jeffrey W. Bullock, Secretary of State

726283031

21041-50

C..R.IFICATE OF INCORPORATION

OF

AVIONIC INSTRUMENTS INC.

FILED

OCT 10 1988

10 AM

SECRETARY OF STATE

* * * * *

FIRST: The Corporation's name is Avionic Instruments Inc.

SECOND: Its Registered Office in the state of Delaware is 1209 Orange Street, in the city of Wilmington, county of New Castle, Zip Code 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is three thousand (3,000) and the par value of each such shares is one cent ($.01) amounting in the aggregate to thirty dollars ($30.00)

FIFTH: The name and mailing address of the sole incorporator is as follows:

Bernard Flanzraich
c/o Holtzmann, Wise & Shepard
745 Fifth Avenue
New York, New York 10151

SIXTH: The Corporation is to have perpetual existence.

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) To make, alter, or repeal the Corporation's By-Laws.

(b) To authorize and cause to be executed mortgages and liens upon the Corporation's real and personal property.

(c) To set apart out of any of the Corporation's funds available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

-

(d) When and as authorized by the Corporation's stockholders in accordance with Delaware law, to sell, lease, or exchange all or substantially all of the Corporation's property and assets (including its good will and corporate franchises) upon such terms and conditions and for such consideration (which may consist of money or property, including shares of stock in, and other securities of, any other corporation) as the Board of Directors shall deem expedient and in the Corporation's best interest.

EIGHTH: A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, (iii) under Section 174 of Delaware General Corporation Law, as the same exists or hereafter may be amended, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of director of the corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Delaware General Corporation Law. Any repeal or modification of this paragraph by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation existing at the time of such repeal or modification.

NINTH: The Corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware, as the same may be amended and supplemented from time to time, indemnify any and all directors and officers which shall have the power to indemnify under said Section, 145 from and against any and all of the expenses, liabilities or other matters referred to in or covered by said Section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of the heirs, executors and administrators of such a person. To the fullest extend permitted by Delaware law, as it may be amended and supplemented from time to time, a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

TENTH: Meetings of stockholders may be held within or without the state of Delaware, as the By-Laws may provide. The Corporation's books may be kept (subject to applicable law) outside the state of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws. Elections of Directors need not be by written ballot, unless the By-Laws shall so provide.

ELEVENTH: The Corporation reserves the right to amend, alter, change, or appeal this Certificate of Incorporation, in the manner now or hereafter prescribed by Delaware law. All rights conferred upon the Corporation's stockholders hereby are granted subject to such reservation.

I, the undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the state of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 9th day of October, 1986.

Bernard Flangraich

Bernard Flangraich

0298h

8603520232

FILED
DEC 18 1986
[signature]
SECRETARY OF STATE

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of October 15, 1986, by and between AVIONIC INSTRUMENTS INC., a New York corporation ("AII-New York"), and AVIONIC INSTRUMENTS INC., a Delaware corporation ("AII-Delaware"):

W I T N E S S E T H:

WHEREAS, AII-Delaware is a corporation duly organized and existing under the laws of the State of Delaware;

WHEREAS, AII-New York is a corporation duly organized and existing under the laws of the State of New York;

WHEREAS, the respective Boards of Directors of AII-Delaware and AII-New York have determined that, for the purpose of effecting the reincorporation of AII-New York in the State of Delaware, it is advisable and to the advantage of said two corporations and their respective shareholders that AII-New York merge with and into AII-Delaware upon the terms and conditions herein provided (the "Merger"); and

WHEREAS, the respective Boards of Directors of AII-Delaware and AII-New York have approved this Agreement and have directed that this Agreement be submitted to a vote of the shareholders of AII-Delaware and AII-New York;

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, AII-New York and AII-Delaware hereby agree as follows:

1. Merger. Subject to the terms and conditions hereof, AII-New York shall be merged with and into AII-Delaware, and AII-Delaware shall survive the Merger. The separate existence of AII-New York shall thereupon cease.

2. Effective Date. The Merger shall become effective when this Agreement or an appropriate certificate of merger shall have been filed with the Secretaries of State of Delaware and New York (the "Effective Date").

3. Directors and Officers and Governing Documents. The directors and officers of AII-Delaware shall be the same upon the Effective Date as the directors and officers of AII-New York immediately prior thereto. The Certificate of Incorporation of AII-Delaware, as amended and in effect on the Effective Date, shall continue to be the Certificate of Incorporation of AII-Delaware as the surviving corporation without change or amendment until further amended in accordance with the provisions thereof and applicable laws. The By-Laws of AII-Delaware, as amended and in effect on the Effective Date, shall continue to be the By-Laws of AII-Delaware as the surviving

corporation without change or amendment until further amended in accordance with the provisions thereof and applicable laws.

4. Succession. On the Effective Date:

(a) AII-Delaware shall succeed to all the rights and obligations of AII-New York and shall possess all the rights, privileges, powers and franchises of a public as well as of a private nature, and shall be subject to all the restrictions, disabilities and duties of AII-New York.

(b) All of the rights, privileges, powers and franchises of AII-New York, and all property, real, personal and mixed, and all debts due to AII-New York, on whatever account, shall be vested in AII-Delaware.

(c) All property, rights, privileges, powers and franchises and all and every other interest of AII-New York shall be thereafter as effectually the property of AII-Delaware as they were of AII-New York, and the title to any real estate vested by deed or otherwise in AII-New York shall not revert or be in any way impaired.

(d) All rights of creditors and all liens upon any property of AII-New York shall be preserved unimpaired, and all debts, liabilities and duties of AII-New York, including those of any employee benefit plan, shall thenceforth attach to AII-Delaware, and may be enforced against it to the same extent as if said debts, liabilities and duties has been incurred or contracted by it.

(e) All corporate acts, plans, policies, agreements, approvals and authorizations of AII-New York, its shareholder, Board of Directors and committees thereof, officers and agents, which were valid and effective immediately prior to the Effective Date, shall be taken for all purposes as the acts, plans, policies, agreements, approvals and authorizations of AII-Delaware and shall be as effective and binding thereon as the same were with respect to AII-New York.

(f) The employees and agents of AII-New York shall become the employees and agents of AII-Delaware and continue to be entitled to the same rights and benefits that they enjoyed as employees and agents of AII-New York.

(g) The requirements of any plans or agreements of AII-New York involving the issuance or purchase by AII-New York of certain shares of its capital stock shall be satisfied by the issuance or purchase of a like number of shares of AII-Delaware.

5. Stock of AII-New York. Upon the Effective Date, by virtue of the Merger and without any action on the part of any holder thereof, each of the following shall occur:

(a) Each share of the Common Stock, \$.10 par value, and each share of the Common Stock, no par value, (collectively, the "Common Stock") of

AII-New York issued and outstanding or held in the treasury of AII-New York immediately prior thereto shall be cancelled an returned and resume the status of authorized and unissued shares of the Common Stock of AII-New York and 200 shares of fully paid nonassessable share of the Common Stock of AII-Delaware shall be issued in respect thereof.

(b) Notwithstanding the provisions of the foregoing subdivision (a) of this Section 5, any outstanding shares of the Common Stock of AII-New York held by stockholders who shall have elected to dissent from the Merger in accordance with Section 623 of the New York Business Corporation Law ("Dissenting Stockholders") shall not be cancelled and shares of the Common Stock of AII-Delaware shall not be issued in respect thereof, but shall be entitled to receive only such consideration as provided in said Section 623, except that the Common Stock of AII-New York outstanding on the Effective Date and held by a Dissenting Stockholder who shall thereafter withdraw his election to dissent from the Merger or lose his right to dissent from the Merger as provided in said Section 623, shall be deemed cancelled, as of the Effective Date, and such number of shares of the Common Stock of AII-Delaware shall be issued to such holder as such holder otherwise would have been entitled to receive as a result of the Merger.

(c) Each share of the Common Stock of AII-Delaware currently issued and outstanding in the name of AII-New York shall be cancelled and returned and resume the status of authorized and unissued shares of the Common Stock of AII-Delaware, and no shares of the Common Stock of AII-Delaware or other securities of AII-Delaware shall be issued in respect thereof.

6. <u>Stock Certificates</u>. On and after the Effective Date, all of the outstanding certificates which immediately prior to the Effective Date represented shares of the Common Stock of AII-New York shall, respectively, be immediately surrendered for cancellation and the shareholder shall not be entitled to exercise any voting and other rights with respect to and to receive any dividend and other distributions upon the shares of the Common Stock of AII-New York evidenced by such outstanding certificates. Upon such surrender, certificates representing shares of Common Stock, $.01 par value, of AII-Delaware shall be issued to the shareholder in respect of the surrendered certificates.

7. <u>Book Entries</u>. As of the Effective Date, entries shall be made upon the books of AII-Delaware in accordance with the following:

(a) The assets and liabilities of AII-Delaware shall be recorded at the same amounts at which they were carried on the books of AII-New York immediately prior to the Effective Date, with appropriate adjustments to reflect the retirement of the ten shares of the Common Stock of AII-Delaware currently issued and outstanding.

(b) There shall be credited to the Common Stock account of AII-Delaware the aggregate amount of the par value of all shares of the Common Stock of AII-Delaware resulting from the conversion of the Common Stock of AII-New York pursuant to the Merger.

(c) There shall be credited to the Retained Earnings account of AII-Delaware the amount carried in the retained earnings account of AII-New York immediately prior to the Effective Date.

8. Further Assurances. From time to time, as and when required by AII-Delaware or by its successors and assigns, there shall be executed and delivered on behalf of AII-New York such deeds and other instruments, and there shall be taken or caused to be taken by it all such further and other actions, as shall be appropriate or necessary in order to vest, perfect or confirm, of record or otherwise, in AII-Delaware the title to and possession of all property, interests, assets, rights, privileges, immunities, powers, franchises and authority of AII-New York, and otherwise to carry out the purposes of this Agreement, and the officers and directors of AII-Delaware are fully authorized in the name and on behalf of AII-New York or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

9. Conditions. Consummation of the Merger is subject to the satisfaction, on prior to the Effective Date, of the following conditions:

(a) This Agreement and the Merger shall have been adopted and approved by the vote of at least two-thirds of the shares of the Common Stock of AII-New York entitled to vote thereon and by AII-New York as the holder of all the outstanding shares of the Common Stock of AII-Delaware prior to the Effective Date.

(b) All authorizations, consents, filings, waivers, approvals or other action required by law, by agreement of AII-New York or otherwise in connection with the execution, delivery and performance of this Agreement and Plan of Merger shall have been duly made or obtained and shall be in form and substance satisfactory to AII-New York.

10. Amendment. At any time before of after approval and adoption by the shareholder of AII-New York and prior to the Effective Date, this Agreement may be amended in any manner permitted under applicable law as may be determined in the judgment of the respective Boards of Directors of AII-Delaware and AII-New York to be necessary, desirable or expedient in order to clarify the intention of the parties hereto or to effect or facilitate the purposes and intent of this Agreement; provided, however, that such amendment does not, in the judgment of the Board of Directors of AII-New York, materially adversely affect the rights and interests of the shareholder of AII-New York.

11. Abandonment. At any time before the Effective Date, this Agreement may be terminated and the Merger may be abandoned by the Board of Directors of either AII-New York or AII-Delaware or both, notwithstanding approval of this Agreement by the stockholder of AII-Delaware or the shareholder of AII-New York or both.

[illegible]

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute the agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Merger Agreement on the date first above written.

AVIONIC INSTRUMENTS INC.,
a New York corporation

By: ______________________
President

ATTEST:

By: ______________________
Secretary

AVIONIC INSTRUMENTS INC.,
a Delaware corporation

By: ______________________
President

ATTEST:

By: ______________________
Secretary

0946F

CERTIFICATE OF SECRETARY
OF
AVIONIC INSTRUMENTS INC.

I, Pearl Reinfeld, Secretary of AVIONIC INSTRUMENTS INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certify that the Agreement and Plan of Merger to which this certificate is attached, after having been first duly executed on behalf of the Corporation and having been executed on behalf of Avionic Instruments Inc., a corporation organized and existing under the laws of the State of New York, was duly adopted pursuant to Section 228 of Title 8 of the Delaware Code of 1953, by the written consent of the sole shareholder holding ten shares of the capital stock of the Corporation, the same being all of the shares issued and outstanding having voting power, which Agreement and Plan of Merger was thereby adopted as the act of said sole shareholder and as the agreement and act of the Corporation.

WITNESS my hand on this 15th day of October, 1986.

Pearl Reinfeld

Pearl Reinfeld
Secretary

0946F

G0007

FILED 9A

APR 9 1987

[signature]
SECRETARY OF STATE

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

AVIONIC INSTRUMENTS INC.

Adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware

We, David M. Reinfeld, President, and Pearl R. Reinfeld, Secretary, of Avionic Instruments Inc., a corporation existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: That the Certificate of Incorporation of said corporation has been amended as follows:

A. By striking out the whole of Article SECOND thereof as it now exists and inserting in lieu and instead thereof a new Article SECOND, reading as follows:

> "SECOND: Its Registered Office in the State of Delaware is 229 South Street, City of Dover, County of Kent, Zip Code 19901. The name of the corporation's Registered Agent at such address is The Prentice-Hall Corporation System, Inc."

B. By striking out the whole of Article FOURTH thereof as it now exists and inserting in lieu and instead thereof a New Article FOURTH, reading as follows:

> "FOURTH: The total number of shares which the Corporation shall have authority to issue is three million (3,000,000) and the par value of each such share is one tenth of one ($.001) cent amounting in the aggregate to three thousand ($3,000.00) dollars.

SECOND: That such amendments have been duly adopted in accordance with the provisions of the General Corporation Law of the State of Delaware by the unanimous written consent of all of the stockholders entitled to vote in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, we have signed this certificate this 31 day of March, 1987.

David M. Reinfeld, President

ATTEST:

Pearl R. Reinfeld, Secretary

CERTIFICATE OF MERGER
OF
AVIONIC INSTRUMENTS INC.
AND
REA INTERNATIONAL CORP.

It is hereby certified that:

1. The constituent business corporations participating in the merger herein certified are:

(i) Avionic Instruments Inc., which is incorporated under the laws of the State of Delaware; and

(ii) REA International Corp., which is incorporated under the laws of the State of Delaware.

2. An Agreement and Plan of Merger has been approved, adopted, certified, executed, and acknowledged by each of the aforesaid constituent corporations in accordance with the provisions of subsection (c) of Section 251 of the Delaware General Corporation Law.

3. The name of the surviving corporation in the merger herein certified is Avionics Instruments, Inc., which will continue its existence as said surviving corporation under its present name upon the effective date of said merger pursuant to the provisions of the Delaware General Corporation Law.

4. The Certificate of Incorporation of Avionic Instruments Inc., as now in force and effect, shall continue to be the Certificate of Incorporation of said surviving corporation until amended and changed pursuant to the provisions of the Delaware General Corporation Law.

5. An executed copy of the Agreement and Plan of Merger between the aforesaid constituent corporations is on file at the principal place of business of the aforesaid surviving corporation, the address of which is as follows:

1414 Randolph Avenue
P.O. Box 498
Avenel, New Jersey 07001

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 12/31/1996
960389566 – 2104150

6. A copy of the aforesaid Agreement and Plan of Merger will be furnished by the aforesaid surviving corporation, on request and without cost, to any stockholder of each of the aforesaid constituent corporations.

Executed on this 26 day of December 1996.

AVIONICS INSTRUMENTS, INC.

By: ______________________
DAVID REINFELD, President

Attest: ______________________
CAROL SOLTZ, Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 12/24/1997
971446569 - 2104150

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

AVIONIC INSTRUMENTS INC.

Under Section 242 of the General Corporation Law
of the State of Delaware

The undesigned, David M. Reinfeld, President and Pearl Reinfeld, Secretary, of Avionic Instruments Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), do hereby certify as follows:

FIRST: The name of the Corporation is AVIONIC INSTRUMENTS INC. and the original Certificate of Incorporation was filed with the Secretary of State of Delaware on October 10, 1986.

SECOND: The Certificate of Incorporation is hereby amended by deleting Article FOURTH thereof in its entirety and inserting in lieu thereof a new Article FOURTH reading, in its entirety, as follows:

"FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is Twenty-Five Million (25,000,000). The par value of each share of stock is one cent. All such shares are of one class and are shares of Common Stock."

THIRD: The amendments set forth above have been duly adopted by the Board of Directors and by the holder of the majority of the issued and outstanding Common Stock with written notice to all other stockholders in accordance with provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned have signed this certificate this 23rd day of December, 1997.

AVIONIC INSTRUMENTS INC.

By: [signature]
Name: David M. Reinfeld
Title: President

By: [signature]
Name: Pearl Reinfeld
Title: Secretary

G:\ecan\avionics\AmndCofI.doc

CERTIFICATE OF CHANGE OF LOCATION OF REGISTERED OFFICE
AND OF REGISTERED AGENT

It is hereby certified that:

1. The name of the Corporation (hereinafter called the "Corporation") is Avionic Instruments Inc.

2. The registered office of the Corporation within the State of Delaware is hereby changed to 9 East Loockerman Street, City of Dover 19901, County of Kent.

3. The registered agent of the Corporation within the State of Delaware is hereby changed to National Registered Agents, Inc., the business office of which is identical with the registered office of the Corporation as hereby changed.

4. The Corporation has authorized the changes hereinbefore set forth by resolution of its Board of Directors.

Signed on January 27th, 1998.

David Reinfeld, President

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 03/13/1998
981097275 – 2104150

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:00 AM 08/02/2005
FILED 08:00 AM 08/02/2005
SRV 050634269 - 2104150 FILE

CERTIFICATE OF CHANGE OF REGISTERED AGENT
AND
REGISTERED OFFICE

* * * * *

Avionic Instruments Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware

DOES HEREBY CERTIFY:

That the registered office of the corporation in the state of Delaware is hereby changed to Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

That the registered agent of the corporation is hereby changed to THE CORPORATION TRUST COMPANY, the business address of which is identical to the aforementioned registered office as changed.

That the changes in the registered office and registered agent of the corporation as set forth herein were duly authorized by resolution of the Board of Directors of the corporation.

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by an authorized officer, this 22 day of June, 2005.

Print Name: Raymond F. Laubenthal
Its: President

SOLICITORS, 27056, 00014, 100941778.1

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:38 PM 06/28/2007
FILED 01:28 PM 06/28/2007
SRV 070762658 - 2104150 FILE

STATE OF DELAWARE
CERTIFICATE OF CONVERSION
FROM A CORPORATION TO A LIMITED LIABILITY COMPANY

PURSUANT TO SECTION 18-214 OF THE LIMITED LIABILITY ACT

1. The jurisdiction where the Corporation first formed is Delaware.
2. The jurisdiction immediately prior to filing this Certificate of Conversion is Delaware.
3. The date the Corporation first formed is October 10, 1986.
4. The name of the Corporation immediately prior to filing this Certificate of Conversion is Avionic Instruments Inc.
5. The name of the Limited Liability Company as set forth in the Certificate of Formation is Avionic Instruments LLC.
6. This Certificate of Conversion shall become effective upon filing.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the 25th day of June, 2007.

By: [signature]
Print Name: Gregory Rufus

SOLICITORS, 027066, 000001, 101762531.1

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:38 PM 06/28/2007
FILED 01:28 PM 06/28/2007
SRV 070762658 - 2104150 FILE

CERTIFICATE OF FORMATION

OF

AVIONICS INSTRUMENTS LLC

This Certificate of Formation of Avionics Instruments LLC, dated as of June 25, 2007, is being duly executed and filed by Jennifer Hardy, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.).

FIRST: The name of the limited liability company formed hereby is Avionics Instruments LLC (the "LLC").

SECOND: The name of the registered agent for service of process on the LLC in the State of Delaware is The Corporation Trust Company.

THIRD: The address of the registered office of the LLC in the State of Delaware is c/o Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19808, New Castle County.

FOURTH: This Certificate of Formation is to become effective upon filing.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first written above.

Jennifer Hardy

Jennifer Hardy, Authorized Person

SOLICITORS, 027056,000001, 101762125.1

State of Delaware
Secretary of State
Division of Corporations
Delivered 07:36 PM 06/29/2007
FILED 06:51 PM 06/29/2007
SRV 070770954 - 2104150 FILE

State of Delaware
Certificate of Merger of Foreign Corporation into Domestic Limited Liability Company

Pursuant to Title 6, Section 18-209 of the Delaware Limited Liability Company Act.

First: The name of the surviving Limited Liability Company is Avionics Instruments LLC, a Delaware Limited Liability Company.

Second: The name of the foreign corporation being merged into this surviving Limited Liability Company is DAC Realty Corp.
The jurisdiction in which the foreign corporation was formed is New Jersey.

Third: The Agreement of Merger has been approved and executed by each of the constituent entities.

Fourth: The name of the surviving Limited Liability Company is: Avionics Instruments LLC.

Fifth: The merger is to become effective on June 30, 2007.

Sixth: The Agreement of Merger is on file at The Tower at Erieview, Suite 3710, 1301 East 9th Street, Cleveland, Ohio 44114, a place of business of the surviving Limited Liability Company.

Seventh: A copy of the Agreement of Merger will be furnished by the surviving Limited Liability Company, on request without cost, to any member or stockholder of the constituent entities.

IN WITNESS WHEREOF, said Limited Liability Company has caused this certificate to be signed by an authorized person, this 29th day of June, A.D. 2007.

By: [signature]
Authorized Person

Name: Gregory Rufus
Print or Type

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:20 PM 07/13/2007
FILED 07:35 PM 07/13/2007
SRV 070814795 - 2104150 FILE

State of Delaware
Certificate of Correction
of a Limited Liability Company
to be filed pursuant to Section 18-211(a)

1. The name of the Limited Liability Company is: Avionic Instruments LLC

2. That a Certificate of Conversion was filed by the Secretary of State of Delaware on June 28, 2007, and that said Certificate requires correction as permitted by Section 18-211 of the Limited Liability Company Act.

3. The inaccuracy or defect of said Certificate is: (must give specific reason)

The name of the limited liability company was stated as "Avionics Instruments LLC".

4. The Certificate is hereby corrected to read as follows:

The name of the limited liability company as set forth in the Certificate of Formation is Avionic Instruments LLC.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 12 day of July, A.D. 2007.

By: [signature]
Authorized Person

Name: Gregory Rufus
Print or Type

Exhibit 3.165

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:58 PM 12/1312016
FILED 12:58 PM 12/1312016
SR 20167049680 - File N umber 6248331

CERTIFICATE OF FORMATION
OF
WINGS ACQUISITION SUB LLC

This Certificate of Formation of Wings Acquisition Sub LLC (the "LLC"), dated as of December 13, 2016, is being duly executed and filed by Dennis B. Angers, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.).

First. The name of the limited liability company formed hereby is Wings Acquisition Sub LLC.

Second. The address of the registered office of the LLC in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County.

Third. The name of the registered agent for service of process on the LLC in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first written above.

/s/ Dennis B. Angers
Dennis B. Angers

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:31 AM 02/22/2017
FILED 10:31 AM 02122/2017
SR 20171113600 – File Number 6248331

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: Wings Acquisition Sub LLC

2. The Certificate of Formation of the limited liability company is hereby amended as follows:

   Article First is deleted in its entirety and the following Article First is inserted in lieu thereof:

   "The name of the limited liability company is Interiors In Flight LLC"

IN **WITNESS WHEREOF,** the undersigned have executed this Certificate on the 22nd of February, A.D. 2017.

By: /s/ Terrance M. Paradie
Authorized Person(s)

Name: Terrance M. Paradie
Print or Type

LIMITED LIABILITY COMPANY AGREEMENT

OF

WINGS ACQUISITION SUB LLC

The undersigned, being the sole member of Wings Acquisition Sub LLC, a Delaware limited liability company (the “Company”), does hereby execute this Limited Liability Company Agreement of the Company (this “Limited Liability Company Agreement”) effective as of this 19th day of December 2016. The Company was formed as a Delaware limited liability company on the 13th day of December, 2016, upon the filing of its Certificate of Formation with the Secretary of State of the State of Delaware.

ARTICLE I

MEMBER

TransDigm Inc. is hereby admitted to the Company as the sole member of the Company (the “Member”).

ARTICLE II

OFFICE

The principal office of the Company shall be located at 1301 East Ninth Street, Suite 3000, Cleveland, Ohio 44114 (the “Principal Office”). The Company may have such other offices as the Member may designate or as the business of the Company may require.

ARTICLE III

PURPOSE

The sole purpose for which the Company is organized is to conduct any lawful business purpose as defined in the Delaware Limited Liability Company Act. The Company shall have all of the powers granted to a limited liability company under the laws of the State of Delaware.

ARTICLE IV

DURATION OF THE COMPANY

The Company shall continue in perpetuity unless terminated sooner by operation of law or by decision of the Member.

ARTICLE V

CAPITAL CONTRIBUTIONS

The Member may in the future contribute any additional capital deemed necessary by the Member for the operation of the Company.

ARTICLE VI

OWNERSHIP OF MEMBERSHIP INTERESTS

The Member shall own all of the membership interests in the Company and the Member shall have a 100% distributive share of the Company's profits, losses and cash flow.

ARTICLE VII

MANAGEMENT

The Member will manage the affairs of the Company, but shall be entitled to appoint or authorize representatives, including, but not limited to, such officers as the Member may deem necessary, to act on behalf of the Company and to delegate the authority otherwise reserved to the Member to such representatives. The signature of the Member of the Company shall be sufficient to bind the Company with respect to any matter on which the Member shall be required or entitled to act. The Member has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company. A copy of this Limited Liability Company Agreement may be shown to third parties (and all third parties may rely hereupon) in order to confirm the identity and authorization of the Member.

ARTICLE VIII

BOOKS AND RECORDS

The Company books shall be maintained at the Principal Office. The fiscal year of the Company shall end on such date in each year as shall be designated from time to time by the Member. The Member shall cause all known business transactions pertaining to the purpose of the Company to be entered properly and completely into said books. The Member will prepare and file on behalf of the Company all tax returns in a timely manner.

ARTICLE IX

AMENDMENTS

This Limited Liability Company Agreement may be amended by a written instrument adopted by the Member and executed by the Member at any time, for any purpose, at the sole discretion of the Member.

ARTICLE X

INDEMNIFICATION

To the fullest extent permitted by law, the Company shall defend, indemnify, and save harmless the Member and any officers of the Company (each an "<u>Indemnified Person</u>") for all loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceedings arising out of (a) the Indemnified Person's relationship to the Company or (b) such Indemnified Person's capacity as an officer, except for such loss, liability, damage, cost, or expense as arises out of the theft, fraud, willful misconduct, or gross negligence by such Indemnified Person. To the fullest extent permitted by law, expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding, and not less often than monthly upon receipt of an undertaking by and on behalf of the Indemnified Person to repay such amount if it shall be ultimately determined that he or she is not entitled to be indemnified by the Company. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this Article X shall continue for a person who has ceased to be an officer and inures to the benefit of the heirs, executors and administrators of such a person.

The Company may obtain, at the expense of the Company, directors and officers insurance coverage in an amount and on such terms as determined by the Member.

ARTICLE XI

BANKING

All funds of the Company shall be deposited in one or more Company checking accounts as shall be designated by the Member, and the Member is authorized to sign any such checks or withdrawal forms.

ARTICLE XII

APPLICABILITY OF UCC ARTICLE 8

The Company hereby irrevocably elects that all membership interests in the Company shall be securities governed by Article 8 of the Uniform Commercial Code. Each certificate evidencing membership interests in the Company shall bear the following legend:

> "This certificate evidences an interest in Wings Acquisition Sub LLC and shall be a security for purposes of Article 8 of the Uniform Commercial Code."

No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend.

ARTICLE XIII

MISCELLANEOUS

This Limited Liability Company Agreement is made by the Member for the exclusive benefit of the Company, its Member, and his, her or its successors and assignees. This Limited Liability Company Agreement is expressly not intended for the benefit of any creditor of the Company or any other person or entity. Except and only to the extent provided by applicable statute or otherwise in this Limited Liability Company Agreement, no such creditor or third party shall have any rights under this Limited Liability Company Agreement or any agreement between the Company and the Member with respect to any capital contribution or otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, the Member has hereunto set its hand effective the day and year first written above.

TRANSDIGM INC., sole member

By: /s/ Terrance M. Paradie

Name: Terrance M. Paradie

Its: Executive Vice President and Chief Financial Officer

Exhibit 3.167

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:04PM 12/1312016
FILED 01:04PM 12/1312016
SR 20167049684 - File Number 6248336

CERTIFICATE OF FORMATION
OF
WINGS ACQUISITION CO LLC

This Certificate of Formation of Wings Acquisition Co LLC (the "LLC"), dated as of December 13, 2016, is being duly executed and filed by Dennis B. Angers, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.).

First. The name of the limited liability company formed hereby is Wings Acquisition Co LLC.

Second. The address of the registered office of the LLC in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County.

Third. The name of the registered agent for service of process on the LLC in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first written above.

/s/ Dennis B. Angers
Dennis B. Angers

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:33 AM 02/22/2017
FILED 10:33 AM 02122/2017
SR 20171113602 - File Number 6248336

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: Wings Acquisition Co LLC

2. The Certificate of Formation of the limited liability company is hereby amended as follows:

   Article First is deleted in its entirety and the following Article First is inserted in lieu thereof:

   "The name of the limited liability company is SCHROTH Safety Products LLC"

IN **WITNESS WHEREOF,** the undersigned have executed this Certificate on the 22nd of February, A.D. 2017.

By: /s/ Terrance M. Paradie
Authorized Person(s)

Name: Terrance M. Paradie
Print or Type

LIMITED LIABILITY COMPANY AGREEMENT

OF

WINGS ACQUISITION CO LLC

The undersigned, being the sole member of Wings Acquisition Co LLC, a Delaware limited liability company (the "Company"), does hereby execute this Limited Liability Company Agreement of the Company (this "Limited Liability Company Agreement") effective as of this 19th day of December 2016. The Company was formed as a Delaware limited liability company on the 13th day of December, 2016, upon the filing of its Certificate of Formation with the Secretary of State of the State of Delaware.

ARTICLE I

MEMBER

TransDigm Inc. is hereby admitted to the Company as the sole member of the Company (the "Member").

ARTICLE II

OFFICE

The principal office of the Company shall be located at 1301 East Ninth Street, Suite 3000, Cleveland, Ohio 44114 (the "Principal Office"). The Company may have such other offices as the Member may designate or as the business of the Company may require.

ARTICLE III

PURPOSE

The sole purpose for which the Company is organized is to conduct any lawful business purpose as defined in the Delaware Limited Liability Company Act. The Company shall have all of the powers granted to a limited liability company under the laws of the State of Delaware.

ARTICLE IV

DURATION OF THE COMPANY

The Company shall continue in perpetuity unless terminated sooner by operation of law or by decision of the Member.

ARTICLE V

CAPITAL CONTRIBUTIONS

The Member may in the future contribute any additional capital deemed necessary by the Member for the operation of the Company.

ARTICLE VI

OWNERSHIP OF MEMBERSHIP INTERESTS

The Member shall own all of the membership interests in the Company and the Member shall have a 100% distributive share of the Company's profits, losses and cash flow.

ARTICLE VII

MANAGEMENT

The Member will manage the affairs of the Company, but shall be entitled to appoint or authorize representatives, including, but not limited to, such officers as the Member may deem necessary, to act on behalf of the Company and to delegate the authority otherwise reserved to the Member to such representatives. The signature of the Member of the Company shall be sufficient to bind the Company with respect to any matter on which the Member shall be required or entitled to act. The Member has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company. A copy of this Limited Liability Company Agreement may be shown to third parties (and all third parties may rely hereupon) in order to confirm the identity and authorization of the Member.

ARTICLE VIII

BOOKS AND RECORDS

The Company books shall be maintained at the Principal Office. The fiscal year of the Company shall end on such date in each year as shall be designated from time to time by the Member. The Member shall cause all known business transactions pertaining to the purpose of the Company to be entered properly and completely into said books. The Member will prepare and file on behalf of the Company all tax returns in a timely manner.

ARTICLE IX

AMENDMENTS

This Limited Liability Company Agreement may be amended by a written instrument adopted by the Member and executed by the Member at any time, for any purpose, at the sole discretion of the Member.

ARTICLE X

INDEMNIFICATION

To the fullest extent permitted by law, the Company shall defend, indemnify, and save harmless the Member and any officers of the Company (each an "Indemnified Person") for all loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceedings arising out of (a) the Indemnified Person's relationship to the Company or (b) such Indemnified Person's capacity as an officer, except for such loss, liability, damage, cost, or expense as arises out of the theft, fraud, willful misconduct, or gross negligence by such Indemnified Person. To the fullest extent permitted by law, expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding, and not less often than monthly upon receipt of an undertaking by and on behalf of the Indemnified Person to repay such amount if it shall be ultimately determined that he or she is not entitled to be indemnified by the Company. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this Article X shall continue for a person who has ceased to be an officer and inures to the benefit of the heirs, executors and administrators of such a person.

The Company may obtain, at the expense of the Company, directors and officers insurance coverage in an amount and on such terms as determined by the Member.

ARTICLE XI

BANKING

All funds of the Company shall be deposited in one or more Company checking accounts as shall be designated by the Member, and the Member is authorized to sign any such checks or withdrawal forms.

ARTICLE XII

APPLICABILITY OF UCC ARTICLE 8

The Company hereby irrevocably elects that all membership interests in the Company shall be securities governed by Article 8 of the Uniform Commercial Code. Each certificate evidencing membership interests in the Company shall bear the following legend:

> "This certificate evidences an interest in Wings Acquisition Co LLC and shall be a security for purposes of Article 8 of the Uniform Commercial Code."

No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend.

ARTICLE XIII

MISCELLANEOUS

This Limited Liability Company Agreement is made by the Member for the exclusive benefit of the Company, its Member, and his, her or its successors and assignees. This Limited Liability Company Agreement is expressly not intended for the benefit of any creditor of the Company or any other person or entity. Except and only to the extent provided by applicable statute or otherwise in this Limited Liability Company Agreement, no such creditor or third party shall have any rights under this Limited Liability Company Agreement or any agreement between the Company and the Member with respect to any capital contribution or otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, the Member has hereunto set its hand effective the day and year first written above.

TRANSDIGM INC., sole member

By: /s/ Terrance M. Paradie

Name: Terrance M. Paradie

Its: Executive Vice President and Chief Financial Officer

NINTH AMENDMENT TO THE
RECEIVABLES PURCHASE AGREEMENT

This NINTH AMENDMENT TO THE RECEIVABLES PURCHASE AGREEMENT (this "Amendment"), dated as of August 1, 2017, is entered into by and among the following parties:

(i) TRANSDIGM RECEIVABLES LLC, a Delaware limited liability company, as Seller;

(ii) TRANSDIGM, INC., a Delaware corporation, as Servicer;

(iii) PNC BANK, NATIONAL ASSOCIATION, as a Committed Purchaser, as Purchaser Agent for its Purchaser Group and as Administrator ("PNC");

(iv) ATLANTIC ASSET SECURITIZATION LLC ("Atlantic"), as a Conduit Purchaser;

(v) CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK ("CACIB"), as a Committed Purchaser and as Purchaser Agent for its and Atlantic's Purchaser Group; and

(vi) FIFTH THIRD BANK ("Fifth Third"), as a Committed Purchaser and as Purchaser Agent for its Purchaser Group.

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Receivables Purchase Agreement described below.

BACKGROUND

A. The parties hereto (with the exception of Fifth Third) and PNC Capital Markets LLC, as structuring agent, have entered into a Receivables Purchase Agreement, dated as of October 21, 2013 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Receivables Purchase Agreement").

B. Concurrently herewith, the parties hereto are entering into that certain Amended and Restated Fee Letter in connection herewith (the "Amended Fee Letter").

C. The parties hereto desire to amend the Receivables Purchase Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Joinder of Purchasers; Rebalancing.

(a) *Joinder*. Effective as of the date hereof, (i) Fifth Third hereby becomes a party to the Receivables Purchase Agreement as a Committed Purchaser thereunder with all the rights, interests, duties and obligations of a Committed Purchaser set forth therein, (ii) Fifth Third shall constitute the sole member of a single new Purchaser Group, and (iii) Fifth Third hereby becomes a party to the Receivables Purchase Agreement as a Purchaser Agent thereunder with all the rights, interests, duties and obligations of a Purchaser Agent set forth therein. In its capacity as a Committed Purchaser, Fifth Third's Commitment shall be the amount set forth on Schedule I to Exhibit A hereto.

(b) *Rebalancing of Capital*. On the date hereof, the Seller will repay a portion of the outstanding Capital in the amounts for each Purchaser specified in the flow of funds memorandum attached hereto as Exhibit B; provided that all accrued and unpaid Discount with respect to such Capital so repaid shall be payable by the Seller to PNC, Atlantic and CACIB, as applicable, on the next occurring Settlement Date. The Seller hereby requests that Fifth Third fund an initial Purchase on the date hereof in an amount set forth in Exhibit B hereto. Such Purchase shall be funded by Fifth Third on the date hereof in accordance with the terms of the Receivables Purchase Agreement and upon satisfaction of all conditions precedent thereto specified in the Receivables Purchase Agreement; provided, however, that no Purchase Notice shall be required therefor. For administrative convenience, the Seller hereby instructs Fifth Third to fund the foregoing Purchase by paying the proceeds thereof directly to PNC, Atlantic and CACIB to the accounts and in the amounts specified in Exhibit B hereto to be applied as the foregoing repayment of PNC's, Atlantic's and CACIB's Capital (as applicable) on the Seller's behalf. The Seller shall be deemed to have received the proceeds of such Purchase from Fifth Third for all purposes immediately upon receipt thereof by PNC, Atlantic and CACIB, respectively. PNC shall notify Seller upon receipt of such proceeds from Fifth Third.

(c) *Consents*. The parties hereto hereby consent to the joinder of Fifth Third as a party to the Receivables Purchase Agreement on the terms set forth in clause (a) above, to the non-ratable repayment of PNC's, Atlantic's and CACIB's Capital on the terms set forth in clause (b) above and the foregoing non-ratable Purchase to be funded by Fifth Third on the terms set forth in clause (b) above, in each case, as set forth above on a one-time basis.

(d) *Credit Decision.* Fifth Third (i) confirms to PNC that it has received a copy of the Receivables Purchase Agreement, the other Transaction Documents, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and (ii) agrees that it will, independently and without reliance upon PNC (in any capacity) or any of its Affiliates, based on such documents and information as Fifth Third shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Receivables Purchase Agreement and any other Transaction Document. PNC makes no representation or warranty and assumes no responsibility with respect to (x) any statements, warranties or representations made in or in connection with the Receivables Purchase Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Receivables Purchase Agreement or the Receivables, any other Transaction Document or any other instrument or document furnished pursuant thereto or (y) the financial condition of any of the Seller, the Servicer, the Performance Guarantor or the Originators or the performance or observance by any of the Seller, the Servicer, the Performance Guarantor or the Originators of any of their respective obligations under the Receivables Purchase Agreement, any other Transaction Document, or any instrument or document furnished pursuant thereto.

(e) *Notice Addresses*. Notices to Fifth Third under the Transaction Documents should be sent to the address set forth below, or such other address designated by Fifth Third from time to time in accordance with the Receivables Purchase Agreement:

If to Fifth Third:

Address: Fifth Third Bank
Asset Securitization Group
38 Fountain Square Plaza, MD 109046
Cincinnati, OH 45263
Attention: Andrew Jones/Patrick Berning
Telephone: (513) 534-0836 / (513) 534-4661
Facsimile: (513) 534-0319
Email: Andrew.Jones@53.com/ Patrick.Berning@53.com/ 53.Securitization.Bancorp@53.com

SECTION 2. Amendments to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended to incorporate the changes shown on the marked pages of the Receivables Purchase Agreement attached hereto as Exhibit A.

SECTION 3. Representations and Warranties of the Seller and Servicer. Each of the Seller and the Servicer hereby represents and warrants, as to itself, to the Administrator, each Purchaser and each Purchaser Agent, as follows:

(a) *Representations and Warranties*. Immediately after giving effect to this Amendment, the representations and warranties made by such Person in the Transaction Documents to which it is a party are true and correct as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations or warranties were true and correct as of such earlier date).

(b) *Enforceability*. This Amendment and each other Transaction Document to which it is a party, as amended hereby, constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law.

(c) *No Termination Event*. No event has occurred and is continuing, or would result from the transactions contemplated hereby, that constitutes a Purchase and Sale Termination Event, an Unmatured Purchase and Sale Termination Event, a Termination Event or an Unmatured Termination Event.

SECTION 4. Effect of Amendment. All provisions of the Receivables Purchase Agreement and the other Transaction Documents, as expressly amended and modified by this

Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Receivables Purchase Agreement (or in any other Transaction Document) to "this Receivables Purchase Agreement", "this Agreement", "hereof", "herein" or words of similar effect referring to the Receivables Purchase Agreement shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Receivables Purchase Agreement other than as set forth herein.

SECTION 5. Effectiveness. This Amendment shall become effective as of the date hereof upon the satisfaction of the following conditions precedent:

(a) The Administrator shall have received counterparts of this Amendment, duly executed by each of the parties hereto.

(b) The Administrator shall have received counterparts of the Amended Fee Letter duly executed by each of the parties thereto.

(c) The Administrator shall have received confirmation that the "Amendment Fees" set forth in the Amended Fee Letter have been paid in accordance with the terms thereof.

(d) The Administrator shall have received a favorable opinion, addressed to the Administrator, each Purchaser and each Purchaser Agent, in form and substance satisfactory to the Administrator and each Purchaser Agent, covering such matters as the Administrator or any Purchaser Agent may reasonably request, including, without limitation, enforceability and "no conflicts" matters.

(e) The Administrator shall have received such other agreements, documents, certificates, instruments and opinions as the Administrative Agent may reasonably request prior to the date hereof.

SECTION 6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or e-mail transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 7. GOVERNING LAW. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

SECTION 8. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Receivables Purchase Agreement or any provision hereof or thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

TRANSDIGM RECEIVABLES LLC,
as Seller

By:____
Name:
Title:

TRANSDIGM, INC.,
as Initial Servicer

By:____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser, as a Purchaser Agent and as Administrator

By:______________________________
Name:
Title:

ATLANTIC ASSET SECURITIZATION LLC,
as a Conduit Purchaser

By:___________________________________
Name:
Title:

By:___________________________________
Name:
Title:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as a Committed Purchaser and as Purchaser Agent for its and Atlantic Asset Securitization LLC's Purchaser Group

By:____________________________________
Name:
Title:

By:____________________________________
Name:
Title:

FIFTH THIRD BANK,
as a Committed Purchaser and as Purchaser Agent for its Purchaser Group

By:__________________________________
Name:
Title:

Exhibit A

[See Attached]

Exhibit B

Funds Flow Memorandum

Exhibit 12.1

TRANSDIGM GROUP INCORPORATED
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Amounts in Thousands)

	Fiscal Year Ended September 30,				
	2017	**2016**	**2015**	**2014**	**2013**
Earnings:					
Total earnings from continuing operations	$ 628,541	$ 586,414	$ 447,200	$ 306,910	$ 302,789
Income tax provision	208,889	181,702	189,600	141,600	145,700
Pre Tax Earnings	837,430	768,116	636,800	448,510	448,489
Fixed charges:					
Interest charges	602,589	483,850	418,785	347,688	270,685
Interest factor of operating rents	6,255	6,039	4,631	3,979	3,026
Total fixed charges	608,844	489,889	423,416	351,667	273,711
Earnings as adjusted	$ 1,446,274	$ 1,258,005	$ 1,060,216	$ 800,177	$ 722,200
Ratio of earnings to fixed charges[(1)]	2.4	2.6	2.5	2.3	2.6

(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.

Exhibit 21.1

SUBSIDIARIES OF TRANSDIGM GROUP INCORPORATED

TransDigm Inc. is a 100% owned subsidiary of TransDigm Group Incorporated
TransDigm Inc. owns directly or indirectly the following subsidiaries:

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Abbott Electronics Ltd.	England
Acme Aerospace, Inc.	Delaware
Adams Rite Aerospace, Inc.	California
Adams Rite Aerospace GmbH	Germany
Advanced Inflatable Products Limited	England
AeroControlex Group, Inc.	Delaware
Aerosonic LLC	Delaware
Air-Sea Survival Equipment Trustee Limited	England
Airborne Acquisition, Inc.	Delaware
Airborne Global, Inc.	Delaware
Airborne Holdings, Inc.	Delaware
Airborne Systems Canada Ltd.	Ontario, Canada
Airborne Systems France	France
Airborne Systems Group Limited	England
Airborne Systems Holdings Limited	England
Airborne Systems Limited	England
Airborne Systems NA, Inc.	Delaware
Airborne Systems North America Inc.	Delaware
Airborne Systems North America of CA Inc.	Delaware
Airborne Systems North America of NJ Inc.	New Jersey
Airborne Systems Pension Trust Limited	England
Airborne UK Acquisition Limited	England
Airborne UK Parent Limited	England
Aircraft Materials Limited	England
AmSafe, Inc.	Delaware
AmSafe Aviation (Chongqing), Ltd.	China
AmSafe Bridport Ltd.	England
AmSafe Bridport (Kunshan) Co., Ltd.	China
AmSafe Bridport (Private) Ltd.	Sri Lanka
AmSafe Global Holdings, Inc.	Delaware
AmSafe Global Services (Private) Limited	Sri Lanka
ARA Deutschland GmbH	Germany
ARA Holding GmbH	Germany
Arkwin Industries, Inc.	New York
Aviation Technologies, Inc.	Delaware
Avionic Instruments Germany Gmbh	Germany
Avionic Instruments LLC	Delaware
Avionics Specialties, Inc.	Virginia

Name of Subsidiary	Jurisdiction of Incorporation or Organization
AvtechTyee, Inc.	Washington
Beta Transformer Mexico, S. de R.L. de C.V.	Mexico
Beta Transformer Technology Corporation	New York
Beta Transformer Technology LLC	Delaware
Breeze-Eastern LLC	Delaware
Bridport-Air Carrier, Inc.	Washington
Bridport Erie Aviation, Inc.	Delaware
Bridport Holdings, Inc.	Delaware
Bridport Ltd.	England
Bruce Aerospace, Inc.	Delaware
CDA InterCorp LLC	Florida
CEF Industries, LLC	Delaware
Champion Aerospace LLC	Delaware
Data Device Corporation	Delaware
DDC Electronics K.K.	Japan
DDC Electronics Ltd.	England
DDC Electronics Private Limited	India
DDC Elektronik, GmbH	Germany
DDC Electronique, S.A.R.L.	France
DDC Holdings (UK) Limited	England
DDC (United Kingdom) Ltd.	England
DDL195 Limited	England
Dukes Aerospace, Inc.	Delaware
Edlaw Limited	England
Electromech Technologies LLC	Delaware
Elektro-Metall Export GmbH	Germany
Elektro-Metall Paks KFT	Hungary
GQ Parachutes Limited	England
HARCO LLC	Connecticut
Hartwell Corporation	California
ILC Holdings, Inc.	Delaware
ILC Industries, LLC	Delaware
Interiors in Flight LLC	Delaware
Irvin Aerospace Limited	England
Irvin-GQ Limited	England
Johnson Liverpool LLC	Delaware
Kunshan Shield Restraint Systems, Ltd.	China
MarathonNorco Aerospace, Inc.	Delaware
McKechnie Aerospace DE, Inc.	Delaware
McKechnie Aerospace DE, LP	England
McKechnie Aerospace (Europe) Ltd.	England
McKechnie Aerospace Holdings, Inc.	Delaware
McKechnie Aerospace US LLC	Delaware
Mecanismos de Matamoros S.A. de C.V.	Mexico

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Militair Aviation, Ltd.	England
Nordisk Asia Pacific Limited	Hong Kong
Nordisk Asia Pacific Pte Ltd	Singapore
Nordisk Aviation Products AS	Norway
Nordisk Aviation Products (Kunshan) Ltd.	China
North Hills Signal Processing Corp.	Delaware
North Hills Signal Processing Overseas Corp.	Delaware
Pascall Electronics Limited	England
Pemberton 123 Ltd.	England
Pexco Aerospace, Inc.	Delaware
PneuDraulics, Inc.	California
Rancho TransTechnology Corporation	California
Retainers, Inc.	New Jersey
Schneller Asia Pte. Ltd.	Singapore
Schneller LLC	Delaware
Schneller S.A.R.L.	France
Schroth Safety Products Gmbh	Germany
SCHROTH Safety Products LLC	Delaware
Semco Instruments, Inc.	Delaware
Shield Restraint Systems, Inc.	Delaware
Shield Restraint Systems Ltd.	England
Signal Processing Matamoros S.A. de C.V.	Mexico
Skurka Aerospace, Inc.	Delaware
SSP Industries	California
Tactair Fluid Controls, Inc.	New York
TDG Cayman Limited	Cayman Islands
TDG Germany GmbH	Germany
TDG Netherlands BV	Netherlands
Technical Airborne Components Limited	England
Technical Airborne Components Industries SPRL	Belgium
Telair US LLC	Delaware
Telair International AB	Sweden
Telair International GmbH	Germany
Telair International LLC	Delaware
Telair International Services PTE Ltd (JV 70.5%)	Singapore
Texas Rotronics, Inc.	Texas
TransDigm (Barbados) SRL	Barbados
TransDigm Holdings UK Limited	UK
TransDigm Ireland Ltd.	Ireland
TransDigm Receivables LLC	Delaware
Transicoil (Malaysia) Sendirian Berhad	Malaysia
Transicoil LLC	Delaware

Name of Subsidiary	Jurisdiction of Incorporation or Organization
TransTechnology Germany GmbH	Germany
TransTechnology International Corporation	Delaware
TTERUSA, Inc.	New Jersey
Whippany Actuation Systems, LLC	Delaware
XCEL Power Systems Ltd.	England
Young & Franklin Inc.	New York

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statements (Form S-8 No. 333-174122 and Form S-8 No. 333-152847) pertaining to the TransDigm Group Incorporated 2006 Stock Incentive Plan,

(2) Registration Statement (Form S-8 No. 333-132808) pertaining to the TransDigm Group Incorporated 2006 Stock Incentive Plan and the TransDigm Group Fourth Amended and Restated 2003 Stock Option Plan, as amended, and

(3) Registration Statement (Form S-8 No. 333-200204) pertaining to the TransDigm Group 2014 Stock Option Plan;

of our reports dated November 13, 2017, with respect to the consolidated financial statements and schedule of TransDigm Group Incorporated and the effectiveness of internal control over financial reporting of TransDigm Group Incorporated included in this Annual Report (Form 10-K) of TransDigm Group Incorporated for the year ended September 30, 2017.

/s/ Ernst & Young LLP

Cleveland, Ohio
November 13, 2017

Exhibit 31.1

CERTIFICATION

I, W. Nicholas Howley, certify that:

1. I have reviewed this annual report on Form 10-K of TransDigm Group Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2017

/s/ W. Nicholas Howley

Name: W. Nicholas Howley

Title: Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Terrance M. Paradie, certify that:

1. I have reviewed this annual report on Form 10-K of TransDigm Group Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2017

/s/ Terrance M. Paradie

Name: Terrance M. Paradie

Title: Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of TransDigm Group Incorporated (the “Company”) for the fiscal year ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, W. Nicholas Howley, Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and

2. The information contained in the Report fairly presents in all material respects, the financial condition of the Company as of the dates indicated and results of operations of the Company for the periods indicated.

Date: November 13, 2017

/s/ W. Nicholas Howley
Name: W. Nicholas Howley
Title: Chairman of the Board of Directors and Chief
Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of TransDigm Group Incorporated (the “Company”) for the fiscal year ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Terrance M. Paradie, Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
2. The information contained in the Report fairly presents in all material respects, the financial condition of the Company as of the dates indicated and results of operations of the Company for the periods indicated.

Date: November 13, 2017

/s/ Terrance M. Paradie

Name: Terrance M. Paradie
Title: Executive Vice President and Chief
Financial Officer (Principal Financial and Accounting Officer)