

UNION PACIFIC CORP
Form 8-K
July 18, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 18, 2013 (July 18, 2013)

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction
of Incorporation)

1-6075
(Commission
File Number)

13-2626465
(IRS Employer
Identification No.)

1400 Douglas Street, Omaha, Nebraska
(Address of principal executive offices)
Registrant's telephone number, including area code: **(402) 544-5000**

68179
(Zip Code)

N/A

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On July 18, 2013, Union Pacific Corporation issued a press release announcing its financial results for the quarter ended June 30, 2013. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release of Union Pacific Corporation, dated July 18, 2013, announcing its financial results for the quarter ended June 30, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 18, 2013

UNION PACIFIC CORPORATION

By: /s/ Robert M. Knight, Jr.
Robert M. Knight, Jr.

Executive Vice President Finance and

Chief Financial Officer

Exhibit Index

99.1 Press Release of Union Pacific Corporation, dated July 18, 2013
 Other comprehensive loss (179) (179) Comprehensive income 13,443 Purchase of common stock (239) (239) Proceeds from
 exercise of stock options 24 24

BALANCE September 30, 2004 442 289,389 7,863 (282) 297,412 Compensation expense recognized for employee stock
 options 1,062 1,062 Comprehensive income: Net income 34,687 34,687 Other comprehensive
 loss (54) Comprehensive income 34,633

BALANCE September 30, 2005 \$442 \$290,451 \$42,550 \$(336) \$333,107

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Successor			Predecessor
	Year Ended September 30, 2005	Year Ended September 30, 2004	July 8, 2003 (Date of Formation) Through September 30, 2003	October 1, 2002 Through July 22, 2003
(Amounts in thousands)				
OPERATING ACTIVITIES:				
Net income (loss)	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (69,969)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Inventory purchase accounting charge	1,493	18,471	12,038	855
Depreciation	9,209	7,978	1,358	5,410
Amortization of intangibles	7,747	10,325	1,975	945
Amortization/write-off of debt issue costs and note premium	3,808	3,791	672	9,829
Interest accrued on Senior Unsecured Promissory Notes	28,806	25,734	4,666	
Non-cash stock option and deferred compensation costs	6,848	6,169	1,033	35,698
Deferred income taxes	693	2,706	(4,255)	(20,393)
Loss on repayment of senior subordinated notes				16,595
Interest deferral on TransDigm Holdings PIK Notes				1,546
Changes in assets and liabilities, net of effects from Merger and acquisitions of businesses:				
Trade accounts receivable	(15,576)	(5,134)	(658)	3,099
Inventories	(4,566)	(2,157)	1,603	(4,387)
Income taxes receivable and other assets	(1,534)	36,583	1,917	(42,448)
Accounts payable	4,031	(499)	(1,166)	(267)
Accrued and other liabilities	5,049	(6,450)	3,428	29,303
Net cash provided by (used in) operating activities	80,695	111,139	16,852	(34,184)
INVESTING ACTIVITIES:				
Merger with TransDigm Holdings (net of cash balances existing at the date of the Merger)			(469,339)	
Capital expenditures	(7,960)	(5,416)	(968)	(4,241)
Acquisition of businesses	(63,171)	(21,531)	988	(53,026)
Purchase of marketable securities	(65,374)	(94,675)		
Sales and maturity of marketable securities	115,975	44,003		
Net cash (used in) provided by investing activities	(20,530)	(77,619)	(469,319)	(57,267)
FINANCING ACTIVITIES:				
Borrowings under credit facility net of fees				306,744
Proceeds from senior subordinated notes net of fees				386,973
Proceeds from issuance of Senior Unsecured Promissory Notes			199,997	
Proceeds from issuance of common stock and exercise of stock options		24	271,372	471,300
Repayment of amounts borrowed under credit facility	(2,942)	(2,209)		(200,793)
Payment of license obligation	(1,500)	(1,500)		(2,600)
Repayment/defeasance of senior subordinated notes, including premium				(216,595)

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	Successor			Predecessor
Repayment of TransDigm Holdings PIK Notes				(32,802)
Redemption of preferred stock and warrant				(28,003)
Purchase of common stock		(239)		(599,725)
Payment of Merger costs incurred by stockholders of TD Group				(2,049)
Net cash (used in) provided by financing activities	(4,442)	(3,924)	471,369	82,450
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,723	29,596	18,902	(9,001)
CASH AND CASH EQUIVALENTS Beginning of period	48,498	18,902		49,206
CASH AND CASH EQUIVALENTS End of period	\$ 104,221	\$ 48,498	\$ 18,902	\$ 40,205
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid during the period for interest	\$ 45,995	\$ 45,535	\$ 1,175	\$ 31,998
Net cash paid (received) during the period for income taxes	\$ 19,232	\$ (32,933)	\$ (23)	\$ 16,771

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS, INITIAL PUBLIC OFFERING AND MERGER

Description of the Business On January 19, 2006, TD Holding Corporation changed its legal name to TransDigm Group Incorporated ("TD Group"). This change was effected to ensure that investors recognize that TD Group is the ultimate owner of the TransDigm group of operating companies, as the TransDigm name is recognized in the industry in which TD Group's subsidiaries operate. TD Group through its wholly-owned subsidiary, TransDigm Holding Company ("TransDigm Holdings"), and TransDigm Holdings' 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., which includes the AeroControlex and Adel Wiggins Groups, along with its wholly-owned operating subsidiaries, MarathonNorco Aerospace, Inc. ("Marathon"), Adams Rite Aerospace, Inc., Champion Aerospace Inc., Avionic Instruments, Inc. and Skurka Aerospace Inc., offers a broad line of proprietary aerospace components. Some of our more significant product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include ignition systems and components, gear pumps, mechanical/electro-mechanical controls and actuators, NiCad batteries/chargers, power conditioning devices, hold-open rods and locking devices, engineered connectors, engineered latches, cockpit security devices, lavatory hardware and components, specialized AC/DC electric motors and specialized valving.

TD Group was incorporated on July 8, 2003 by outside investors to acquire control of TransDigm Holdings through the Merger described below and had limited operations prior to the Merger. TD Group has no material assets or operations other than its 100% ownership of TransDigm Holdings, which in turn has no material assets or operations other than its 100% ownership of TransDigm Inc. TD Group and all of its subsidiaries are collectively referred to herein as the "Successor." TransDigm Holdings prior to the Merger on July 22, 2003 is referred to as the "Predecessor." The Successor and the Predecessor are collectively referred to as the "Company." The Predecessor financial statements represent the financial statements of TransDigm Holdings and all of its subsidiaries prior to the Merger. As a result of purchase accounting for the Merger described below, the Predecessor balances and amounts presented in these consolidated financial statements and footnotes may not be comparable to the Successor balances and amounts.

Initial Public Offering On December 19, 2005, TD Group filed a registration statement on Form S-1 with the Securities and Exchange Commission for its proposed initial public offering ("IPO") in connection with the sale by certain selling stockholders of TD Group's common stock. The registration statement was declared effective by the Securities and Exchange Commission on March 14, 2006. The number of shares offered by the selling stockholders was 10,954,570. The selling stockholders also granted the underwriters a 30-day option to purchase up to 1,643,186 additional shares to cover any over-allotments. The underwriters' over-allotment option was exercised on March 15, 2006. The proceeds from the sale of the shares of TD Group's common stock sold in the IPO were solely for the account of the selling stockholders. TD Group did not receive any proceeds from the sale of the shares by the selling stockholders. On March 20, 2006, TD Group completed the IPO and, as a result, its common stock is publicly traded on the New York Stock Exchange under the ticker symbol "TDG".

On March 14, 2006, TD Group effected a 149.6 for 1 stock split and, in conjunction therewith, amended and restated its certificate of incorporation to increase the number of authorized shares of common stock and preferred stock. All common share and per common share amounts of the Successor in these condensed consolidated financial statements prior to March 14, 2006 have been retroactively adjusted for all periods presented to give effect to the stock split, including reclassifying an

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amount equal to the increase in par value from additional paid-in capital to common stock. The common share and per common share amounts presented for the Predecessor for the period from October 1, 2002 through July 22, 2003 have not been retroactively adjusted to give effect to the stock split.

Merger On July 22, 2003, TD Group received \$471.3 million of initial funding from Warburg Pincus Private Equity VIII, L.P. ("Warburg Pincus") and certain other investors in the form of \$271.3 million of cash equity contributions and approximately \$200 million of borrowings under senior unsecured promissory notes. All of these funds were used to capitalize a newly formed, wholly-owned subsidiary of TD Group, TD Acquisition Corporation ("TD Acquisition"), that was merged with and into TransDigm Holdings, with TransDigm Holdings continuing as the surviving corporation and a wholly-owned subsidiary of TD Group (the "Merger"). The cash merger consideration of approximately \$759.7 million paid to TransDigm Holdings' former common and preferred stockholders, holders of in-the-money stock options and the holder of a warrant to purchase TransDigm Holdings' common stock (including merger related expenses of approximately \$29.1 million borne by the former equity holders of TransDigm Holdings and excluding the \$35.7 million fair value of stock options rolled over in connection with the Merger), acquisition fees and expenses of approximately \$34.7 million and the repayment of substantially all of TransDigm Inc.'s then existing long-term indebtedness was financed through: (1) the investment of \$471.3 million in TD Group which was contributed as equity to TD Acquisition which then contributed such proceeds as equity to TD Funding Corporation, a wholly-owned subsidiary of TD Acquisition, which merged with and into TransDigm Inc. in connection with the Merger, with TransDigm Inc. continuing as the surviving corporation and a wholly-owned subsidiary of TransDigm Holdings; (2) \$295.0 million of borrowings by TransDigm Inc. under a secured term loan facility; (3) \$400.0 million of gross proceeds from the issuance by TransDigm Inc. of 8³/₈% Senior Subordinated Notes due 2011; and (4) the use of TransDigm Inc.'s existing cash balances. Following the Merger, Warburg Pincus, through its direct and indirect ownership, owns a majority of the outstanding common stock of TD Group. The 8³/₈% Senior Subordinated Notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior subordinated basis, by TransDigm Holdings and all of TransDigm Inc.'s existing domestic subsidiaries.

The Merger was accounted for as a purchase and fair value adjustments to the Company's assets and liabilities were recorded as of the date of the Merger. The purchase price paid by TD Group under the terms of the merger agreement was determined in a competitive bidding process. The excess of the purchase price over the fair value of the identifiable net assets resulted in the recognition of \$800.0 million of goodwill; \$673.4 million of which will not be deductible for income tax purposes. TransDigm Holdings consolidated cash flows and results of operations have been included in the accompanying consolidated financial statements of the Successor since the date of the Merger.

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The following table summarizes the fair values assigned to the Company's assets and liabilities in connection with the Merger (in thousands):

Assets:	
Current assets	\$ 218,861
Property, plant and equipment	60,732
Goodwill	799,983
Other intangible assets	238,516
Other assets	27,732
	<hr/>
Total assets	1,345,824
	<hr/>
Liabilities:	
Current liabilities	82,100
Long-term debt	692,788
Deferred income taxes	60,472
Other liabilities	3,466
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Total liabilities	838,826
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TD Group investment in TransDigm Holdings	\$ 506,998
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TD Group's investment in TransDigm Holdings is comprised of TD Group's cash equity contribution of \$471.3 million plus the \$35.7 million fair value of TransDigm Holdings' stock options rolled over into interests in certain deferred compensation plans of TD Group (see Note 11) and stock options of TD Group (see Note 15) in connection with the Merger. The \$469.3 million of cash disbursed by TD Group in connection with the Merger, as reported in the accompanying consolidated statement of cash flows for the period ended September 30, 2003, is comprised of TD Group's \$471.3 million cash equity contribution and \$38.2 million of expenditures relating to the Merger made subsequent to July 22, 2003 less \$40.2 million of cash balances of TransDigm Holdings and its subsidiaries acquired in connection with the Merger.

The following table summarizes the unaudited, consolidated pro forma results of operations of the Company, as if the Merger and the Norco Acquisition (see Note 2) had occurred on the first day of the period presented (in thousands):

	October 1, 2002 Through July 22, 2003
	<hr/>
Net sales	\$ 248,685
Operating loss	(125,948)
Net loss	(106,800)

These pro forma results of operations include the effects of: (i) inventory purchase accounting adjustments that were charged to cost of sales in the year following the transactions as the inventory on hand as of the date of the transactions was sold; (ii) additional amortization expense that was recognized from the identifiable intangible assets recorded in accounting for the transactions; (iii) additional depreciation expense resulting from the write-up of the carrying value of property, plant and equipment to fair value in accounting for the transactions; (iv) additional compensation expense

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that resulted from the new stock option plan (see Note 15) and the deferred compensation plans of TD Group established in conjunction with the Merger (see Note 11) that cover certain management personnel of the Company; and (v) additional interest expense that resulted from the Company's increased indebtedness resulting from the transactions. This pro forma information is not necessarily indicative of the results that actually would have been obtained if the transactions had occurred as of the beginning of the periods presented and is not intended to be a projection of future results.

The Company's results of operations for the period ended July 22, 2003 included a one-time charge of \$176.0 million (\$111.8 million after tax) that was recorded as a result of the Merger and consisted primarily of the following (in thousands):

	Predecessor
Compensation costs recognized for stock options redeemed and rolled over in connection with the Merger	\$ 137,538
Premium paid to redeem the 10 ³ / ₈ % Senior Subordinated Notes	16,595
Write-off of debt issue costs associated with the 10 ³ / ₈ % Senior Subordinated Notes	9,459
Investment banker fees	8,220
Other fees and expenses	4,191
Total Merger charge	\$ 176,003

2. ACQUISITIONS

Eaton On June 30, 2005, TransDigm Inc., through its wholly-owned subsidiary Skurka Aerospace Inc. ("Skurka"), acquired an aerospace motor product line from Eaton Corporation for \$9.6 million in cash. The acquired Eaton business has been a long-time supplier of aerospace motors and related products. The motor products are used on a range of commercial aircraft, as well as military programs. The proprietary products, market position, and aftermarket content of the acquired business fit well with TransDigm Inc.'s overall business direction. The acquired business will be consolidated into Skurka's existing aerospace motor business in Camarillo, California. The purchase price consideration of \$9.6 million in cash was funded through the use of the Company's existing cash balances. The Company expects that the goodwill of \$4.8 million recognized in accounting for this acquisition will be deductible for income tax purposes.

Fluid Regulators On January 28, 2005, TransDigm Inc. acquired all of the outstanding capital stock of Fluid Regulators Corporation ("FRC") from Esterline Technologies Corporation, for \$23.5 million in cash, net of a purchase price adjustment of \$0.5 million received in April 2005. FRC designs and manufactures highly engineered flight control and pressure valves used in hydraulic, fuel, lubrication and related applications. The products are used on a wide range of commercial and regional aircraft as well as many corporate and military aircraft. FRC's product characteristics and market position fit well with TransDigm Inc.'s overall direction. In addition, in an attempt to reduce the combined operating costs of FRC and the AeroControlex division of TransDigm Inc., FRC was merged into TransDigm Inc. on September 30, 2005. The purchase price consideration of \$23.5 million in cash was funded through the use of the Company's existing cash balances. The Company expects that the goodwill of \$15.7 million recognized in accounting for this acquisition will not be deductible for income tax purposes.

Skurka On December 31, 2004, Skurka acquired certain assets and assumed certain liabilities of Skurka Engineering Company ("Skurka Engineering") for \$30.7 million in cash. Skurka Engineering designs and manufactures engineered aerospace components, primarily AC/DC electric motors and transducers. The products are used on a wide range of commercial and military aircraft, ships and ground vehicles. Skurka Engineering's product characteristics and market position fit well with TransDigm Inc.'s overall direction. The purchase price consideration of \$30.7 million in cash was funded through the use of the Company's existing cash balances. The Company expects substantially all of the goodwill of \$20.7 million recognized in accounting for this acquisition to be deductible for income tax purposes.

The Company accounted for the acquisition of the assets of Skurka Engineering, the stock of FRC and the motor product line (collectively, the "Acquisitions") as a purchase and included the results of operations of the acquired businesses in its consolidated financial statements from the effective date of the applicable acquisition. The Company is in the process of obtaining third-party valuations of certain tangible and intangible assets; thus, the values attributed to acquired assets in the consolidated financial statements are subject to adjustment. Pro forma net sales and results of operations for the Acquisitions, had the Acquisitions occurred at the beginning of the year ended September 30, 2005, are not significant and, accordingly, are not provided.

Avionic Instruments On July 9, 2004, TransDigm Inc. acquired all of the outstanding capital stock of Avionic Instruments, Inc. ("Avionic Instruments") and DAC Realty Corp. ("DAC") for approximately \$20.9 million in cash, net of a purchase price adjustment of \$0.6 million, net of fees, received in April 2005. Avionic Instruments designs and manufactures specialized power conversion devices for a wide range of aerospace applications. These products are used on most commercial and regional transports as well as many corporate and military aircraft. DAC is a realty company that holds title to the real property used in connection with the operation of the business of Avionic Instruments. Avionic Instruments' proprietary products, market position and aftermarket content fit well with TransDigm Inc.'s overall direction. In addition, the acquisition significantly enhances the Company's existing market position in aerospace power conversion devices.

The purchase price consideration of \$20.9 million in cash was funded through the use of the Company's existing cash balances. Goodwill of \$13.1 million recognized in accounting for this acquisition will not be deductible for income taxes. The Company accounted for the acquisition as a purchase and has included the results of operations of the acquired company in its consolidated financial statements from the effective date of the acquisition.

Pro forma net sales and results of operations for this acquisition, had the acquisition occurred at the beginning of the year ended September 30, 2004, are not significant and, accordingly, are not provided.

Norco On February 24, 2003, Marathon acquired certain assets and assumed certain liabilities of the Norco, Inc. ("Norco") business from TransTechnology Corporation for \$51.0 million in cash (the "Norco Acquisition"). In addition, the Company was required to pay approximately \$1.0 million of asset transfer tax payments in accordance with the purchase agreement and, during August 2003, a \$1.1 million purchase price adjustment was received by Marathon from TransTechnology Corporation (excluding related fees and expenses of \$0.1 million) based on a final determination of working capital as of the closing of the Norco Acquisition.

Norco is a leading aerospace component manufacturer of proprietary engine hold open mechanisms and specialty connecting devices. Norco's proprietary aerospace components, significant aftermarket sales and large share of niche markets are consistent with TransDigm Inc.'s overall direction. In addition, as a result of the Norco Acquisition, Marathon reduced the combined operating costs through the relocation of the Norco manufacturing process into its existing Waco, Texas facility. During the fourth quarter of the twelve-month period ended September 30, 2003, the Company relocated Norco's manufacturing operations from Norco's former facility in Connecticut to Marathon's Waco, Texas facility. In connection with this relocation, Norco's lease at its Connecticut facility was cancelled.

The initial purchase price consideration of \$51.0 million in cash, \$1.0 million of asset transfer tax payments and \$1.0 million of costs associated with the Norco Acquisition were funded through the use of \$28.2 million of the Company's existing cash balances and \$24.8 million (net of fees of \$0.2 million) of borrowings under TransDigm Inc.'s previous senior secured credit facility (the "Old Credit Facility"). All amounts outstanding under the Old Credit Facility were repaid in connection with the consummation of the Merger (see Note 1).

The Company accounted for the Norco Acquisition as a purchase and included the results of operations of the acquired business in its consolidated financial statements from the effective date of the acquisition. Substantially all of the goodwill recognized in accounting for the Norco Acquisition is deductible for income tax purposes.

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed in connection with the Norco Acquisition (in thousands):

	Predecessor
Current assets	\$ 8,487
Property, plant and equipment	834
Goodwill	27,981
Other intangible assets	17,137
Total assets acquired	54,439
Total liabilities assumed current liabilities	2,401
Net assets acquired	\$ 52,038

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation The accompanying consolidated financial statements include the accounts of TD Group and its subsidiaries and, prior to the Merger, the accounts of TransDigm Holdings and its subsidiaries (Predecessor). All significant intercompany balances and transactions have been eliminated.

Since the date of the Merger (see Note 1), the accompanying consolidated financial statements include fair value adjustments to assets and liabilities, including inventory, goodwill, other intangible assets and property, plant and equipment and the subsequent impact on cost of sales, amortization and depreciation expenses.

Revenue Recognition and Related Allowances The Company recognizes substantially all revenue based upon shipment of products to the customer, at which time title and risk of loss passes to the customer. Substantially all sales are made pursuant to firm, fixed-price purchase orders received from customers. Shipping and handling costs are included in cost of goods sold. 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 and the differences could be material.

Research and Development Costs The Company expenses research and development costs as incurred and records these costs in operating expenses selling and administration. The cost recognized for research and development costs for the years ended September 30, 2005 and September 30, 2004, and the periods ended September 30, 2003 and July 22, 2003 (Predecessor) was approximately \$2.5 million, \$2.2 million, \$0.3 million and \$1.5 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.

Marketable Securities Marketable securities consist of U.S. Treasury Notes, U.S. Government Agency mortgage-backed obligations, corporate bonds and asset backed securities. The Company accounts for its marketable securities under Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS No. 115"), which requires that marketable debt and equity securities be adjusted to market value at the end of each accounting period, except in the case of debt securities which a holder has the positive intent and ability to hold to maturity, in which case the debt securities are carried at cost. For marketable debt and equity securities carried at market value, unrealized market value gains and losses are charged or credited to a separate component of stockholders equity ("accumulated other comprehensive loss").

The Company determines the proper classification of its marketable debt and equity securities at the time of purchase and reevaluates such designations as of each balance sheet date. At September 30, 2004, all marketable securities were designated as available for sale. Accordingly, these securities were stated at market value at September 30, 2004, with unrealized gains and losses reported in accumulated other comprehensive loss. All marketable securities were sold during fiscal 2005. Realized gains and losses on sale of securities, as determined on a specific identification basis, were included in net income.

Allowance for Uncollectible Accounts The Company reserves for amounts determined to be uncollectible based on specific identification and 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 determined by the average cost and the first-in, first-out (FIFO) methods. Provision for potentially obsolete or slow-moving inventory is made based on management's analysis of inventory levels and future sales

forecasts. In accordance with industry practice, all inventories are classified as current assets even though a portion of the inventories may not be sold within one year.

Property, Plant and Equipment Property, plant and equipment are stated at cost. 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 10 to 30 years, machinery and equipment from 3 to 10 years and furniture and fixtures from 3 to 10 years.

The Company assesses the potential impairment of its property 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.

Debt Issue Costs, Premiums and Discounts The cost of obtaining financing as well as premiums and discounts are amortized using the interest method over the terms of the respective obligations/securities.

Intangible Assets Intangible assets consist of identifiable intangibles acquired or recognized in accounting for the Merger and other acquisitions (trademarks, trade names, a license agreement, patented and unpatented technology, trade secrets and order backlog) and goodwill. Goodwill and certain other intangible assets that have indefinite useful lives are not amortized. Instead, they are tested for impairment at least annually. A two-step impairment test is used to identify potential goodwill impairment. 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. 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's annual impairment test of goodwill and intangible assets that have indefinite useful lives is performed as of its fiscal year end.

The Company assesses the recoverability of its amortizable intangible assets by determining whether the amortization over their remaining lives can be recovered through projected, undiscounted, cash flows from future operations.

Stock Option and Deferred Compensation Plans Prior to the Merger, the Company applied Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", ("APB No. 25") and related interpretations in accounting for its stock option plans. No compensation cost was recognized for TransDigm Holdings' stock option plans because the exercise price of the options issued equaled the fair value of the common stock on the grant date. In connection with the Merger, TransDigm Holdings' outstanding stock options were either cancelled in return for cash consideration or exchanged for a combination of stock options of TD Group and interests in certain deferred compensation plans of TD Group.

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

Earnings Per Share The Company is required to report both basic earnings per share ("EPS"), based upon the weighted average number of common shares outstanding, and diluted EPS, based on the basic EPS adjusted for all potentially dilutive shares issuable. The calculation of EPS is disclosed in Note 13.

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.

Estimates The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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/(deficiency) from transactions and other events and circumstances resulting from non-shareholder sources. The Company's accumulated other comprehensive loss, consisting principally of its minimum pension liability adjustment, is reported separately in the accompanying consolidated statements of changes in stockholders equity/(deficiency), net of taxes of \$0.2 million, \$0.1 million, \$0.1 million, and \$0.1 million for the years ended September 30, 2005 and September 30, 2004, the period from July 8, 2003 through September 30, 2003, and the period from October 1, 2002 through July 22, 2003 (Predecessor), respectively.

Segment Reporting In accordance with Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information," management evaluates the Company as one reporting segment in the aerospace industry. The Company is engaged in the design, manufacture and sale of engineered aircraft components through its wholly owned subsidiaries. The Company's product offerings consist primarily of highly engineered electro/mechanical components used in aerospace and defense applications. Substantially all of the Company's operations and assets are located within the United States.

Reclassifications Certain reclassifications have been made to the accompanying consolidated financial statements and footnote disclosures for fiscal year 2004 and the periods ended July 22, 2003 and September 30, 2003 to conform to the classifications used for the year ended September 30, 2005.

4. MARKETABLE SECURITIES

There were no marketable securities at September 30, 2005. At September 30, 2004 marketable securities consisted of the following (in thousands):

	Cost	Gross Unrealized		Fair Value
		Gains	Losses	
Debt securities:				
U.S. Treasury Notes	\$ 19,212	\$ 15	\$ 13	\$ 19,214
U.S. Government Agency mortgage-backed securities	11,055	13	20	11,048
Corporate bonds	8,689	3	71	8,621
Asset backed securities	11,715	24	21	11,718
Total	\$ 50,671	\$ 55	\$ 125	\$ 50,601

Proceeds from the sale/maturity of marketable securities were \$116.0 and \$44.0 million during the years ended September 30, 2005 and September 30, 2004, respectively. Gross realized losses for the years ended September 30, 2005 and September 30, 2004 were \$0.8 million and \$0.1 million, respectively. The Company had no realized gains or losses from the sale/maturity of marketable securities during the periods ended July 22, 2003 (Predecessor) and September 30, 2003.

5. SALES AND TRADE ACCOUNTS RECEIVABLE

Sales The Company's sales and receivables are concentrated in the aerospace industry. The Company's customers include distributors of aftermarket components, as well as commercial airlines, aircraft maintenance facilities, systems suppliers, and aircraft and engine original equipment manufacturers.

For the year ended September 30, 2005, three customers accounted for approximately 11%, 10% and 9% of the Company's net sales, respectively. For the year ended September 30, 2004, three customers accounted for approximately 13%, 12% and 9% of the Company's net sales, respectively. For the period ended September 30, 2003, one customer accounted for approximately 13% and two customers each accounted for approximately 8% of the Company's net sales. For the period ended July 22, 2003, three customers accounted for approximately 14%, 12% and 10% of the Company's net sales, respectively. Export sales to customers, primarily in Western Europe, Canada and Asia, were \$81.5 million during fiscal 2005, \$69.9 million during fiscal 2004, \$14.0 million during the period ended September 30, 2003 and \$73.8 million during the period ended July 22, 2003 (Predecessor).

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Information concerning the Company's net sales by its major product offerings is as follows for the periods indicated below (in thousands):(1)

	Year Ended September 30, 2005	Year Ended September 30, 2004	July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor October 1, 2002 Through July 22, 2003
Ignition systems and components	\$ 77,886	\$ 76,872	\$ 13,862	\$ 56,787
Gear pumps	40,547	35,840	6,397	25,156
Mechanical/electro-mechanical actuators and controls	39,457	36,918	4,746	27,849
Engineered connectors	38,065	34,446	7,209	25,032
Specialized valves	31,444	16,299	2,161	13,532
Engineered latching and locking devices	29,368	26,585	5,382	48,754
NiCad batteries/chargers	25,112	23,620	4,762	18,675
Rods and locking devices	23,690	20,544	3,116	7,505
Lavatory hardware	19,049	16,334	2,410	9,738
Elastomers	17,661	10,339	2,038	8,157
Power conditioning devices	17,320	2,906		
AC/DC electric motors	14,654			
Total	\$ 374,253	\$ 300,703	\$ 52,083	\$ 241,185

- (1) The comparability of net sales of certain product offerings may vary from period to period due, in part, to the reclassification of a particular product into a different product category from the prior period.

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

	2005	2004
Due from U.S. government or prime contractors under U.S. government programs	\$ 7,224	\$ 7,488
Commercial customers	57,440	37,865
Allowance for uncollectible accounts	(1,110)	(864)
Trade accounts receivable net	\$ 63,554	\$ 44,489

Approximately 34% of the Company's trade accounts receivable at September 30, 2005 was due from four customers. In addition, approximately 23% 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.

6. INVENTORIES

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

	<u>2005</u>	<u>2004</u>
Work-in-progress and finished goods	\$ 40,234	\$ 36,728
Raw materials and purchased component parts	42,581	34,314
Total	82,815	71,042
Reserve for excess and obsolete inventory	(6,738)	(6,657)
Inventories net	\$ 76,077	\$ 64,385

7. PROPERTY, PLANT AND EQUIPMENT

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

	<u>2005</u>	<u>2004</u>
Land and improvements	\$ 9,055	\$ 8,886
Buildings and improvements	25,666	22,388
Machinery, equipment and other	45,283	36,459
Construction in progress	1,891	2,398
Total	81,895	70,131
Accumulated depreciation	(18,271)	(9,314)
Property, plant and equipment net	\$ 63,624	\$ 60,817

8. INTANGIBLE ASSETS

Intangibles assets subject to amortization consisted of the following at September 30 (in thousands):

	<u>2005</u>		
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Unpatented technology	\$ 90,786	\$ 8,488	\$ 82,298
License agreement	9,373	1,150	8,223
Trade secrets	11,772	1,159	10,613
Patented technology	1,498	387	1,111
Order backlog	9,245	8,807	438
Other	1,827	56	1,771
Total	\$ 124,501	\$ 20,047	\$ 104,454

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	2004		
	Gross Carrying Amount	Accumulated Amortization	Net
Unpatented technology	\$ 85,186	\$ 4,363	\$ 80,823
License agreement	9,468	625	8,843
Trade secrets	11,772	623	11,149
Patented technology	1,345	209	1,136
Order backlog	7,630	6,480	1,150
Total	\$ 115,401	\$ 12,300	\$ 103,101

The total carrying amount of identifiable intangible assets not subject to amortization consisted of trademarks and trade names in the amount of \$125.5 million at September 30, 2005 and September 30, 2004. The Company performed its annual impairment test of goodwill and intangible assets that have indefinite lives as of September 30, 2005 and 2004 and determined that no impairment had occurred.

Intangible assets acquired during the year ended September 30, 2005 were as follows (in thousands):

	Year Ended September 30, 2005	
	Cost	Amortization Period
Intangible assets not subject to amortization:		
Goodwill	\$ 41,207	None
Intangible assets subject to amortization:		
Unpatented technology	5,600	20 years
Order backlog	1,615	1 year
Other	1,600	7 year
	8,815	14 years
Total	\$ 50,022	

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The changes in the carrying amount of goodwill for the period October 1, 2002 through July 22, 2003, the period July 23, 2003 through September 30, 2003 and the fiscal years ended September 30, 2004 and 2005 were as follows (in thousands):

Balance as of October 1, 2002 (Predecessor)	\$	158,453
Goodwill acquired during the period		27,981
Other		(14)
		<hr style="border-top: 1px solid black;"/>
Balance as of July 22, 2003 (Predecessor)		186,420
Additional goodwill recognized in accounting for the Merger (Note 1)		621,294
		<hr style="border-top: 1px solid black;"/>
Balance as of September 30, 2003		807,714
Goodwill acquired during the year		12,477
Reduction in goodwill recognized in accounting for the Merger (Note 1)		(7,731)
		<hr style="border-top: 1px solid black;"/>
Balance as of September 30, 2004		812,460
Goodwill acquired during the year (Note 2)		41,207
Other		2,017
		<hr style="border-top: 1px solid black;"/>
Balance as of September 30, 2005	\$	855,684
		<hr style="border-top: 1px solid black;"/>

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

Aggregate amortization expense:		
Year ended September 30, 2005	\$	7,747
Year ended September 30, 2004		10,325
Period ended September 30, 2003		1,975
Period ended July 22, 2003 (Predecessor)		945

Estimated amortization expense for the years ending September 30:		
2006	\$	6,099
2007		5,661
2008		5,661
2009		5,549
2010		5,512

9. ACCRUED LIABILITIES

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

	<u>2005</u>	<u>2004</u>
Interest	\$ 70,109	\$ 7,844
Deferred compensation obligations	29,736	
Compensation and related benefits	8,858	6,533
Income taxes payable	2,881	146
Estimated losses on uncompleted contracts	2,361	3,450
Product warranties	2,789	2,829
Sales returns and rebates	739	881
Professional services	940	1,573
Other	2,012	1,639
	<u> </u>	<u> </u>
Total	\$ 120,425	\$ 24,895

Product Warranties The Company provides limited warranties in connection with the sale of its products. The warranty period for products sold varies, ranging from 90 days to five years; however, the warranty period for the majority of the Company's sales generally does not exceed one year. A provision for the estimated cost to repair or replace the products is recorded at the time of sale and periodically adjusted to reflect actual experience. The following table presents a reconciliation of changes in the product warranty liability for the periods indicated below (in thousands):

	<u>Year Ended September 30, 2005</u>	<u>Year Ended September 30, 2004</u>	<u>July 8, 2003 (Date of Formation) Through September 30, 2003</u>	<u>Predecessor October 1, 2002 Through July 22, 2003</u>
Liability balance at beginning of period	\$ 2,829	\$ 3,070	\$ 2,738	\$ 2,356
Product warranty provision	1,512	1,350	758	1,455
Warranty costs incurred	(1,985)	(1,957)	(426)	(1,073)
Acquisitions	433	366		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liability balance at end of period	\$ 2,789	\$ 2,829	\$ 3,070	\$ 2,738

10. DEBT

Summary The Company's long-term debt consists of the following at September 30 (in thousands):

	2005	2004
Term loans	\$ 289,849	\$ 292,791
8 ³ / ₈ % Senior Subordinated Notes due 2011	400,000	400,000
12% Senior Unsecured Promissory Notes due 2008	199,997	199,997
	<u>889,846</u>	<u>892,788</u>
Total debt	889,846	892,788
Current maturities (Note 12)	(2,943)	(2,943)
	<u>886,903</u>	<u>889,845</u>
Long-term portion	\$ 886,903	\$ 889,845

Revolving Credit Facility and Term Loans In connection with the Merger (see Note 1), all of TransDigm Inc.'s borrowings (term loans) under the Old Credit Facility were repaid and a new senior secured credit facility was obtained. On April 1, 2004, TransDigm Inc.'s senior secured credit facility was amended and restated to refinance approximately \$294 million of term loans then outstanding. TransDigm Inc.'s new amended and restated senior secured credit facility (the "Amended and Restated Senior Credit Facility") totals \$394 million, which consists of (1) a \$100 million revolving credit line (including a letter of credit sub-facility of \$15 million) maturing in July 2009 and (2) a \$294 million term loan facility maturing in July 2010. At September 30, 2005, TransDigm Inc. had a \$0.85 million letter of credit outstanding and \$99.15 million of borrowings available under the Amended and Restated Senior Credit Facility.

The interest rates per annum applicable to loans, other than swingline loans, under the Amended and Restated Senior Credit Facility are, at TransDigm Inc.'s option, equal to either an alternate base rate or an adjusted LIBO rate for one, two, three or six-month interest periods selected by TransDigm Inc., in each case, plus an applicable margin percentage. The applicable margin percentage is a percentage per annum equal to (1) 1.25% for alternate base rate term loans, (2) 2.25% for adjusted LIBO rate term loans and (3) in the case of alternate base rate revolving loans and adjusted LIBO rate revolving loans, a percentage ranging from 1.75% to 2.50% (in the case of alternate base rate revolving loans) and 2.75% to 3.50% (in the case of adjusted LIBO rate revolving loans), in each case depending upon the leverage ratio of TransDigm Inc. as of the relevant date of determination. The weighted average interest rate on outstanding borrowings under the Amended and Restated Senior Credit Facility at September 30, 2005 was 5.8%.

The Amended and Restated Senior Credit Facility is subject to mandatory prepayment with a defined percentage of net proceeds from certain asset sales, insurance proceeds or other awards that are payable in connection with the loss, destruction or condemnation of any assets, certain new debt offerings and 50% of excess cash flow (as defined in the Amended and Restated Senior Credit Facility) over a predetermined amount defined in the Amended and Restated Senior Credit Facility. The first fiscal year for which excess cash flow may be calculated is the fiscal year ending September 30, 2006.

All obligations under the Amended and Restated Senior Credit Facility are guaranteed by TransDigm Holdings and each of the domestic subsidiaries, direct and indirect, of TransDigm Inc. The indebtedness outstanding under the Amended and Restated Senior Credit Facility is secured by a pledge of the stock of TransDigm Inc. and all of its domestic subsidiaries and a perfected lien and security interest in substantially all of the assets (tangible and intangible) of TransDigm Inc., its direct

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and indirect subsidiaries and TransDigm Holdings. The agreement also contains a number of restrictive covenants that, among other things, restrict TransDigm Holdings, TransDigm Inc. and their subsidiaries from various actions, including mergers and sales of assets, use of proceeds, granting of liens, incurrence of indebtedness, voluntary prepayment of indebtedness, capital expenditures, payment of dividends, repurchase of capital stock, business activities, investments and acquisitions, and transactions with affiliates. The agreement also requires TransDigm Inc. to comply with certain financial covenants pertaining to fixed charge coverage, interest coverage and leverage. TransDigm Inc. was in compliance with all financial covenants of the Amended and Restated Senior Credit Facility as of September 30, 2005. TransDigm Inc.'s scheduled term loan principal repayments are \$2.94 million annually in fiscal years 2006 through 2009 and \$278.08 million in fiscal year 2010.

Senior Subordinated Notes In connection with the Merger (see Note 1), all of TransDigm Inc.'s 10³/₈% Senior Subordinated Notes were either repaid or defeased and \$400 million of new 8³/₈% Senior Subordinated Notes due July 15, 2011 (the "Notes") were issued to assist in financing the Merger. The Notes are unsecured obligations of TransDigm Inc. ranking subordinate to TransDigm Inc.'s senior debt, as defined in the indenture governing the Notes. Interest under the Notes is payable semi-annually.

The Notes are redeemable by TransDigm Inc. after July 15, 2006, in whole or in part, at specified redemption prices, which decline from 106.281% to 100% over the remaining term of the Notes, plus accrued and unpaid interest. Prior to July 15, 2006, TransDigm Inc. may redeem specified percentages of the Notes from the proceeds of equity offerings at a redemption price of 108.375% plus accrued and unpaid interest. If a Change in Control (as defined in the indenture governing the Notes) occurs, the holders of the Notes will have the right to demand that TransDigm Inc. redeem the Notes at a purchase price equal to 101% of the principal amount of the Notes plus accrued and unpaid interest. The indenture governing the notes contains a number of restrictive covenants that, among other things, restrict TransDigm Inc. and its restricted subsidiaries from various actions, including incurring or guaranteeing additional debt, issuing preferred stock of restricted subsidiaries, paying dividends or making other equity distributions, purchasing or redeeming capital stock, making certain investments, entering into arrangements that restrict dividends from restricted subsidiaries, engaging in transactions with affiliates, selling or otherwise disposing of assets and merging into or consolidating with another entity.

The Notes are fully and unconditionally guaranteed by TransDigm Holdings and all direct and indirect subsidiaries of TransDigm Inc. (other than one wholly-owned, non-guarantor subsidiary that has inconsequential assets, liabilities and equity) on a senior subordinated basis. The guarantee given by TransDigm Holdings and the direct and indirect subsidiaries of TransDigm Inc. (other than the subsidiary noted above) of the 8³/₈% Senior Subordinated Notes is subordinated to the guarantees issued by such entities in respect of TransDigm Inc.'s borrowings under the Amended and Restated Senior Credit Facility.

The approximate \$2.2 million of 10³/₈% Senior Subordinated Notes not repaid in connection with the Merger were defeased by TransDigm Inc. on July 22, 2003 by depositing sufficient cash with the trustee to enable the trustee to repay the notes on December 1, 2003, the first date on which the 10³/₈% Senior Subordinated Notes could be redeemed. Because TransDigm Inc. had not been legally released from being the primary obligor under the defeased notes as of September 30, 2003, the

defeased notes were not considered extinguished by TransDigm Inc. until they were repaid in December 2003.

Senior Unsecured Promissory Notes In connection with the initial funding of TD Group (see Note 1), TD Group issued approximately \$200 million of senior unsecured promissory notes due July 22, 2008 (the "Senior Unsecured Promissory Notes"). As discussed in Note 21, the Senior Unsecured Promissory Notes were repaid in their entirety on November 10, 2005. Interest on the Senior Unsecured Promissory Notes accrued at an annual fixed rate of 12% (compounding semi-annually) and was payable on the maturity date of the notes or the earlier prepayment thereof. The Senior Unsecured Promissory Notes were not guaranteed by TransDigm Holdings or its subsidiaries and the provisions of the Amended and Restated Senior Credit Facility and the indenture that governs the Notes restricted certain payments to TD Group from TransDigm Holdings, TransDigm Inc. and its subsidiaries.

See Note 21 for information regarding certain indebtedness incurred by TD Group on November 10, 2005.

11. RETIREMENT PLANS

Defined Benefit Pension Plans The Company has two 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 Company's funding policy is to contribute actuarially determined amounts allowable under Internal Revenue Service regulations.

The Company uses a September 30th measurement date for its defined benefit pension plans.

Obligations and funded status for the defined benefit plans is provided below (in thousands):

	Years Ended September 30,	
	2005	2004
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 6,897	\$ 6,562
Service cost	86	78
Interest cost	395	380
Benefits paid	(391)	(372)
Actuarial losses	396	249
	7,383	6,897
	\$ 7,383	\$ 6,897
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ 5,303	\$ 5,080
Actual return on plan assets	220	213
Employer contribution	573	382
Benefits paid	(391)	(372)
	5,705	5,303
	\$ 5,705	\$ 5,303

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	September 30,	
	2005	2004
Funded status at September 30:		
Funded status	\$ (1,678)	\$ (1,594)
Unamortized actuarial losses	818	439
Net amount recognized	\$ (860)	\$ (1,155)
	September 30,	
	2005	2004
Amounts recognized in the consolidated balance sheets at September 30 consist of:		
Unamortized prior service cost	\$ 227	\$
Accrued liabilities	(480)	(572)
Other non-current liabilities (Note 12)	(1,198)	(1,022)
Accumulated other comprehensive loss	591	439
Net amount recognized	\$ (860)	\$ (1,155)

The Company's accumulated benefit obligation for its defined benefit pension plans was \$7.4 million and \$6.9 million as of September 30, 2005 and 2004, respectively.

	Year Ended September 30, 2005	Year Ended September 30, 2004	July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor October 1, 2002 Through July 22, 2003
Components of net periodic benefit cost:				
Service cost	\$ 86	\$ 78	\$ 14	\$ 72
Interest cost	395	380	63	306
Expected return on plan assets	(262)	(252)	(42)	(243)
Net amortization and deferral	58	33	5	116
Net periodic pension cost	\$ 277	\$ 239	\$ 40	\$ 251

	September 30,		
	2005	2004	2003
Weighted-average assumptions as of September 30:			
Discount rate	5.50%	5.75%	5.75%
Expected return on plan assets	4.50%	5.00%	5.00%

The plans' assets consist of guaranteed investment contracts with an insurance company. It is the objective of the plan sponsor to ensure that the funds of the plans are prudently invested to preserve capital and provide necessary liquidity, while maximizing earnings. The Company's expected return on plan assets is based on the return of the guaranteed investment contracts.

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Contributions: The Company expects to contribute \$0.5 million to its pension plans in fiscal 2006.

Estimated Future Benefit Payments:

The following pension plan benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Years Ending September 30,	
2006	\$ 436
2007	431
2008	432
2009	436
2010	430
2011 - 2015	2,613

Defined Contribution Plans The Company also sponsors certain defined contribution employee savings plans that cover substantially all of the Company's non-union employees. Under the 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, 2005 and September 30, 2004 and the periods ended September 30, 2003 and July 22, 2003 (Predecessor) was approximately \$1.8 million, \$1.8 million \$0.3 million, and \$1.6 million, respectively.

Deferred Compensation Plans Prior to the termination of the deferred compensation plans discussed in Note 21, certain management personnel of the Company participated in one or both of two deferred compensation plans of TD Group that were established in connection with the Merger. Vested interests in a rollover deferred compensation plan equal to approximately \$17.8 million of the \$35.7 million fair value of the stock options rolled over in connection with the Merger were issued as partial compensation in exchange for such options (see Note 1). Management's interest in the rollover deferred compensation plan accreted at a rate of 12% per annum. Notional interests in a management deferred compensation plan were also issued to certain management personnel in connection with the Merger. The vesting provisions of the management deferred compensation plan were identical to the vesting provisions contained in the TD Group stock option plan and were based on the achievement of time and performance criteria over a five-year period. Management's interests in the management deferred compensation plan were initially valued at zero and accreted at a rate equal to 11.1% of the sum of the interest accrued on the Senior Unsecured Promissory Notes and the notional interest credited under the rollover deferred compensation plan. The cost recognized for the plans totaled \$5.8 million for the year ended September 30, 2005, \$5.6 million for the year ended September 30, 2004 and \$0.9 million for the period ended September 30, 2003. The vested obligations under the deferred compensation plans represented obligations of TD Group and were not guaranteed by TransDigm Holdings or any of its subsidiaries.

See Note 21 for information regarding the adoption of a new deferred compensation plan.

12. OTHER LIABILITIES

Current Portion of Long-Term Liabilities The current portion of long-term liabilities consists of the following at September 30 (in thousands):

	<u>2005</u>	<u>2004</u>
Current portion of long-term debt (Note 10)	\$ 2,943	\$ 2,943
Current portion of license agreement obligation		1,488
	<u>2,943</u>	<u>4,431</u>
Current portion of long-term liabilities	<u>\$ 2,943</u>	<u>\$ 4,431</u>

Other Non-Current Liabilities Other non-current liabilities consist of the following at September 30 (in thousands):

	<u>2005</u>	<u>2004</u>
Accrued pension costs (Note 11)	\$ 1,198	\$ 1,022
Obligation under license agreement (net of imputed interest of \$12 in fiscal 2004)		1,488
Deferred compensation obligations (Note 11)		23,950
Interest Accrued on Senior Unsecured Promissory Notes (Note 10)		30,400
Other	1,803	1,817
	<u>3,001</u>	<u>58,677</u>
Total	3,001	58,677
Current portion of license agreement obligation		(1,488)
	<u>3,001</u>	<u>57,189</u>
Other non-current liabilities	<u>\$ 3,001</u>	<u>\$ 57,189</u>

13. EARNINGS PER SHARE CALCULATION

The following table sets forth the computation of basic and diluted earnings per share:

	<u>Year Ended September 30, 2005</u>	<u>Year Ended September 30, 2004</u>	<u>July 8, 2003 (Date of Formation) Through September 30, 2003</u>	<u>Predecessor⁽¹⁾ October 1, 2002 Through July 22, 2003</u>
	(in thousands, except per share data)			
Basic Earnings Per Share Computation:				
Net income (loss)	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (69,969)
Cumulative redeemable preferred stock dividends				(2,443)
Accretion for original issuance discount on cumulative redeemable preferred stock				(226)
	<u>34,687</u>	<u>13,622</u>	<u>(5,759)</u>	<u>(72,638)</u>
Income (loss) available to common stockholders	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (72,638)
	<u>44,202</u>	<u>44,193</u>	<u>43,608</u>	<u>119.8</u>
Weighted average common shares outstanding	44,202	44,193	43,608	119.8

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					Predecessor ⁽¹⁾	
Basic earnings (loss) per share	\$	0.78	\$	0.31	\$ (0.13)	(0.58)
)	\$

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	Year Ended September 30, 2005	Year Ended September 30, 2004	July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor ⁽¹⁾ October 1, 2002 Through July 22, 2003
(in thousands, except per share data)				
Diluted Earnings Per Share Computation:				
Income (loss) available to common stockholders	\$ 34,687	\$ 13,622	\$ (5,759)	\$ (72,638)
Weighted-average common shares outstanding	44,202	44,193	43,608	119.8
Effect of dilutive options outstanding	2,342	2,107		
Total weighted-average shares outstanding	46,544	46,300	43,608	119.8
Diluted earnings (loss) per share	\$ 0.75	\$ 0.29	\$ (0.13)	\$ (606.38)

- (1) The common share and per common share amounts presented for the Predecessor for the period from October 1, 2002 through July 22, 2003 have not been adjusted to reflect the 149.6 for 1 stock split effected by TD Group on March 14, 2006 in connection with the IPO.

There were approximately 7.3 million stock options outstanding at September 30, 2003 excluded from the diluted earnings computation due to the anti-dilutive effect of such options.

14. INCOME TAXES

Prior to the Merger, TransDigm Holdings filed its own consolidated federal income tax return. For periods subsequent to the Merger, TransDigm Holdings, TransDigm Inc. and its subsidiaries file a consolidated federal income tax return with TD Group. Accordingly, TransDigm Holdings, TransDigm Inc. and its subsidiaries have entered into a tax sharing agreement with TD Group under which each company's federal income tax liability for any period will equal the lesser of (1) each company's U.S. federal income taxes that would be payable by such company had the company filed a separate income tax return for that fiscal year based on the company's separate taxable income; or (2) the product of (a) the affiliated group of corporations consisting of TD Group, as the common parent, and each company's actual consolidated U.S. federal tax liability for such fiscal year and (b) a fraction, the numerator of which is such company's separate tax return liability for that fiscal year and the denominator of which is the sum of each company's separate tax return liability for that fiscal year.

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

	Year Ended September 30, 2005	Year Ended September 30, 2004	July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor October 1, 2002 Through July 22, 2003
Current	\$ 21,934	\$ 3,976	\$ 285	\$ (20,308)
Deferred	(2,956)	(10,579)	(4,174)	(5,990)
Net operating loss and tax credit carryforwards	3,649	13,285	(81)	(14,403)
Total	\$ 22,627	\$ 6,682	\$ (3,970)	\$ (40,701)

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

	Year Ended September 30, 2005	Year Ended September 30, 2004	July 8, 2003 (Date of Formation) Through September 30, 2003	Predecessor October 1, 2002 Through July 22, 2003
Tax at statutory rate of 35%	\$ 20,042	\$ 7,106	\$ (3,405)	\$ (38,735)
State and local income taxes	2,012	911	(257)	(5,379)
Change in valuation allowance resulting from change in Ohio Tax Code	1,318			
Nondeductible Merger expenses				4,236
Nondeductible goodwill amortization and interest expense				24
Research and development credits	(550)	(375)	(225)	(300)
Benefit from foreign sales	(698)	(1,146)	(158)	(1,207)
Other net	503	186	75	660
Income tax provision (benefit)	\$ 22,627	\$ 6,682	\$ (3,970)	\$ (40,701)

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

	2005	2004
Deferred tax assets:		
Employee compensation and other accrued obligations	\$ 14,892	\$ 17,658
Interest accrued on Senior Unsecured Promissory Notes	9,700	4,918
Net operating loss and tax credit carryforwards federal and state income taxes	4,094	7,009
Estimated losses on uncompleted contracts	581	1,375
Inventory	2,130	1,670
Employee benefits	7,558	1,699
Sales returns and repairs	1,116	1,308
Other accrued liabilities	439	1,358
Transaction costs	1,494	2,433
	42,004	39,428
Total deferred tax assets	42,004	39,428
Less valuation allowance	(2,729)	(750)
	39,275	38,678
	39,275	38,678
Deferred tax liabilities:		
Intangible assets	81,362	79,325
Property, plant and equipment	10,117	9,670
	91,479	88,995
	91,479	88,995
Total net deferred tax liabilities	\$ 52,204	\$ 50,317
	\$ 52,204	\$ 50,317

The Company's net operating loss carryforwards as of September 30, 2005 expire as follows (in thousands):

Fiscal Year of Expiration	Federal	State	Local
2008	\$	\$	\$ 70,853
2009			328
2013		12,758	
2023		31,423	

The \$70,853 of local net operating losses have only a 5 year carryforward period and it is unlikely that the Company will be able to utilize the entire balance by the expiration of the carryforward period. Therefore, a valuation allowance has been established equal to the amount of the net operating loss that the Company believes will not be utilized. It is also unlikely that the \$31,423 of state net operating losses will be utilized by the Company prior to 2023 because a change in the Ohio tax law eliminates the corporate income tax and replaces it with a commercial activity tax by 2010. Again, a valuation allowance has been established that is equal to the amount of the net operating loss that the Company believes will not be utilized.

15. CAPITAL STOCK, WARRANT, AND OPTIONS

Capital Stock Authorized capital stock of TD Group consists of 224.4 million shares of \$.01 par value common stock and 149.6 million shares of \$.01 par value preferred stock. The total number of shares of common stock of TD Group outstanding at September 30, 2005 and 2004 was 44.2 million.

There were no shares of preferred stock outstanding at September 30, 2005 and 2004. The terms of the preferred stock have not been established.

Prior to the IPO (see Note 1), under certain circumstances, management personnel of the Company who owned shares of TD Group common stock or vested options to purchase shares of TD Group common stock had put rights and TD Group had call rights if their employment with the Company was terminated. The funds necessary to satisfy a properly executed put or call right were expected to be transferred to TD Group by TransDigm Inc., if permitted under restrictions regarding the repurchase of capital stock contained in TransDigm Inc.'s long-term debt agreements (see Note 10). Under TD Group's Management Stockholders' Agreement, if TD Group was unable to access sufficient funds to enable it to repurchase the stock or vested options, TD Group was not permitted to make such purchase until all prohibitions lapsed, and was required to then pay such management shareholder, in addition to the repurchase price, a specified rate of interest on the repurchase price. Upon the closing of the IPO, the Management Stockholders' Agreement terminated and the foregoing provisions ceased to have any further force or effect.

Common Stock Options Issued by TD Group In conjunction with the Merger, certain executives and key employees of the Company were granted stock options under a stock option plan of TD Group. In addition to the stock options issued under the plan covering the Company's employees, a member of the Company's board of directors has also been granted stock options of TD Group. TD Group has reserved 9,156,995 shares of its common stock for issuance to the Company's employees under the plans, 8,230,020 of which had been issued as of September 30, 2005. The options generally vest upon: (1) the achievement of certain earnings targets, (2) a change in the control of TD Group, or (3) certain specified dates in the option agreements. Unless terminated earlier, the options expire ten years from the date of grant.

The Company accounts for the TD Group stock option activity in accordance with SFAS No. 123, *Accounting for Stock-Based Compensation*, and, accordingly, measures compensation expense under the plan based on the estimated fair value of the awards on the grant dates and amortizes the expense over the options' vesting periods. The fair value of the option awards is determined using the Black-Scholes option pricing model and the following assumptions: risk-free interest rate ranging from 2.5% to 4.10%, expected option life ranging from four to five years and no expected volatility or dividend yield.

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Option activity was as follows during the fiscal years ended September 30, 2005 and September 30, 2004 and the period from July 23, 2003 through September 30, 2003:

	Year Ended September 30, 2005		Year Ended September 30, 2004		July 23, 2003 Through September 30, 2003	
	Shares	Weighted- Average Exercise Price	Shares	Weighted- Average Exercise Price	Shares	Weighted- Average Exercise Price
Outstanding at beginning of period	7,216,557	\$ 4.80	7,310,774	\$ 4.69		
Granted in exchange for rollover stock options (Note 1)					3,870,131	2.05
Granted following closing of Merger	462,788	10.39	209,440	6.68	3,954,377	6.68
Exercised/cancelled			(303,657)	3.58	(513,734)	0.13
Outstanding at end of period	7,679,345	5.13	7,216,557	4.80	7,310,774	4.69
Exercisable at end of period	4,663,559	4.04	4,026,487	3.30	3,785,061	2.83

During the fiscal years ended September 30, 2005 and September 30, 2004 and the period from July 23, 2003 through September 30, 2003, the weighted average fair value of each option granted was \$1.46, \$0.93 and \$0.79, respectively. Non-cash stock option compensation expense recognized during these periods was \$0.7 million, \$0.6 million and \$0.1 million, respectively.

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The following table summarizes information about stock options outstanding at September 30, 2005:

<u>Exercise Price</u>	<u>Outstanding</u>	<u>Options Outstanding Weighted-Average Remaining Contractual Life (In Years)</u>	<u>Number Exercisable</u>
\$ 0.45	27,577	4.25	27,577
0.75	94,740	4.25	94,740
0.79	260,204	4.25	260,204
2.34	622,264	4.25	622,264
2.36	297,122	4.25	297,122
2.38	902,929	4.25	902,929
2.38	222,397	4.25	222,397
2.65	187,259	4.83	187,259
3.15	96,075	5.57	96,075
3.35	392,305	6.59	392,305
3.39	20,015	6.80	20,015
5.80	64,494	7.15	64,494
6.68	4,029,177	7.86	1,254,994
8.52	284,240	9.25	42,636
13.37	178,547	4.90	178,548
	<u>7,679,345</u>		<u>4,663,559</u>

At September 30, 2005, 926,975 remaining options were available for award under TD Group's stock option plan.

Common Stock Options Issued by TransDigm Holdings Prior to the Merger, TransDigm Holdings granted options to purchase common stock to certain employees of TransDigm Inc. Such options generally vested upon the passage of time and/or TransDigm Holdings' attainment of certain financial targets, including a "change in control," if any, on or prior to September 30, 2003, pursuant to which certain investor return targets were satisfied. These investor return targets were satisfied in connection with the Merger and all unvested stock options became vested. In addition, in conjunction with the Merger, all of TransDigm Holdings' stock options were either cancelled in return for cash consideration or exchanged for a combination of stock options of TD Group and interests in deferred compensation plans of TD Group.

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A summary of the status of TransDigm Holdings' stock option plans for the period October 1, 2002 through July 22, 2003 is presented below:

	Predecessor	
	October 1, 2002 Through July 22, 2003	
	Shares	Weighted-Average Exercise Price
Outstanding at beginning of period	31,706	\$ 698
Granted	400	2,580
Exercised/cancelled	(32,106)	722
Outstanding at end of period		
Exercisable at end of period		

The Company applied APB No. 25 and related interpretations in accounting for stock options that were outstanding prior to the Merger. No compensation cost was recognized for such stock options prior to the Merger because the exercise price of the options equaled the fair value of the common stock on the grant date. The exchange of stock options for cash consideration, stock options of TD Group and an interest in a rollover TD Group deferred compensation plan in conjunction with the Merger resulted in the recognition of \$137.5 million of compensation expense under the provisions of APB No. 25 during the period ended July 22, 2003. Had compensation cost for TransDigm Holdings' stock option plan been determined based on the fair value of awards granted under such plans consistent with the method specified in SFAS No. 123, the effect on the Company's net loss for the period from October 1, 2002 through July 22, 2003 would not have been material.

Warrant to Purchase Common Stock At September 30, 2002, a warrant to purchase 1,381.87 shares of TransDigm Holdings' common stock was outstanding. The warrant was issued in connection with the acquisition of Champion Aerospace Inc. in fiscal 2001 and was recorded at its estimated fair value at the date of issuance. The warrant was exercised in connection with the Merger at an exercise price of \$.01 per share and the related common stock was cancelled in exchange for cash consideration of approximately \$6.9 million.

Cumulative Redeemable Preferred Stock At September 30, 2002, the authorized preferred stock of TransDigm Holdings consisted of 75,000 shares of 16% cumulative redeemable preferred stock with a par value of \$.01 per share. As of September 30, 2002, 17,496 shares of the preferred stock were issued and outstanding. Preferred stock issued by TransDigm Holdings had a stated liquidation preference of \$1,000 per share. Dividends accrued and accumulated at 16% per annum, based on the liquidation preference amount, and were payable semi-annually in cash or delivery of additional shares of preferred stock. The recorded value of the preferred stock at September 30, 2002 included \$0.9 million of accrued dividends that were paid-in-kind, and was net of remaining, unamortized original issuance discount and issuance costs of \$2.3 million. The preferred stock was cancelled in connection with the Merger in exchange for cash consideration of approximately \$21.1 million.

16. LEASES

TransDigm Inc. leases office space for its corporate headquarters. TransDigm Inc. also leases two manufacturing facilities. The office space leases require rental payments of \$0.1 million per year through fiscal 2011. TransDigm Inc. may also be required to share in the operating costs of the facility under certain conditions. The facility leases require annual rental payments ranging from approximately \$1.3 million to \$1.4 million through January 2013. TransDigm Inc. also has commitments under operating leases for vehicles and equipment. Rental expense under operating leases was \$1.9 million for the year ended September 30, 2005, \$1.4 million for the year ended September 30, 2004, \$0.5 million during the period from July 8, 2003 (date of formation) through September 30, 2003 and \$1.2 million during the period from October 1, 2002 through July 22, 2003 (Predecessor). Future, minimum rental commitments at September 30, 2005 under operating leases having initial or remaining non-cancelable lease terms exceeding one year are \$2.2 million in fiscal 2006, \$2.2 million in fiscal 2007, \$1.6 million in fiscal 2008, \$1.5 million in fiscal 2009, \$1.1 million in fiscal 2010, and \$2.0 million thereafter.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has various financial instruments, including cash and cash equivalents, marketable securities (see Note 4), accounts receivable and payable, accrued liabilities and long-term debt. The carrying value of the Company's cash and cash equivalents, accounts receivable and payable, and accrued liabilities approximates their fair value due to the short-term maturities of these assets and liabilities. The Company also believes that the aggregate fair value of its term loan under the Amended and Restated Senior Credit Facility approximates its carrying amount because the interest rates on the debt are reset on a frequent basis to reflect current market rates. The estimated fair value of TransDigm Inc.'s 8³/₈% Senior Subordinated Notes approximated \$422.0 million at September 30, 2005 based upon the quoted market prices.

18. 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. The Company believes that, where applicable, its potential exposure to such legal actions is adequately covered by its aviation product and general liability insurance.

19. QUARTERLY FINANCIAL DATA (UNAUDITED)

	First Quarter Ended January 1, 2005	Second Quarter Ended April 2, 2005	Third Quarter Ended July 2, 2005	Fourth Quarter Ended September 30, 2005
--	--	---	---	--

(In Thousands)

Year Ended September 30, 2005

Net sales	\$ 80,270	\$ 91,392	\$ 97,627	\$ 104,964
Gross profit	39,473	45,058	47,892	51,847
Net income	6,367	8,764	9,529	10,027

	First Quarter Ended December 27, 2003	Second Quarter Ended March 27, 2004	Third Quarter Ended June 26, 2004	Fourth Quarter Ended September 30, 2004
--	--	--	--	--

(In Thousands)

Year Ended September 30, 2004

Net sales	\$ 67,682	\$ 71,903	\$ 76,348	\$ 84,770
Gross profit	16,063	37,637	39,811	42,994
Net income (loss)	(7,664)	5,309	7,243	8,734

20. NEW ACCOUNTING STANDARDS

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

During December 2004, the FASB issued Statement No. 123 (R), Share Based Payment ("SFAS 123(R)"), which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The Company anticipates adopting this pronouncement effective October 1, 2006. The Company anticipates the adoption of this pronouncement will not have a material impact on its consolidated financial position or results of operations.

In November 2004, the FASB issued Statement No. 151, "Inventory Costs" ("SFAS 151"), which requires abnormal amounts of inventory costs related to idle facility, freight handling and wasted material expense to be recognized as current period charges. Additionally, SFAS 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The standard is effective for fiscal years beginning after June 15, 2005. The

Company believes the adoption of this pronouncement will not have a material impact on its consolidated financial position or results of operations.

21. SUBSEQUENT EVENTS TD GROUP LOAN FACILITY AND RELATED TRANSACTIONS

On November 10, 2005, TD Group closed on a \$200 million loan facility (the "TD Group Loan Facility"). The TD Group Loan Facility is unsecured and is not guaranteed by TransDigm Holdings or any of its direct or indirect subsidiaries, including TransDigm Inc. The interest rates per annum applicable to the loans are equal to an adjusted LIBO rate for three-month interest periods plus an applicable margin percentage. The initial interest rate was 9.3%. In connection with the closing of the TD Group Loan Facility, on November 10, 2005, TransDigm Inc. and TransDigm Holdings entered into an amendment to the Amended and Restated Senior Credit Facility (the "Amendment"). Among other things, the Amendment authorized (i) the payment of the cash dividends by TransDigm Inc. and TransDigm Holdings referred to in the immediately following paragraph and (ii) TransDigm Inc. and TransDigm Holdings to make certain distributions to TD Group from time to time, so long as certain conditions are satisfied and the proceeds of such distributions to TD Group are used, directly or indirectly, by TD Group to pay interest in respect of the indebtedness outstanding under the TD Group Loan Facility.

In connection with the closing of the TD Group Loan Facility, TransDigm Inc. paid a cash dividend of approximately \$98.0 million to TransDigm Holdings and made certain bonus payments in the aggregate amount of approximately \$6.2 million to certain members of management. TransDigm Holdings used all of the proceeds received by it from the payment of the cash dividend from TransDigm Inc. to pay a cash dividend to TD Group. On November 10, 2005, TD Group used the net proceeds received from the TD Group Loan Facility of approximately \$193.8 million, together with substantially all of the proceeds received from the dividend payment from TransDigm Holdings to (i) prepay the entire outstanding principal amount and all accrued and unpaid interest on the Senior Unsecured Promissory Notes, with all such payments totaling approximately \$262.7 million, (ii) make a distribution to participants under the TD Holding Corporation 2003 Rollover Deferred Compensation and Phantom Stock Unit Plan of their vested deferred compensation account balances and (iii) make certain distributions to participants under the TD Holding Corporation 2003 Management Deferred Compensation and Phantom Stock Unit Plan of their vested and a portion of their unvested deferred compensation account balances. The aggregate distributions with respect to deferred compensation account balances totaled approximately \$26.0 million. In connection with the distributions under the TD Holding Corporation 2003 Rollover Deferred Compensation and Phantom Stock Unit Plan, the Board of Directors of TD Group approved the termination of such plan, with such termination becoming effective on November 10, 2005. The TD Holding Corporation 2003 Management Deferred Compensation and Phantom Stock Unit Plan was terminated effective as of December 16, 2005 in connection with the adoption by TD Group of the TD Holding Corporation 2005 New Management Deferred Compensation Plan.

In connection with the closing of the TD Group Loan Facility, TD Group also amended and restated its stock option plan. The significant changes made in connection with the amendment and restatement of the stock option plan were to (i) remove certain dividend equivalent rights provisions to ensure that the plan is in compliance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), (ii) adjust the applicable performance vesting targets to

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reflect certain acquisitions made by the Company and (iii) increase the number of shares of common stock of TD Group reserved for issuance thereunder by 182,437 shares. In addition, in connection with the amendment and restatement of the stock option plan, TD Group adopted a dividend equivalent plan that is intended to be compliant with the requirements of Section 409A, which plan was subsequently amended and restated. The dividend equivalent plan contains the same economic terms as the dividend equivalent rights provisions that were removed from TD Group's previous stock option plan in connection with the adoption of the stock option plan.

Assuming the debt related transactions described above occurred on October 1, 2004, interest expense for the year ended September 30, 2005 would have been lower by \$9.0 million.

22. SUBSEQUENT EVENTS REFINANCING

In June 2006, the Company completed its refinancing and an offering memorandum for the placement of 7³/₄% Senior Subordinated Notes due 2014 (the "Senior Subordinated Notes"). The Senior Subordinated Notes will be fully and unconditionally guaranteed on a joint and several and senior subordinated basis by TD Group and all direct and indirect subsidiaries of TransDigm Inc. (other than one wholly-owned, non-guarantor subsidiary that has minor assets, liabilities and equity). TD Group's guarantee and the guarantees provided by the guaranteeing subsidiaries of TransDigm Inc. in respect of the Senior Subordinated Notes will be subordinated to TD Group's and such guaranteeing subsidiaries' guarantees of TransDigm Inc.'s obligations under a new senior secured credit facility expected to be executed upon the issuance of the Senior Subordinated Notes. In addition, TransDigm Holdings will be merged into TransDigm Inc. as part of the transactions contemplated in the offering of the Senior Subordinated Notes. The following supplemental consolidating condensed financial information presents the balance sheets of TD Group as of September 30, 2005 and September 30, 2004 and its statements of operations and cash flows for the fiscal years ended September 30, 2005 and September 30, 2004 and the periods from July 8, 2003 (date of formation) through September 30, 2003 and October 1, 2002 through July 22, 2003 (Predecessor).

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TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2005
(Amounts in thousands)

	TD Group	TransDigm Holdings	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$	\$	\$ 106,082	\$ (1,861)	\$	\$ 104,221
Marketable securities						
Trade accounts receivable Net			26,447	37,107		63,554
Inventories			24,673	51,404		76,077
Deferred income taxes	95		12,651			12,746
Prepaid expenses and other			564	1,184		1,748
Total current assets	95		170,417	87,834		258,346
INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY BALANCES						
	612,768	612,768	2,038,972	702,134	(3,966,642)	
PROPERTY, PLANT AND EQUIPMENT Net						
			24,844	38,780		63,624
GOODWILL						
			424,777	430,907		855,684
TRADEMARKS AND TRADE NAMES						
			52,997	72,500		125,497
OTHER INTANGIBLE ASSETS Net						
			37,283	67,171		104,454
DEBT ISSUE COSTS Net						
			19,340			19,340
OTHER						
			803			803
TOTAL ASSETS	\$ 612,863	\$ 612,768	\$ 2,769,433	\$ 1,399,326	\$ (3,966,642)	\$ 1,427,748
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Current portion of long-term liabilities	\$	\$	\$ 2,943	\$	\$	\$ 2,943
Accounts payable			9,093	7,326		16,419
Accrued liabilities	58,804		23,812	8,073		90,689
Total current liabilities	58,804		35,848	15,399		110,051
LONG-TERM DEBT Less current portion						
	199,997		686,906			886,903
DEFERRED INCOME TAXES						
	(8,781)		73,731			64,950
OTHER NON-CURRENT LIABILITIES						
	29,736		2,001	1,000		32,737
Total liabilities	279,756		798,486	16,399		1,094,641
STOCKHOLDERS' EQUITY						
	333,107	612,768	1,970,947	1,382,927	(3,966,642)	333,107
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 612,863	\$ 612,768	\$ 2,769,433	\$ 1,399,326	\$ (3,966,642)	\$ 1,427,748

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2004
(Amounts in thousands)

	TD Group	TransDigm Holdings	TransDigm Inc.	Subsidiary	Eliminations Guarantors	Total Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$	\$	\$ 50,148	\$ (1,650)	\$	\$ 48,498
Marketable securities			50,601			50,601
Trade accounts receivable Net			17,508	26,981		44,489
Inventories			19,690	44,695		64,385
Deferred income taxes	263		10,092			10,355
Prepaid expenses and other			1,283	568		1,851
Total current assets	263		149,322	70,594		220,179
INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY BALANCES						
	546,618	549,688	1,964,550	656,196	(3,717,052)	
PROPERTY, PLANT AND EQUIPMENT Net						
			22,185	38,632		60,817
GOODWILL						
			404,277	408,183		812,460
TRADEMARKS AND TRADE NAMES						
			52,997	72,500		125,497
OTHER INTANGIBLE ASSETS Net						
			36,721	66,380		103,101
DEBT ISSUE COSTS Net						
			23,148			23,148
OTHER						
			710			710
TOTAL ASSETS	\$ 546,881	\$ 549,688	\$ 2,653,910	\$ 1,312,485	\$ (3,717,052)	\$ 1,345,912
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Current portion of long-term liabilities	\$	\$	\$ 4,431	\$	\$	\$ 4,431
Accounts payable			6,199	5,269		11,468
Accrued liabilities	95		17,079	7,721		24,895
Total current liabilities	95		27,709	12,990		40,794
LONG-TERM DEBT Less current portion						
	199,997		689,848			889,845
DEFERRED INCOME TAXES						
	(4,973)		65,645			60,672
OTHER NON-CURRENT LIABILITIES						
	54,350		1,732	1,107		57,189
Total liabilities	249,469		784,934	14,097		1,048,500
STOCKHOLDERS' EQUITY						
	297,412	549,688	1,868,976	1,298,388	(3,717,052)	297,412
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 546,881	\$ 549,688	\$ 2,653,910	\$ 1,312,485	\$ (3,717,052)	\$ 1,345,912

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
(Amounts in thousands)

	TD Group	TransDigm Holdings	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
NET SALES	\$	\$	\$ 160,544	\$ 213,709	\$	\$ 374,253
COST OF SALES			75,043	114,940		189,983
GROSS PROFIT			85,501	98,769		184,270
OPERATING EXPENSES:						
Selling and administrative			21,678	17,265		38,943
Amortization of intangibles			2,255	5,492		7,747
Total operating expenses			23,933	22,757		46,690
INCOME FROM OPERATIONS			61,568	76,012		137,580
OTHER INCOME (EXPENSES):						
Interest expense Net	(28,806)	(11,999)	(44,038)	4,577		(80,266)
Equity in income of subsidiaries	53,121	60,522	49,709		(163,352)	
INCOME BEFORE INCOME TAXES	24,315	48,523	67,239	80,589	(163,352)	57,314
INCOME TAX PROVISION (BENEFIT)	(10,372)	(4,598)	6,717	30,880		22,627
NET INCOME	\$ 34,687	\$ 53,121	\$ 60,522	\$ 49,709	\$ (163,352)	\$ 34,687

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TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
(Amounts in thousands)

	TD Group	TransDigm Holdings	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
NET SALES	\$	\$	\$ 129,438	\$ 171,265	\$	\$ 300,703
COST OF SALES			61,584	102,614		164,198
GROSS PROFIT			67,854	68,651		136,505
OPERATING EXPENSES:						
Selling and administrative			19,142	12,059		31,201
Amortization of intangibles			4,609	5,716		10,325
Total operating expenses			23,751	17,775		41,526
INCOME FROM OPERATIONS			44,103	50,876		94,979
OTHER INCOME (EXPENSES):						
Interest Expense Net	(25,739)	(11,999)	(42,669)	5,732		(74,675)
Equity in income of subsidiaries	29,610	37,325	36,401		(103,336)	
INCOME BEFORE INCOME TAXES	3,871	25,326	37,835	56,608	(103,336)	20,304
INCOME TAX PROVISION (BENEFIT)	(9,751)	(4,284)	510	20,207		6,682
NET INCOME	\$ 13,622	\$ 29,610	\$ 37,325	\$ 36,401	\$ (103,336)	\$ 13,622

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TRANSDIGM GROUP INCORPORATED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE PERIOD FROM JULY 8, 2003 (DATE OF FORMATION)

THROUGH SEPTEMBER 30, 2003

(Amounts in thousands)

	TD Group	TransDigm Holdings	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
NET SALES	\$	\$	\$ 21,733	\$ 30,350	\$	\$ 52,083
COST OF SALES			13,536	26,863		40,399
GROSS PROFIT			8,197	3,487		11,684
OPERATING EXPENSES:						
Selling and administrative			3,035	2,170		5,205
Amortization of intangibles			894	1,081		1,975
Total operating expenses			3,929	3,251		7,180
INCOME FROM OPERATIONS			4,268	236		4,504
OTHER INCOME (EXPENSES):						
Interest expense Net	(4,666)	(2,005)	(6,229)	(1,333)		(14,233)
Equity in income (loss) of subsidiaries	(2,788)	(1,528)	(548)		4,864	
INCOME (LOSS) BEFORE INCOME TAXES	(7,454)	(3,533)	(2,509)	(1,097)	4,864	(9,729)
INCOME TAX PROVISION (BENEFIT)	(1,695)	(745)	(981)	(549)		(3,970)
NET INCOME (LOSS)	\$ (5,759)	\$ (2,788)	\$ (1,528)	\$ (548)	\$ 4,864	\$ (5,759)

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TRANSDIGM GROUP INCORPORATED

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE PERIOD FROM OCTOBER 1, 2002 THROUGH JULY 22, 2003 (PREDECESSOR)

(Amounts in thousands)

	TransDigm Holdings	TransDigm Inc	Subsidiary Guarantors	Eliminations	Total Consolidated
NET SALES	\$	\$ 95,957	\$ 145,228	\$	\$ 241,185
COST OF SALES		41,821	84,695		126,516
GROSS PROFIT		54,136	60,533		114,669
OPERATING EXPENSES:					
Selling and administrative		10,489	9,678		20,167
Amortization of intangibles		504	441		945
Merger expenses		176,003			176,003
Total operating expenses		186,996	10,119		197,115
INCOME (LOSS) FROM OPERATIONS		(132,860)	50,414		(82,446)
OTHER INCOME (EXPENSES):					
Interest expense Net	(1,755)	(19,722)	(6,747)		(28,224)
Equity in income (loss) of subsidiaries	(68,865)	27,452		41,413	
INCOME (LOSS) BEFORE INCOME TAXES	(70,620)	(125,130)	43,667	41,413	(110,670)
INCOME TAX PROVISION (BENEFIT)	(651)	(56,265)	16,215		(40,701)
NET INCOME (LOSS)	\$ (69,969)	\$ (68,865)	\$ 27,452	\$ 41,413	\$ (69,969)

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TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
(Amounts in thousands)

	<u>TD Group</u>	<u>TransDigm Holdings</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
OPERATING ACTIVITIES:						
Net income (loss)	\$ 34,687	\$ 53,121	\$ 60,522	\$ 49,709	\$ (163,352)	\$ 34,687
Adjustments to reconcile net income (loss) to net cash provided by operating activities	(34,687)	(60,522)	(24,020)	1,885	163,352	46,008
Net cash provided by (used in) operating activities		(7,401)	36,502	51,594		80,695
INVESTING ACTIVITIES:						
Capital expenditures			(3,516)	(4,444)		(7,960)
Other			(12,570)			(12,570)
Net cash used in investing activities			(16,086)	(4,444)		(20,530)
FINANCING ACTIVITIES:						
Changes in intercompany activities		7,401	39,960	(47,361)		
Proceeds from senior subordinated notes						
Repayment of amounts borrowed under credit facility			(2,942)			(2,942)
Payment of license obligation			(1,500)			(1,500)
Purchase of common stock						
Net cash provided by (used in) financing activities		7,401	35,518	(47,361)		(4,442)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
CASH AND CASH EQUIVALENTS Beginning of year			50,148	(1,650)		48,498
CASH AND CASH EQUIVALENTS End of year	\$	\$	\$ 106,082	\$ (1,861)	\$	\$ 104,221

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
(Amounts in thousands)

	<u>TD Group</u>	<u>TransDigm Holdings</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
OPERATING ACTIVITIES:						
Net income	\$ 13,622	\$ 29,610	\$ 37,325	\$ 36,401	\$ (103,336)	\$ 13,622
Adjustments to reconcile net income (loss) to net cash provided by operating activities	(13,903)	(622)	(4,571)	13,277	103,336	97,517
Net cash provided by (used in) operating activities	(281)	28,988	32,754	49,678		111,139
INVESTING ACTIVITIES:						
Capital expenditures			(2,117)	(3,299)		(5,416)
Purchase of marketable securities			(94,675)			(94,675)
Sale and maturity of marketable securities			44,003			44,003
Business acquisitions			(21,531)			(21,531)
Net cash used in investing activities			(74,320)	(3,299)		(77,619)
FINANCING ACTIVITIES:						
Changes in intercompany activities		(28,492)	76,071	(47,579)		
Payment of license obligation			(1,500)			(1,500)
Proceeds from issuance of common stock		24				24
Repayment of amounts borrowed under credit facility			(2,209)			(2,209)
Purchase of common stock	281	(520)				(239)
Net cash provided by (used in) financing activities	281	(28,988)	72,362	(47,579)		(3,924)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
			30,796	(1,200)		29,596
Beginning of year			19,352	(450)		18,902
CASH AND CASH EQUIVALENTS						
End of year	\$	\$	\$ 50,148	\$ (1,650)	\$	\$ 48,498

**TRANSDIGM GROUP INCORPORATED CONDENSED
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 8, 2003 (DATE OF FORMATION)
THROUGH SEPTEMBER 30, 2003
(Amounts in thousands)**

	<u>TD Group</u>	<u>TransDigm Holdings</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
OPERATING ACTIVITIES:						
Net income (loss)	\$ (5,759)	\$ (2,788)	\$ (1,528)	\$ (548)	\$ 4,864	\$ (5,759)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	38,474	2,561	(22,420)	8,860	(4,864)	22,611
Net cash provided by (used in) operating activities	32,715	(227)	(23,948)	8,312		16,852
INVESTING ACTIVITIES:						
Merger with Holdings (net of Holdings cash balances)	(509,544)	4,287	33,288	2,630		(469,339)
Capital expenditures			(183)	(785)		(968)
Acquisition of Norco net assets				988		988
Net cash provided by (used in) investing activities	(509,544)	4,287	33,105	2,833		(469,319)
FINANCING ACTIVITIES:						
Changes in intercompany activities	5,529	(4,129)	10,195	(11,595)		
Proceeds from promissory notes	199,997					199,997
Proceeds from issuance of common stock	271,303					271,303
Proceeds from exercise of stock options		69				69
Net cash provided by (used in) financing activities	476,829	(4,060)	10,195	(11,595)		471,369
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			19,352	(450)		18,902
CASH AND CASH EQUIVALENTS Beginning of period						
CASH AND CASH EQUIVALENTS End of period	\$	\$	\$ 19,352	\$ (450)	\$	\$ 18,902

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM OCTOBER 1, 2002 THROUGH JULY 22, 2003 (PREDECESSOR)
(Amounts in thousands)

	TransDigm Holdings	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
OPERATING ACTIVITIES:					
Net income (loss)	\$ (69,969)	\$ (68,865)	\$ 27,452	\$ 41,413	\$ (69,969)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	70,620	8,732	(2,154)	(41,413)	35,785
Net cash provided by (used in) operating activities	651	(60,133)	25,298		(34,184)
INVESTING ACTIVITIES:					
Capital expenditures		(2,014)	(2,227)		(4,241)
Acquisition of Norco net assets			(53,026)		(53,026)
Net cash used in investing activities		(2,014)	(55,253)		(57,267)
FINANCING ACTIVITIES:					
Changes in intercompany activities	194,915	(229,160)	34,245		
Borrowings under credit facility, net of fees		306,744			306,744
Proceeds from senior subordinated notes, net of fees		386,973			386,973
Proceeds from issuance of common stock	471,300				471,300
Repayment of amounts borrowed under credit facility		(200,793)			(200,793)
Repayment of license obligation		(2,600)			(2,600)
Repayment/(defeasance) of senior subordinated notes, including premium		(216,595)			(216,595)
Repayment of Holdings PIK Notes	(32,802)				(32,802)
Redemption of preferred stock and warrant	(28,003)				(28,003)
Purchase of common stock	(599,725)				(599,725)
Payment of merger costs incurred by stockholders of TD Holding	(2,049)				(2,049)
Net cash provided by financing activities	3,636	44,569	34,245		82,450
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,287	(17,578)	4,290		(9,001)
CASH AND CASH EQUIVALENTS					
Beginning of period		50,866	(1,660)		49,206
CASH AND CASH EQUIVALENTS					
End of period	\$ 4,287	\$ 33,288	\$ 2,630		\$ 40,205

TransDigm Inc.

All tendered original senior subordinated notes, executed letters of transmittal, and other related documents should be directed to the exchange agent. Requests for assistance and for additional copies of this prospectus, the letter of transmittal and other related documents should be directed to the exchange agent.

**EXCHANGE AGENT:
THE BANK OF NEW YORK TRUST COMPANY, N.A.**

By Facsimile:
(212) 298-1915

Confirm by telephone:
(212) 815-5098

By Mail, Hand or Courier:
The Bank of New York Trust Company, N.A.
Corporate Trust Department
Reorganization Unit
101 Barclay Street
Floor 7 East
New York, New York 10286
Attn: Mr. Randolph Holder

TransDigm Inc.

OFFER TO EXCHANGE

Up to \$275,000,000 aggregate principal amount of its 7³/₄% Senior Subordinated Notes due 2014

registered under the Securities Act of 1933 for

any and all outstanding 7³/₄% Senior Subordinated Notes due 2014

PROSPECTUS

Until _____, 2006, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

_____, 2006

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

TransDigm Inc., TransDigm Group Incorporated, MarathonNorco Aerospace, Inc., Champion Aerospace Inc., Avionic Instruments Inc. and Skurka Aerospace Inc. are incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law provides that a Delaware corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement in connection with specified actions, suits and proceedings, whether civil, criminal, administrative or investigative (other than action by or in the right of the corporation a "derivative action"), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement, or otherwise.

ZMP, Inc., Adams Rite Aerospace, Inc., Christie Electric Corp. and Sweeney Engineering Corp. are incorporated under the laws of the State of California. Section 317 of the California General Corporation Law provides that a California corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than in certain derivative actions as described below, by reason of the fact that he or she is or was a director, officer, employee or other agent of the corporation, or is or was serving at the corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation that was a predecessor corporation of the corporation or of another enterprise at the request of the predecessor corporation, against expenses, including attorneys' fees, judgments, fines, settlements and other amounts actually or reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. In the case of a derivative action, no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of his or her duty to the corporation and its shareholders unless and only to the extent that the court in which action or suit is or was pending shall determine that, in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnify for these expenses which this court shall deem proper. Section 317 further provides that to the extent that the director, officer, employee or agent of a corporation has been successful on the merits in defense of any action, suit or proceeding referred to above or in the defense of any claim, issue or matter, such person shall be indemnified against expenses, including attorneys' fees, actually or reasonably incurred by him or her in connection with such defense.

DAC Realty Corp. is incorporated under the laws of the State of New Jersey. Section 14A:2-7(3) of the New Jersey Business Corporation Act, or the NJBCA, permits a corporation to provide in its certificate of incorporation that a director or officer shall not be personally liable to the corporation or its shareholders for damages for breach of any duty owed to the corporation or its shareholders, except that such provisions shall not relieve a director or officer from liability for any breach of duty based upon an act or omission (a) in breach of such person's duty of loyalty to the corporation or its

shareholders, (b) not in good faith or involving a knowing violation of law or (c) resulting in receipt by such person of any improper personal benefit. Section 14A:3-5 of the NJBCA provides that a corporation may indemnify its directors, officers, employees and agents against judgments, fines, penalties, amounts paid in settlement and expenses, including attorneys' fees, resulting from various types of legal actions or proceedings if the actions of the party being indemnified meet the standards of conduct specified therein. Determinations concerning whether or not the applicable standard of conduct has been met can be made by (i) a disinterested majority of the Board of Directors, (ii) independent legal counsel, or (iii) an affirmative vote of a majority of shares held by the shareholders. No indemnification is permitted to be made to or on behalf of a corporate director, officer, employee or agent if a judgment or other final adjudication adverse to such person establishes that his acts or omissions (a) were in breach of his duty of loyalty to the corporation or its shareholders, (b) were not in good faith or involved a knowing violation of law or (c) resulted in receipt by such person of an improper personal benefit.

CDA InterCorp. is incorporated under the laws of the State of Florida. The Florida Business Corporation Act, or the FBCA, as amended, provides that, in general, a corporation may indemnify any person who is or was a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that he or she is or was a director or officer of the corporation, against liability incurred in connection with such proceeding, including any appeal thereof, provided certain standards are met, including that such officer or director acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and provided further that, with respect to any criminal action or proceeding, the officer or director had no reasonable cause to believe his or her conduct was unlawful. In the case of proceedings by or in the right of the corporation, the FBCA provides that, in general, a corporation may indemnify any person who was or is a party to any such proceeding by reason of the fact that he or she is or was a director or officer of the corporation against expenses and amounts paid in settlement actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof, provided that such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be made in respect of any claim as to which such person is adjudged liable unless a court of competent jurisdiction determines upon application that such person is fairly and reasonably entitled to indemnity. To the extent that any officers or directors are successful on the merits or otherwise in the defense of any of the proceedings described above, the FBCA provides that the corporation is required to indemnify such officers or directors against expenses actually and reasonably incurred in connection therewith. However, the FBCA further provides that, in general, indemnification or advancement of expenses shall not be made to or on behalf of any officer or director if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute: (i) a violation of the criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe it was unlawful; (ii) a transaction from which the director or officer derived an improper personal benefit; (iii) in the case of a director, a circumstance under which the director has voted for or assented to a distribution made in violation of the FBCA or the corporation's articles of incorporation; or (iv) willful misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder.

TransDigm Inc.'s certificate of incorporation and bylaws and the certificates of incorporation and bylaws of TransDigm Group Incorporated, MarathonNorco Aerospace, Inc. Champion Aerospace Inc., Avionic Instruments Inc. and Skurka Aerospace Inc. generally provide for the indemnification of their respective officers and directors to the fullest extent permitted under Delaware law. Similarly, the articles of incorporation and bylaws of ZMP, Inc., Adams Rite Aerospace Inc., Christie Electric Corp. and Sweeney Engineering Corp. generally provide for the indemnification of their respective officers

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and directors to the fullest extent permitted under California law. DAC Realty Corp.'s certificate of incorporation provide for the indemnification of its officers and directors to the fullest extent permitted under New Jersey law. CDA InterCorp.'s articles of incorporation provide for indemnification of its officers and directors to the fullest extent permitted under Florida law.

TransDigm Group Incorporated also maintains a directors' and officers' insurance policy pursuant to which its directors and officers are insured against liability for actions taken in their capacities as directors and officers.

Item 21. Exhibits and Financial Statement Schedules

- (a) Exhibits

Exhibit No.	Description
1.1	Form of Underwriting Agreement.(s)
2.1	Agreement and Plan of Merger, dated as of June 6, 2003, by and between TD Acquisition Corporation and TransDigm Holding Company.(c)
2.2	Amendment No. 1, dated as of July 9, 2003, to the Agreement and Plan of Merger, by and between TD Acquisition Corporation and TransDigm Holding Company.(c)
2.3	Agreement and Plan of Merger, dated as of July 22, 2003, by and between TransDigm Inc. and TD Funding Corporation.(d)
2.4	Agreement and Plan of Merger, dated as of September 30, 2005, by and between TransDigm Inc. and Fluid Regulators Corporation.(n)
3.1	Certificate of Incorporation, filed on July 8, 2003, of TD Holding Corporation (now known as TransDigm Group Incorporated). (o)
3.2	Certificate of Amendment to Certificate of Incorporation, filed on January 19, 2006, of TD Holding Corporation (now known as TransDigm Group Incorporated). (q)
3.3	Amended and Restated Certificate of Incorporation, filed on March 14, 2006, of TransDigm Group Incorporated.(s)
3.4	Amended and Restated Bylaws of TransDigm Group Incorporated.(s)
3.5	Certificate of Incorporation, filed on July 2, 1993, of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.).(a)
3.6	Certificate of Amendment, filed on July 22, 1993, of the Certificate of Incorporation of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.).(a)
3.7	Certificate of Ownership and Merger, filed on September 13, 1993, merging IMO Aerospace Company with and into TransDigm Inc.(a)
3.8	Certificate of Ownership and Merger, filed on June 23, 2006, merging TD Finance Corporation with and into TransDigm Inc.
3.9	Certificate of Ownership and Merger, filed on June 26, 2006, merging TransDigm Holding Company with and into TransDigm Inc.
3.10	Bylaws of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.).(a)
3.11	Certificate of Incorporation, filed on March 28, 1994, of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)

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**Exhibit
No.**

Description

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- 3.12 Certificate of Amendment, filed on May 18, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)
- 3.13 Certificate of Amendment, filed on May 24, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)
- 3.14 Bylaws of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)
- 3.15 Amended and Restated Articles of Incorporation, filed on April 23, 1999, of ZMP, Inc. (a)
- 3.16 Amended and Restated Bylaws of ZMP, Inc.(a)
- 3.17 Articles of Incorporation, filed on July 30, 1986, of ARP Acquisition Corporation (now known as Adams Rite Aerospace, Inc.).(a)
- 3.18 Certificate of Amendment, filed on September 12, 1986, of the Articles of Incorporation of ARP Acquisition Corporation (now known as Adams Rite Aerospace, Inc.).(a)
- 3.19 Certificate of Amendment, filed on January 27, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.).(a)
- 3.20 Certificate of Amendment, filed on December 31, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.).(a)
- 3.21 Certificate of Amendment, filed on August 11, 1997, of the Articles of Incorporation of Adams Rite Sabre International, Inc. (now known as Adams Rite Aerospace, Inc.).(a)
- 3.22 Amended and Restated Bylaws of Adams Rite Aerospace, Inc.(a)
- 3.23 Certificate of Incorporation, filed on April 16, 2001, of Aviation Acquisition Corporation (now known as Champion Aerospace Inc.).(b)
- 3.24 Certificate of Amendment, filed on June 1, 2001, to the Certificate of Incorporation of Aviation Acquisition Corporation (now known as Champion Aerospace Inc.).(b)
- 3.25 Bylaws of Aviation Acquisition Corporation (now known as Champion Aerospace Inc.).(b)
- 3.26 Articles of Incorporation, filed on December 6, 1929, of McColpin Christie Electric Corporation, LTD. (now known as Christie Electric Corp.).(b)
- 3.27 Certificate of Amendment, filed on November 3, 1947, of the Articles of Incorporation of McColpin Christie Corporation, LTD. (now known as Christie Electric Corp.).(b)
- 3.28 Certificate of Amendment, filed on May 26, 1952, of the Articles of Incorporation of McColpin Christie Corporation, LTD. (now known as Christie Electric Corp.).(b)
- 3.29 Certificate of Amendment, filed on May 1, 1956, of the Articles of Incorporation of McColpin Christie Corporation, LTD. (now known as Christie Electric Corp.).(b)
- 3.30 Certificate of Amendment, filed on May 1, 1979, of the Articles of Incorporation of Christie Electric Corp.(b)
- 3.31 Certificate of Ownership, filed on April 16, 1985, of Christie Electric Corp.(b)
- 3.32 Certificate of Amendment, filed on September 29, 1993, of the Articles of Incorporation of Christie Electric Corp.(b)
- 3.33 Bylaws of Christie Electric Corp.(b)
- 3.34 Certificate of Incorporation, filed on October 10, 1986, of Avionic Instruments, Inc.

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- 3.35 Agreement and Plan of Merger, filed on December 18, 1986, merging Avionic Instruments Inc., a New York corporation, with and into Avionic Instruments Inc., a Delaware corporation.
- 3.36 Certificate of Amendment of Certificate of Incorporation, filed on April 9, 1987, of Avionic Instruments Inc.
- 3.37 Certificate of Merger, filed on December 31, 1996, merging REA International Corp. with and into Avionic Instruments Inc.
- 3.38 Certificate of Amendment of Certificate of Incorporation, filed on December 24, 1997, of Avionic Instruments Inc.
- 3.39 Certificate of Change of Location of Registered Office and of Registered Agent, filed on March 13, 1998, of Avionic Instruments Inc.
- 3.40 Certificate of Change of Registered Agent and Registered Office, filed on August 2, 2005, of Avionic Instruments Inc.
- 3.41 Bylaws of Avionic Instruments, Inc.
- 3.42 Certificate of Incorporation, filed on July 28, 1986, of DAC Realty Corp.,
- 3.43 Bylaws of DAC Realty Corp.
- 3.44 Certificate of Incorporation, filed on December 22, 2004, of Skurka Aerospace Inc.
- 3.45 Bylaws of Skurka Aerospace Inc.
- 3.46 Articles of Incorporation, filed on November 10, 1980, of Sweeney Engineering Corp.
- 3.47 Certificate of Amendment of Articles of Incorporation, filed on October 6, 1982, of Sweeney Engineering Corp.
- 3.48 Amended and Restated Bylaws of Sweeney Engineering Corp.
- 3.49 Amended and Restated Articles of Incorporation, filed on July 20, 1997, of Astro Instrument Corporation (now known as CDA InterCorp.).*
- 3.50 Articles of Amendment to Articles of Incorporation, filed on December 22, 1997, of CDA InterCorp.*
- 3.51 Articles of Amendment to Articles of Incorporation, filed on July 29, 1998, of CDA InterCorp.*
- 3.52 Amended and Restated Bylaws of CDA InterCorp.*
- 4.1 Form of Stock Certificate.(s)
- 4.2 Indenture, dated as of July 22, 2003, among TransDigm Inc. (as the successor by merger to TD Funding Corporation), TransDigm Holding Company (as the successor by merger to TD Acquisition Corporation), the Guarantors named therein, and The Bank of New York, as trustee.(d)
- 4.3 Form of 8³/₈% Senior Subordinated Note due 2011.(d)
- 4.4 First Supplemental Indenture, dated as of October 9, 2003, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(e)

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- 4.5 Second Supplemental Indenture, dated as of February 10, 2005, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(i)
- 4.6 Third Supplemental Indenture, dated as of May 24, 2005, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(j)
- 4.7 Fourth Supplemental Indenture, dated as of September 30, 2005, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(k)
- 4.8 Fifth Supplemental Indenture, dated as of June 22, 2006, among TransDigm Inc., the guarantors listed on the signature pages thereto and The Bank of New York, as trustee.(t)
- 4.9 Indenture, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee.(t)
- 4.10 First Supplemental Indenture, dated as of November 2, 2006, to Indenture, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee.(u)
- 4.11 Registration Rights Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Banc of America Securities LLC and Credit Suisse Securities (USA) LLC, as representatives for the several initial purchasers.(t)
- 4.12 Form of 7³/₄% Senior Subordinated Notes due 2014 (included in Exhibit 4.9).
- 4.13 Form of Exchange Agent Agreement
 - 5.1 Opinion of Willkie Farr & Gallagher LLP.*
 - 5.2 Opinion of Baker & Hostetler LLP.*
 - 5.3 Opinion of Wilentz, Goldman & Spitzer, P.A.*
 - 8.1 Opinion of Willkie Farr & Gallagher LLP with respect to certain tax matters.*
- 10.1 Stockholders' Agreement, dated as of July 22, 2003, by and among TD Holding Corporation, Warburg Pincus Private Equity VIII, L.P., the other institutional investors whose names and addresses are set forth on Schedule I thereto and the employees of TransDigm Inc. and certain of its subsidiaries whose names and addresses are set forth on Schedule II thereto.(d)
- 10.2 Management Stockholders' Agreement, dated as of July 22, 2003, by and among TD Holding Corporation, Warburg Pincus Private Equity VIII, L.P. and the employees of TransDigm Inc. and certain of its subsidiaries whose names and addresses are set forth on Schedule I thereto.(d)
- 10.3 Registration Rights Agreement, dated as of July 22, 2003, among the institutional investors whose names and addresses are set forth on Schedule I thereto, the employees of TransDigm Inc. and certain of its subsidiaries whose names and addresses are set forth on Schedule II thereto and TD Holding Corporation.(d)
- 10.4 Employment Agreement, dated as of June 6, 2003, by and between W. Nicholas Howley and TransDigm Holding Company.(d)
- 10.5 Amendment No. 1 to Employment Agreement, dated as of February 24, 2006, between TransDigm Holding Company and W. Nicholas Howley.(r)

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- 10.6 Employment Agreement, dated as of November 18, 2005, by and between Raymond Laubenthal and TransDigm Holding Company.(m)
- 10.7 Amendment No. 1 to Employment Agreement, dated as of February 24, 2006, between TransDigm Holding Company and Raymond Laubenthal.(r)
- 10.8 Employment Agreement, dated as of November 18, 2005, by and between Gregory Rufus and TransDigm Holding Company.(m)
- 10.9 Amendment No. 1 to Employment Agreement, dated as of February 24, 2006, between Transdigm Holding Company and Gregory Rufus.(r)
- 10.10 Severance Agreement, dated as of December 10, 2004, by and between Skurka Engineering Company and Howard Skurka.(n)
- 10.11 Retention Agreement, dated as of December 31, 2004, by and between TD Holding Corporation, TransDigm Inc. and Howard Skurka.(n)
- 10.12 Noncompetition Agreement, dated as of December 31, 2004, by and among Skurka Aerospace Inc., TransDigm Inc. and Howard Skurka.(n)
- 10.13 Noncompetition Agreement, dated as of December 31, 2004, by and among Skurka Aerospace Inc., TransDigm Inc. and Howard Skurka.(n)
- 10.14 TD Holding Corporation Third Amended and Restated 2003 Stock Option Plan.(l)
- 10.15 TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan.*
- 10.16 Letter, dated February 24, 2006, from David Barr, Member of the Compensation Committee of the Board of Directors of TransDigm Group Incorporated, to W. Nicholas Howley, Chief Executive Officer of TransDigm Group Incorporated. (r)
- 10.17 TransDigm Group Incorporated 2006 Stock Incentive Plan.(s)
- 10.18 Amendment No. 1, dated as of October 20, 2006, to the TransDigm Group Incorporated 2006 Stock Incentive Plan.*
- 10.19 TD Holding Corporation 2003 Management Deferred Compensation and Phantom Stock Unit Plan.(d)
- 10.20 TD Holding Corporation 2003 Rollover Deferred Compensation and Phantom Stock Unit Plan(d)
- 10.21 TD Holding Corporation 2005 New Management Deferred Compensation Plan.(p)
- 10.22 Amended and Restated TD Holding Corporation Dividend Equivalent Plan.(p)
- 10.23 Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the rollover options granted to such executive.(d)
- 10.24 Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the time vested options granted to such executive.(d)
- 10.25 Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the performance vested options granted to such executive.(d)
- 10.26 Form of Option Agreement under TransDigm Group Incorporated 2006 Stock Incentive Plan.(s)

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- 10.27 Demand Promissory Note, dated July 22, 2003, made by TransDigm Holding Company in favor of TransDigm Inc. and subsequently assigned by TransDigm Inc. to TD Finance Corporation.(d)
- 10.28 Amendment Agreement, dated as of April 1, 2004, among TransDigm Holding Company, TransDigm Inc., the lenders from time to time party thereto and Credit Suisse First Boston, as administrative agent and collateral agent.(n)
- 10.29 Amended and Restated Credit Agreement, dated as of April 1, 2004, among TransDigm Holding Company, TransDigm Inc., the lenders from time to time party thereto and Credit Suisse First Boston, as administrative agent and collateral agent.(h)
- 10.30 Amendment No. 1, dated as of November 10, 2005, to the Amended and Restated Credit Agreement, dated as of April 1, 2004, among TransDigm Inc., TransDigm Holding Company, the lenders from time to time party thereto and Credit Suisse (formerly known as Credit Suisse First Boston), as administrative agent and as collateral agent.(l)
- 10.31 Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Holding Company (as the successor by merger to TD Acquisition Corporation), TransDigm Inc. (as the successor by merger to TD Funding Corporation), the Subsidiaries Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(d)
- 10.32 Supplement No. 1, dated as of October 9, 2003, to the Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Inc., TransDigm Holding Company, the Subsidiary Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(e)
- 10.33 Supplement No. 2, dated as of February 10, 2005, to the Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Inc., TransDigm Holding Company, the Subsidiary Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(i)
- 10.34 Supplement No. 3, dated as of May 24, 2005, to the Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Inc., TransDigm Holding Company, the Subsidiary Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(j)
- 10.35 Tax Sharing Agreement, dated as of July 22, 2003, by and among TD Holding Corporation, TransDigm Holding Company, TransDigm Inc. and such direct and indirect subsidiaries of TD Holding Corporation that are listed on Exhibit A thereto.(e)
- 10.36 Contribution and Assignment Agreement, dated as of October 13, 2003, by and between TransDigm Inc. and TD Finance Corporation.(f)
- 10.37 Standard Industrial/Commercial Single-Tenant Lease Net, dated as of December 31, 2004, between VHEM, LLC, d/b/a H&M Properties, and Skurka Aerospace Inc.(n)
- 10.38 Guaranty of Lease, dated as of December 31, 2004, by TransDigm Inc. in favor of VHEM, LLC, d/b/a H&M Properties.(n)
- 10.39 Amended and Restated TransDigm Inc. Executive Retirement Savings Plan.(p)
- 10.40 Loan Agreement, dated as of November 10, 2005, among TD Holding Corporation, the lenders named therein and Banc of America Bridge LLC, as administrative agent. (r)
- 10.41 Purchase Agreement, dated June 20, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Banc of America Securities LLC and Credit Suisse Securities (USA) LLC, as representatives for the several initial purchasers named therein.(t)

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- 10.42 Credit Agreement, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. from time to time party thereto, the financial institutions from time to time party thereto, as lenders, Credit Suisse, as administrative agent and collateral agent, Credit Suisse Securities (USA) LLC and Banc of America Securities LLC, as joint lead arrangers and joint bookrunners, Bank of America, N.A., as syndication agent, and Barclays Bank plc, General Electric Capital Corporation and UBS Securities LLC, as co-documentation agents.(t)
- 10.43 Guarantee and Collateral Agreement, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse, as administrative agent and collateral agent.(s)
- 10.44 Supplement No. 1, dated as of November 2, 2006, to the Guarantee and Collateral Agreement, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse, as administrative agent and collateral agent.(u)
- 10.45 Joinder Agreement, dated as of November 2, 2006, between CDA InterCorp. and Credit Suisse, as agent.(u)
- 12.1 Statement of Computation of Ratio of Earnings to Fixed Charges.
- 16.1 Letter of Deloitte & Touche LLP regarding its dismissal.(e)
- 21.1 Subsidiaries of TransDigm Group Incorporated.
- 23.1 Consent of Ernst & Young LLP.*
- 23.2 Consent of Deloitte & Touche LLP.*
- 23.3 Consent of Willkie Farr & Gallagher LLP (included in the opinion referred to in 5.1 above).*
- 24.1 Power of Attorney with respect to TransDigm Inc.
- 24.2 Power of Attorney with respect to TransDigm Group Incorporated.
- 24.3 Power of Attorney with respect to Champion Aerospace Inc.
- 24.4 Power of Attorney with respect to ZMP, Inc.
- 24.5 Power of Attorney with respect to Adams Rite Aerospace Inc.
- 24.6 Power of Attorney with respect to Christie Electric Corp.
- 24.7 Power of Attorney with respect to MarathonNorco Aerospace, Inc.
- 24.8 Power of Attorney with respect to Avionic Instruments Inc.
- 24.9 Power of Attorney with respect to DAC Realty Corp.
- 24.10 Power of Attorney with respect to Skurka Aerospace Inc.
- 24.11 Power of Attorney with respect to Sweeney Engineering Corp.
- 24.12 Power of Attorney with respect to CDA InterCorp. (included in the signature pages hereto).*
- 25.1 Statement of Eligibility of Trustee.*
- 99.1 Form of Letter of Transmittal.
- 99.2 Form of Notice of Guaranteed Delivery.

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- 99.3 Form of Letter to Clients.
 - 99.4 Form of Letter to Nominees.
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*

Filed herewith

Previously filed.

- (a) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397), as amended by Amendment No. 1, filed February 5, 1999, Amendment No. 2, filed March 24, 1999, and Amendment No. 3, filed April 23, 1999.
- (b) Incorporated by reference TransDigm Inc. and TransDigm Holding Company's Form S-4 filed June 28, 2002 (File No. 333-91574), as amended by Amendment No. 1, filed July 19, 2002.
- (c) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on July 30, 2003 (File No. 333-71397).
- (d) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed on August 29, 2003 (File No. 333-10834006).
- (e) Incorporated by reference to Amendment No. 1 to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed on October 30, 2003 (File No. 333-10834006).
- (f) Incorporated by reference to Amendment No. 2 to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed on November 10, 2003 (File No. 333-10834006).
- (g) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on March 5, 2004 (File No. 333-108340).
- (h) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 10-Q filed on May 5, 2004 (File No. 333-10834006).
- (i) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on February 16, 2005 (File No. 333-108340).
- (j) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on May 27, 2005 (File No. 333-108340).
- (k) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on October 6, 2005 (File No. 333-108340).
- (l) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on November 15, 2005 (File No. 333-108340).
- (m)

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Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on November 23, 2005 (File No. 333-108340).

- (n) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 10-K filed on November 30, 2005 (File No. 333-10834006).
- (o) Incorporated by reference to TransDigm Group Incorporated's Form S-1 filed on December 20, 2005 (File No. 333-130483).
- (p) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on December 22, 2005 (File No. 333-10834006).
- (q) Incorporated by reference to Amendment No. 1 to TransDigm Group Incorporated's Form S-1 filed on February 2, 2006 (File No. 333-130483).

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- (r) Incorporated by reference to Amendment No. 2 to TransDigm Group Incorporated's Form S-1 filed on February 27, 2006 (File No. 333-130483).
- (s) Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed on March 13, 2006 (File No. 333-130483).
- (t) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on June 28, 2006 (File No. 333-108340).
- (u) Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed on November 6, 2006 (File No. 001-32833).
- (b) Financial Statement Schedules

**TRANSDIGM GROUP INCORPORATED
VALUATION AND QUALIFYING ACCOUNTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND SEPTEMBER 30, 2004, THE PERIOD FROM JULY 8, 2003 THROUGH SEPTEMBER 30, 2003 (SUCCESSOR), AND THE PERIOD FROM OCTOBER 1, 2002 THROUGH JULY 22, 2003 (PREDECESSOR)

Column A	Column B	Column C Additions		Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Acquisitions	Deductions From Reserve(1)	Balance at End of Period
(Amounts in Thousands)					
Successor:					
Year Ended September 30, 2005					
Allowance for doubtful accounts	\$ 864	\$ 424	\$ 78	\$ 256	\$ 1,110
Reserve for excess and obsolete inventory	6,657	865	728	1,512	6,738
Year Ended September 30, 2004					
Allowance for doubtful accounts	1,240	(230)	324	470	864
Reserve for excess and obsolete inventory	7,041	715	77	1,176	6,657
Period July 8, 2003 though September 30, 2003					
Allowance for doubtful accounts		15	1,485	260	1,240
Reserve for excess and obsolete inventory	7,046	143	200	348	7,041
Predecessor:					
Period October 1, 2002 through July 22, 2003					
Allowance for doubtful accounts	1,305	193	110	123	1,485
Reserve for excess and obsolete inventory	7,115	358	219	646	7,046

- (1) The amounts in this column represent charge-offs net of recoveries.

Item 22. Undertakings

Each of the undersigned registrants hereby undertakes:

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- (a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
- (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or

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in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(b) That, for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as a part of this registration statement in reliance on Rule 430A and contained in a form of prospectus filed by the registrants pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be a part of this registration statement as of the time it was declared effective.

(c) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(d) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrants, pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by any such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether or not such indemnification is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Each of the undersigned registrants hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

Each of the undersigned registrants hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, TransDigm Inc. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

TRANSDIGM INC.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
<u> /s/ W. NICHOLAS HOWLEY </u> W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
<u> /s/ GREGORY RUFUS </u> Gregory Rufus	Executive Vice President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)	November 7, 2006
<u> /s/ RAYMOND F. LAUBENTHAL </u> Raymond F. Laubenthal	President, Chief Operating Officer and Director	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, TransDigm Group Incorporated has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

TRANSDIGM GROUP INCORPORATED

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ W. NICHOLAS HOWLEY W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
/s/ GREGORY RUFUS Gregory Rufus	Executive Vice President, Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)	November 7, 2006
* David Barr	Director	November 7, 2006
* Michael Graff	Director	November 7, 2006
* Kevin Kruse	Director	November 7, 2006
* Kewsong Lee	Director	November 7, 2006
/s/ DOUGLAS PEACOCK Douglas Peacock	Director	November 7, 2006

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/s/ SEAN P. HENNESSY

Director

November 7, 2006

Sean P. Hennessy

*By:

/s/ GREGORY RUFUS

Gregory Rufus
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Champion Aerospace Inc. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

CHAMPION AEROSPACE INC.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ W. NICHOLAS HOWLEY W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
/s/ BERNT G. IVERSON Bernt G. Iverson	President	November 7, 2006
/s/ GREGORY RUFUS Gregory Rufus	Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, ZMP, Inc. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

ZMP, INC.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ W. NICHOLAS HOWLEY <hr/> W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
/s/ JOHN F. LEARY <hr/> John F. Leary	President	November 7, 2006
/s/ GREGORY RUFUS <hr/> Gregory Rufus	Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Adams Rite Aerospace, Inc. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

ADAMS RITE AEROSPACE, INC.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ W. NICHOLAS HOWLEY <hr/> W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
/s/ JOHN F. LEARY <hr/> John F. Leary	President	November 7, 2006
/s/ GREGORY RUFUS <hr/> Gregory Rufus	Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, MarathonNorco Aerospace, Inc. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

MARATHONNORCO AEROSPACE, INC.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ W. NICHOLAS HOWLEY W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
/s/ RALPH MCCLELLAND Ralph McClelland	President	November 7, 2006
/s/ GREGORY RUFUS Gregory Rufus	Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Avionic Instruments Inc. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

AVIONIC INSTRUMENTS INC.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ W. NICHOLAS HOWLEY <hr/> W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
/s/ RAYMOND F. LAUBENTHAL <hr/> Raymond F. Laubenthal	President	November 7, 2006
/s/ GREGORY RUFUS <hr/> Gregory Rufus	Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, DAC Realty Corp. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

DAC REALTY CORP.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
<u> /s/ W. NICHOLAS HOWLEY </u> W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
<u> /s/ RAYMOND F. LAUBENTHAL </u> Raymond F. Laubenthal	President	November 7, 2006
<u> /s/ GREGORY RUFUS </u> Gregory Rufus	Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Skurka Aerospace Inc. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

SKURKA AEROSPACE INC.

By: /s/ W. NICHOLAS HOWLEY

Name: W. Nicholas Howley
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ W. NICHOLAS HOWLEY W. Nicholas Howley	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	November 7, 2006
/s/ HOWARD SKURKA Howard Skurka	President	November 7, 2006
/s/ GREGORY RUFUS Gregory Rufus	Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	November 7, 2006
/s/ ROBERT S. HENDERSON Robert S. Henderson	Director	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Sweeney Engineering Corp. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

SWEENEY ENGINEERING CORP.

By: /s/ RAYMOND F. LAUBENTHAL

Name: Raymond F. Laubenthal
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
<u> /s/ RAYMOND F. LAUBENTHAL </u> Raymond F. Laubenthal	Chief Executive Officer and Director (Principal Executive Officer)	November 7, 2006
<u> /s/ JAMES RILEY </u> James Riley	President and Director	November 7, 2006
<u> /s/ GREGORY RUFUS </u> Gregory Rufus	Secretary, Treasurer and Director (Principal Financial and Accounting Officer)	November 7, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, CDA InterCorp. has duly caused this Amendment No. 1 to its Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, on the 7th day of November, 2006.

CDA INTERCORP.

By: /s/ RAYMOND F. LAUBENTHAL

Name: Raymond F. Laubenthal
 Title: Chief Executive Officer and President

POWER OF ATTORNEY

Each person whose signature appears below authorizes Raymond F. Laubenthal and Gregory Rufus, or any of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, to execute in his name and on his behalf, in any and all capacities, this registrant's Registration Statement on Form S-4 relating to the exchange offer and any amendments thereto (and any additional registration statement related thereto permitted by Rule 462(b) promulgated under the Securities Act of 1933 (and all further amendments, including post-effective amendments thereto)), necessary or advisable to enable the registrant to comply with the Securities Act of 1933, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration of the securities which are the subject of such Registration Statement, which amendments may make such changes in such Registration Statement as such attorney may deem appropriate, and with full power and authority to perform and do any and all acts and things whatsoever which any such attorney or substitute may deem necessary or advisable to be performed or done in connection with any or all of the above-described matters, as fully as each of the undersigned could do if personally present and acting, hereby ratifying and approving all acts of any such attorney or substitute.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ RAYMOND F. LAUBENTHAL <hr/> Raymond F. Laubenthal	Chief Executive Officer, President and Director (Principal Executive Officer)	November 7, 2006
/s/ GREGORY RUFUS <hr/> Gregory Rufus	Secretary, Treasurer and Director (Principal Financial and Accounting Officer)	November 7, 2006

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EXHIBIT INDEX

Exhibit No.	Description
1.1	Form of Underwriting Agreement.(s)
2.1	Agreement and Plan of Merger, dated as of June 6, 2003, by and between TD Acquisition Corporation and TransDigm Holding Company.(c)
2.2	Amendment No. 1, dated as of July 9, 2003, to the Agreement and Plan of Merger, by and between TD Acquisition Corporation and TransDigm Holding Company.(c)
2.3	Agreement and Plan of Merger, dated as of July 22, 2003, by and between TransDigm Inc. and TD Funding Corporation.(d)
2.4	Agreement and Plan of Merger, dated as of September 30, 2005, by and between TransDigm Inc. and Fluid Regulators Corporation.(n)
3.1	Certificate of Incorporation, filed on July 8, 2003, of TD Holding Corporation (now known as TransDigm Group Incorporated). (o)
3.2	Certificate of Amendment to Certificate of Incorporation, filed on January 19, 2006, of TD Holding Corporation (now known as TransDigm Group Incorporated). (q)
3.3	Amended and Restated Certificate of Incorporation, filed on March 14, 2006, of TransDigm Group Incorporated.(s)
3.4	Amended and Restated Bylaws of TransDigm Group Incorporated.(s)
3.5	Certificate of Incorporation, filed on July 2, 1993, of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.).(a)
3.6	Certificate of Amendment, filed on July 22, 1993, of the Certificate of Incorporation of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.).(a)
3.7	Certificate of Ownership and Merger, filed on September 13, 1993, merging IMO Aerospace Company with and into TransDigm Inc.(a)
3.8	Certificate of Ownership and Merger, filed on June 23, 2006, merging TD Finance Corporation with and into TransDigm Inc.
3.9	Certificate of Ownership and Merger, filed on June 26, 2006, merging TransDigm Holding Company with and into TransDigm Inc.
3.10	Bylaws of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.).(a)
3.11	Certificate of Incorporation, filed on March 28, 1994, of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)
3.12	Certificate of Amendment, filed on May 18, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)
3.13	Certificate of Amendment, filed on May 24, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)
3.14	Bylaws of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.).(a)
3.15	Amended and Restated Articles of Incorporation, filed on April 23, 1999, of ZMP, Inc. (a)
3.16	Amended and Restated Bylaws of ZMP, Inc.(a)
3.17	Articles of Incorporation, filed on July 30, 1986, of ARP Acquisition Corporation (now known as Adams Rite Aerospace,

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Exhibit No.	Description
Inc.)(a)	

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- 3.18 Certificate of Amendment, filed on September 12, 1986, of the Articles of Incorporation of ARP Acquisition Corporation (now known as Adams Rite Aerospace, Inc.).(a)
 - 3.19 Certificate of Amendment, filed on January 27, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.).(a)
 - 3.20 Certificate of Amendment, filed on December 31, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.).(a)
 - 3.21 Certificate of Amendment, filed on August 11, 1997, of the Articles of Incorporation of Adams Rite Sabre International, Inc. (now known as Adams Rite Aerospace, Inc.).(a)
 - 3.22 Amended and Restated Bylaws of Adams Rite Aerospace, Inc.(a)
 - 3.23 Certificate of Incorporation, filed on April 16, 2001, of Aviation Acquisition Corporation (now known as Champion Aerospace Inc.).(b)
 - 3.24 Certificate of Amendment, filed on June 1, 2001, to the Certificate of Incorporation of Aviation Acquisition Corporation (now known as Champion Aerospace Inc.).(b)
 - 3.25 Bylaws of Aviation Acquisition Corporation (now known as Champion Aerospace Inc.).(b)
 - 3.26 Articles of Incorporation, filed on December 6, 1929, of McColpin Christie Electric Corporation, LTD. (now known as Christie Electric Corp.).(b)
 - 3.27 Certificate of Amendment, filed on November 3, 1947, of the Articles of Incorporation of McColpin Christie Corporation, LTD. (now known as Christie Electric Corp.).(b)
 - 3.28 Certificate of Amendment, filed on May 26, 1952, of the Articles of Incorporation of McColpin Christie Corporation, LTD. (now known as Christie Electric Corp.).(b)
 - 3.29 Certificate of Amendment, filed on May 1, 1956, of the Articles of Incorporation of McColpin Christie Corporation, LTD. (now known as Christie Electric Corp.).(b)
 - 3.30 Certificate of Amendment, filed on May 1, 1979, of the Articles of Incorporation of Christie Electric Corp.(b)
 - 3.31 Certificate of Ownership, filed on April 16, 1985, of Christie Electric Corp.(b)
 - 3.32 Certificate of Amendment, filed on September 29, 1993, of the Articles of Incorporation of Christie Electric Corp.(b)
 - 3.33 Bylaws of Christie Electric Corp.(b)
 - 3.34 Certificate of Incorporation, filed on October 10, 1986, of Avionic Instruments, Inc.
 - 3.35 Agreement and Plan of Merger, filed on December 18, 1986, merging Avionic Instruments Inc., a New York corporation, with and into Avionic Instruments Inc., a Delaware corporation.
 - 3.36 Certificate of Amendment of Certificate of Incorporation, filed on April 9, 1987, of Avionic Instruments Inc.
 - 3.37 Certificate of Merger, filed on December 31, 1996, merging REA International Corp. with and into Avionic Instruments Inc.
 - 3.38 Certificate of Amendment of Certificate of Incorporation, filed on December 24, 1997, of Avionic Instruments Inc.
 - 3.39 Certificate of Change of Location of Registered Office and of Registered Agent, filed on March 13, 1998, of Avionic Instruments Inc.
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- 3.40 Certificate of Change of Registered Agent and Registered Office, filed on August 2, 2005, of Avionic Instruments Inc.
 - 3.41 Bylaws of Avionic Instruments, Inc.
 - 3.42 Certificate of Incorporation, filed on July 28, 1986, of DAC Realty Corp.,
 - 3.43 Bylaws of DAC Realty Corp.
 - 3.44 Certificate of Incorporation, filed on December 22, 2004, of Skurka Aerospace Inc.
 - 3.45 Bylaws of Skurka Aerospace Inc.
 - 3.46 Articles of Incorporation, filed on November 10, 1980, of Sweeney Engineering Corp.
 - 3.47 Certificate of Amendment of Articles of Incorporation, filed on October 6, 1982, of Sweeney Engineering Corp.
 - 3.48 Amended and Restated Bylaws of Sweeney Engineering Corp.
 - 3.49 Amended and Restated Articles of Incorporation, filed on July 20, 1997, of Astro Instrument Corporation (now known as CDA InterCorp.).*
 - 3.50 Articles of Amendment to Articles of Incorporation, filed on December 22, 1997, of CDA InterCorp.*
 - 3.51 Articles of Amendment to Articles of Incorporation, filed on July 29, 1998, of CDA InterCorp.*
 - 3.52 Amended and Restated Bylaws of CDA InterCorp.*
 - 4.1 Form of Stock Certificate.(s)
 - 4.2 Indenture, dated as of July 22, 2003, among TransDigm Inc. (as the successor by merger to TD Funding Corporation), TransDigm Holding Company (as the successor by merger to TD Acquisition Corporation), the Guarantors named therein, and The Bank of New York, as trustee.(d)
 - 4.3 Form of 8³/₈% Senior Subordinated Note due 2011.(d)
 - 4.4 First Supplemental Indenture, dated as of October 9, 2003, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(e)
 - 4.5 Second Supplemental Indenture, dated as of February 10, 2005, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(i)
 - 4.6 Third Supplemental Indenture, dated as of May 24, 2005, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(j)
 - 4.7 Fourth Supplemental Indenture, dated as of September 30, 2005, to Indenture, dated as of July 22, 2003, by and among TransDigm Inc., TransDigm Holding Company, the Guarantors named therein, and The Bank of New York, as trustee.(k)
 - 4.8 Fifth Supplemental Indenture, dated as of June 22, 2006, among TransDigm Inc., the guarantors listed on the signature pages thereto and The Bank of New York, as trustee.(t)
 - 4.9 Indenture, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee.(t)
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- 4.10 First Supplemental Indenture, dated as of November 2, 2006, to Indenture, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee.(u)
 - 4.11 Registration Rights Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Banc of America Securities LLC and Credit Suisse Securities (USA) LLC, as representatives for the several initial purchasers.(t)
 - 4.12 Form of 7³/₄% Senior Subordinated Notes due 2014 (included in Exhibit 4.9).
 - 4.13 Form of Exchange Agent Agreement
 - 5.1 Opinion of Willkie Farr & Gallagher LLP.*
 - 5.2 Opinion of Baker & Hostetler LLP.*
 - 5.3 Opinion of Wilentz, Goldman & Spitzer, P.A.*
 - 8.1 Opinion of Willkie Farr & Gallagher LLP with respect to certain tax matters.*
 - 10.1 Stockholders' Agreement, dated as of July 22, 2003, by and among TD Holding Corporation, Warburg Pincus Private Equity VIII, L.P., the other institutional investors whose names and addresses are set forth on Schedule I thereto and the employees of TransDigm Inc. and certain of its subsidiaries whose names and addresses are set forth on Schedule II thereto.(d)
 - 10.2 Management Stockholders' Agreement, dated as of July 22, 2003, by and among TD Holding Corporation, Warburg Pincus Private Equity VIII, L.P. and the employees of TransDigm Inc. and certain of its subsidiaries whose names and addresses are set forth on Schedule I thereto.(d)
 - 10.3 Registration Rights Agreement, dated as of July 22, 2003, among the institutional investors whose names and addresses are set forth on Schedule I thereto, the employees of TransDigm Inc. and certain of its subsidiaries whose names and addresses are set forth on Schedule II thereto and TD Holding Corporation.(d)
 - 10.4 Employment Agreement, dated as of June 6, 2003, by and between W. Nicholas Howley and TransDigm Holding Company.(d)
 - 10.5 Amendment No. 1 to Employment Agreement, dated as of February 24, 2006, between TransDigm Holding Company and W. Nicholas Howley.(r)
 - 10.6 Employment Agreement, dated as of November 18, 2005, by and between Raymond Laubenthal and TransDigm Holding Company.(m)
 - 10.7 Amendment No. 1 to Employment Agreement, dated as of February 24, 2006, between TransDigm Holding Company and Raymond Laubenthal.(r)
 - 10.8 Employment Agreement, dated as of November 18, 2005, by and between Gregory Rufus and TransDigm Holding Company.(m)
 - 10.9 Amendment No. 1 to Employment Agreement, dated as of February 24, 2006, between Transdigm Holding Company and Gregory Rufus.(r)
 - 10.10 Severance Agreement, dated as of December 10, 2004, by and between Skurka Engineering Company and Howard Skurka.(n)
 - 10.11 Retention Agreement, dated as of December 31, 2004, by and between TD Holding Corporation, TransDigm Inc. and Howard Skurka.(n)
 - 10.12 Noncompetition Agreement, dated as of December 31, 2004, by and among Skurka Aerospace Inc., TransDigm Inc. and Howard Skurka.(n)
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- 10.13 Noncompetition Agreement, dated as of December 31, 2004, by and among Skurka Aerospace Inc., TransDigm Inc. and Howard Skurka.(n)
 - 10.14 TD Holding Corporation Third Amended and Restated 2003 Stock Option Plan.(l)
 - 10.15 TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan.*
 - 10.16 Letter, dated February 24, 2006, from David Barr, Member of the Compensation Committee of the Board of Directors of TransDigm Group Incorporated, to W. Nicholas Howley, Chief Executive Officer of TransDigm Group Incorporated. (r)
 - 10.17 TransDigm Group Incorporated 2006 Stock Incentive Plan.(s)
 - 10.18 Amendment No. 1, dated as of October 20, 2006, to the TransDigm Group Incorporated 2006 Stock Incentive Plan.*
 - 10.19 TD Holding Corporation 2003 Management Deferred Compensation and Phantom Stock Unit Plan.(d)
 - 10.20 TD Holding Corporation 2003 Rollover Deferred Compensation and Phantom Stock Unit Plan(d)
 - 10.21 TD Holding Corporation 2005 New Management Deferred Compensation Plan.(p)
 - 10.22 Amended and Restated TD Holding Corporation Dividend Equivalent Plan.(p)
 - 10.23 Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the rollover options granted to such executive.(d)
 - 10.24 Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the time vested options granted to such executive.(d)
 - 10.25 Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the performance vested options granted to such executive.(d)
 - 10.26 Form of Option Agreement under TransDigm Group Incorporated 2006 Stock Incentive Plan.(s)
 - 10.27 Demand Promissory Note, dated July 22, 2003, made by TransDigm Holding Company in favor of TransDigm Inc. and subsequently assigned by TransDigm Inc. to TD Finance Corporation.(d)
 - 10.28 Amendment Agreement, dated as of April 1, 2004, among TransDigm Holding Company, TransDigm Inc., the lenders from time to time party thereto and Credit Suisse First Boston, as administrative agent and collateral agent.(n)
 - 10.29 Amended and Restated Credit Agreement, dated as of April 1, 2004, among TransDigm Holding Company, TransDigm Inc., the lenders from time to time party thereto and Credit Suisse First Boston, as administrative agent and collateral agent.(h)
 - 10.30 Amendment No. 1, dated as of November 10, 2005, to the Amended and Restated Credit Agreement, dated as of April 1, 2004, among TransDigm Inc., TransDigm Holding Company, the lenders from time to time party thereto and Credit Suisse (formerly known as Credit Suisse First Boston), as administrative agent and as collateral agent.(l)
 - 10.31 Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Holding Company (as the successor by merger to TD Acquisition Corporation), TransDigm Inc. (as the successor by merger to TD Funding Corporation), the Subsidiaries Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(d)
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- 10.32 Supplement No. 1, dated as of October 9, 2003, to the Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Inc., TransDigm Holding Company, the Subsidiary Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(e)
 - 10.33 Supplement No. 2, dated as of February 10, 2005, to the Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Inc., TransDigm Holding Company, the Subsidiary Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(i)
 - 10.34 Supplement No. 3, dated as of May 24, 2005, to the Guarantee and Collateral Agreement, dated as of July 22, 2003, among TransDigm Inc., TransDigm Holding Company, the Subsidiary Guarantors (as defined therein) and Credit Suisse First Boston, as collateral agent.(j)
 - 10.35 Tax Sharing Agreement, dated as of July 22, 2003, by and among TD Holding Corporation, TransDigm Holding Company, TransDigm Inc. and such direct and indirect subsidiaries of TD Holding Corporation that are listed on Exhibit A thereto.(e)
 - 10.36 Contribution and Assignment Agreement, dated as of October 13, 2003, by and between TransDigm Inc. and TD Finance Corporation.(f)
 - 10.37 Standard Industrial/Commercial Single-Tenant Lease Net, dated as of December 31, 2004, between VHEM, LLC, d/b/a H&M Properties, and Skurka Aerospace Inc.(n)
 - 10.38 Guaranty of Lease, dated as of December 31, 2004, by TransDigm Inc. in favor of VHEM, LLC, d/b/a H&M Properties.(n)
 - 10.39 Amended and Restated TransDigm Inc. Executive Retirement Savings Plan.(p)
 - 10.40 Loan Agreement, dated as of November 10, 2005, among TD Holding Corporation, the lenders named therein and Banc of America Bridge LLC, as administrative agent. (r)
 - 10.41 Purchase Agreement, dated June 20, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Banc of America Securities LLC and Credit Suisse Securities (USA) LLC, as representatives for the several initial purchasers named therein.(t)
 - 10.42 Credit Agreement, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. from time to time party thereto, the financial institutions from time to time party thereto, as lenders, Credit Suisse, as administrative agent and collateral agent, Credit Suisse Securities (USA) LLC and Banc of America Securities LLC, as joint lead arrangers and joint bookrunners, Bank of America, N.A., as syndication agent, and Barclays Bank plc, General Electric Capital Corporation and UBS Securities LLC, as co-documentation agents.(t)
 - 10.43 Guarantee and Collateral Agreement, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse, as administrative agent and collateral agent.(s)
 - 10.44 Supplement No. 1, dated as of November 2, 2006, to the Guarantee and Collateral Agreement, dated as of June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse, as administrative agent and collateral agent.(u)
 - 10.45 Joinder Agreement, dated as of November 2, 2006, between CDA InterCorp, and Credit Suisse, as agent. (u)
 - 12.1 Statement of Computation of Ratio of Earnings to Fixed Charges.
 - 16.1 Letter of Deloitte & Touche LLP regarding its dismissal.(e)
 - 21.1 Subsidiaries of TransDigm Group Incorporated.
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- 23.1 Consent of Ernst & Young LLP.*
 - 23.2 Consent of Deloitte & Touche LLP.*
 - 23.3 Consent of Willkie Farr & Gallagher LLP (included in the opinion referred to in 5.1 above).*
 - 24.1 Power of Attorney with respect to TransDigm Inc.
 - 24.2 Power of Attorney with respect to TransDigm Group Incorporated.
 - 24.3 Power of Attorney with respect to Champion Aerospace Inc.
 - 24.4 Power of Attorney with respect to ZMP, Inc.
 - 24.5 Power of Attorney with respect to Adams Rite Aerospace Inc.
 - 24.6 Power of Attorney with respect to Christie Electric Corp.
 - 24.7 Power of Attorney with respect to MarathonNorco Aerospace, Inc.
 - 24.8 Power of Attorney with respect to Avionic Instruments Inc.
 - 24.9 Power of Attorney with respect to DAC Realty Corp.
 - 24.10 Power of Attorney with respect to Skurka Aerospace Inc.
 - 24.11 Power of Attorney with respect to Sweeney Engineering Corp.
 - 24.12 Power of Attorney with respect to CDA InterCorp. (included in the signature pages hereto).*
 - 25.1 Statement of Eligibility of Trustee.*
 - 99.1 Form of Letter of Transmittal.
 - 99.2 Form of Notice of Guaranteed Delivery.
 - 99.3 Form of Letter to Clients.
 - 99.4 Form of Letter to Nominees.
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*

Filed herewith

Previously filed.

- (a) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397), as amended by Amendment No. 1, filed February 5, 1999, Amendment No. 2, filed March 24, 1999, and Amendment No. 3, filed April 23, 1999.
- (b) Incorporated by reference TransDigm Inc. and TransDigm Holding Company's Form S-4 filed June 28, 2002 (File No. 333-91574), as amended by Amendment No. 1, filed July 19, 2002.
- (c) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on July 30, 2003 (File No. 333-71397).

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- (d) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed on August 29, 2003 (File No. 333-10834006).
 - (e) Incorporated by reference to Amendment No. 1 to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed on October 30, 2003 (File No. 333-10834006).
 - (f) Incorporated by reference to Amendment No. 2 to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed on November 10, 2003 (File No. 333-10834006).
 - (g) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on March 5, 2004 (File No. 333-108340).
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- (h) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 10-Q filed on May 5, 2004 (File No. 333-10834006).
 - (i) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on February 16, 2005 (File No. 333-108340).
 - (j) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on May 27, 2005 (File No. 333-108340).
 - (k) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on October 6, 2005 (File No. 333-108340).
 - (l) Incorporated by referenced to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on November 15, 2005 (File No. 333-108340).
 - (m) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on November 23, 2005 (File No. 333-108340).
 - (n) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 10-K filed on November 30, 2005 (File No. 333-10834006).
 - (o) Incorporated by reference to TransDigm Group Incorporated's Form S-1 filed on December 20, 2005 (File No. 333-130483).
 - (p) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on December 22, 2005 (File No. 333-10834006).
 - (q) Incorporated by reference to Amendment No. 1 to TransDigm Group Incorporated's Form S-1 filed on February 2, 2006 (File No. 333-130483).
 - (r) Incorporated by reference to Amendment No. 2 to TransDigm Group Incorporated's Form S-1 filed on February 27, 2006 (File No. 333-130483).
 - (s) Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed on March 13, 2006 (File No. 333-130483).
 - (t) Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed on June 28, 2006 (File No. 333-108340).
 - (u) Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed on November 6, 2006 (File No. 001-32833).
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TRANSDIGM GROUP INCORPORATED CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2005 AND 2004

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TransDigm Inc.

PART II INFORMATION NOT REQUIRED IN PROSPECTUS

TRANSDIGM GROUP INCORPORATED VALUATION AND QUALIFYING ACCOUNTS FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND SEPTEMBER 30, 2004, THE PERIOD FROM JULY 8, 2003 THROUGH SEPTEMBER 30, 2003 (SUCCESSOR), AND THE PERIOD FROM OCTOBER 1, 2002 THROUGH JULY 22, 2003 (PREDECESSOR)

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