

SCHEDULE 14A  
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☒ Definitive Additional Materials
- ☐ Soliciting Material under Rule 14a-12

TRW INC.

(Name of Registrant as Specified In Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1)

Title of each class of securities to which transaction applies:
- (2)

Aggregate number of securities to which transaction applies:
- (3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4)

Proposed maximum aggregate value of transaction:
- (5)

Total fee paid:

- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

The Definitive Additional Materials filed herewith relate both to TRW’s Special Meeting of Shareholders scheduled for April 22, 2002 and to TRW’s Annual Meeting of Shareholders scheduled for April 24, 2002. TRW’s proxy statement for the Special Meeting of Shareholders was filed on April 2, 2002 on Schedule 14A and TRW’s proxy statement for the Annual Meeting of Shareholders was filed

on March 4, 2002 on Schedule 14A.

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[1st Quarter 2002 Earnings Release Conference Call Presentation](#)



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# **1<sup>st</sup> Quarter 2002 Earnings Release Conference Call Presentation**

**April 17, 2002**

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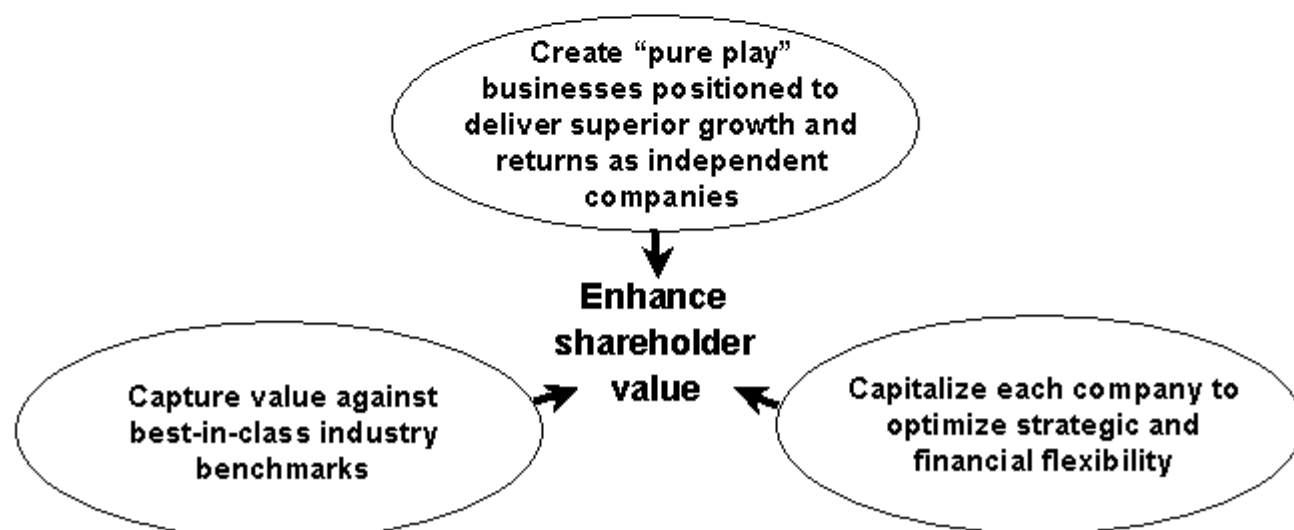
# Today's Discussion

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➡ Meet/exceed commitments ... Raise '02 EPS guidance to \$3.55 - \$3.60 (from \$3.30)

➡ Accelerate deleveraging initiatives through asset sales ... sell Aeronautical Systems

➡ Spin-Off Automotive into independent, publicly-traded company



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## First Quarter 2002 Overview

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- Beginning to reap benefits from 2001 operational initiatives
- Focused on meeting/exceeding commitments
- 20% + growth in earnings; significant improvement in first quarter cash flow
- Business outlook improving for all segments
- Increasing earnings guidance for 2002
- Making progress on deleveraging and separation plans (Value Enhancement Plan)

<p><b>Great First Quarter; Improving Outlook for Full Year; Executing Separation Plan</b></p>
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## First Quarter 2002 Sales

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- Total TRW
  - Down only 2% despite weak commercial markets
- Defense businesses
  - Sales stable; new and ongoing program sales offset discontinued programs
  - Budget appropriations and new program delays impacted first quarter; solid growth during remainder of year
- Automotive
  - Sales essentially unchanged at \$2.6 billion
  - North American sales up over \$100 million; Europe down
- Aeronautical Systems
  - Softer market reduced sales \$33 million
  - Industry trends improving

<p style="text-align: center;"><b>First Quarter Sales Essentially Flat; Outlook Improving Across All Businesses</b></p>
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# Reconciliation of Q1 EPS to Prior Year

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<b>EPS* - Q1 2001</b>	<b>\$0.59</b>		
<b>Defense business</b>	<b>0.02</b>	<b>{</b>	<b>+ Improved program performance</b> <b>- Slower sales growth ... timing</b>
<b>Automotive</b>	<b>0.00</b>	<b>{</b>	<b>+ Productivity, North American vehicle build</b> <b>- Weak Europe, pricing pressure</b>
<b>Aeronautical Systems</b>	<b>(0.07)</b>	<b>{</b>	<b>- Adverse sales volume and mix</b> <b>- Product development spending ... timing</b> <b>+ Restructuring on track</b>
<b>Financing Costs</b>	<b>0.12</b>	<b>{</b>	<b>+ Lower net debt and interest rates</b>
<b>Corporate / Other</b>	<b><u>0.05</u></b>	<b>{</b>	<b>+ Lower corporate expense</b> <b>- Lower pension income</b>
<b>EPS* - Q1 2002</b>	<b><u>\$0.71</u></b>		

\* Before unusual and extraordinary items and adjusted to reflect FAS 142



# Revised 2002 Guidance

Segments	Business Outlook	Revised Guidance (vs. Previous Guidance)	
		Sales	Profit
Automotive	■ NA production improving; estimated 15.5m vehicles vs 15.0m in January	Up 2-3%	Up 5%
Systems	■ Defense budget improving, some delay in award timing	No Change	
Space & Electronics			
Aeronautical			
Financing, Corporate, Net Employee Benefits Income	■ Lower corporate expense and interest; higher pension	Net Expense Down 6-9%	
Revised EPS from \$3.30 to \$3.55 - \$3.60			

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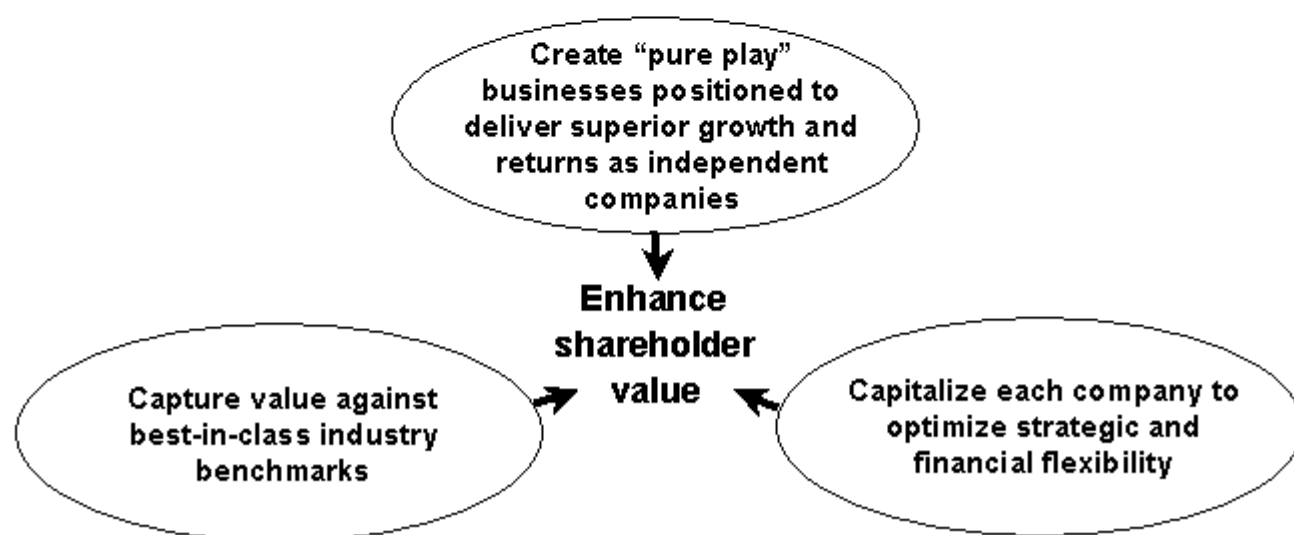
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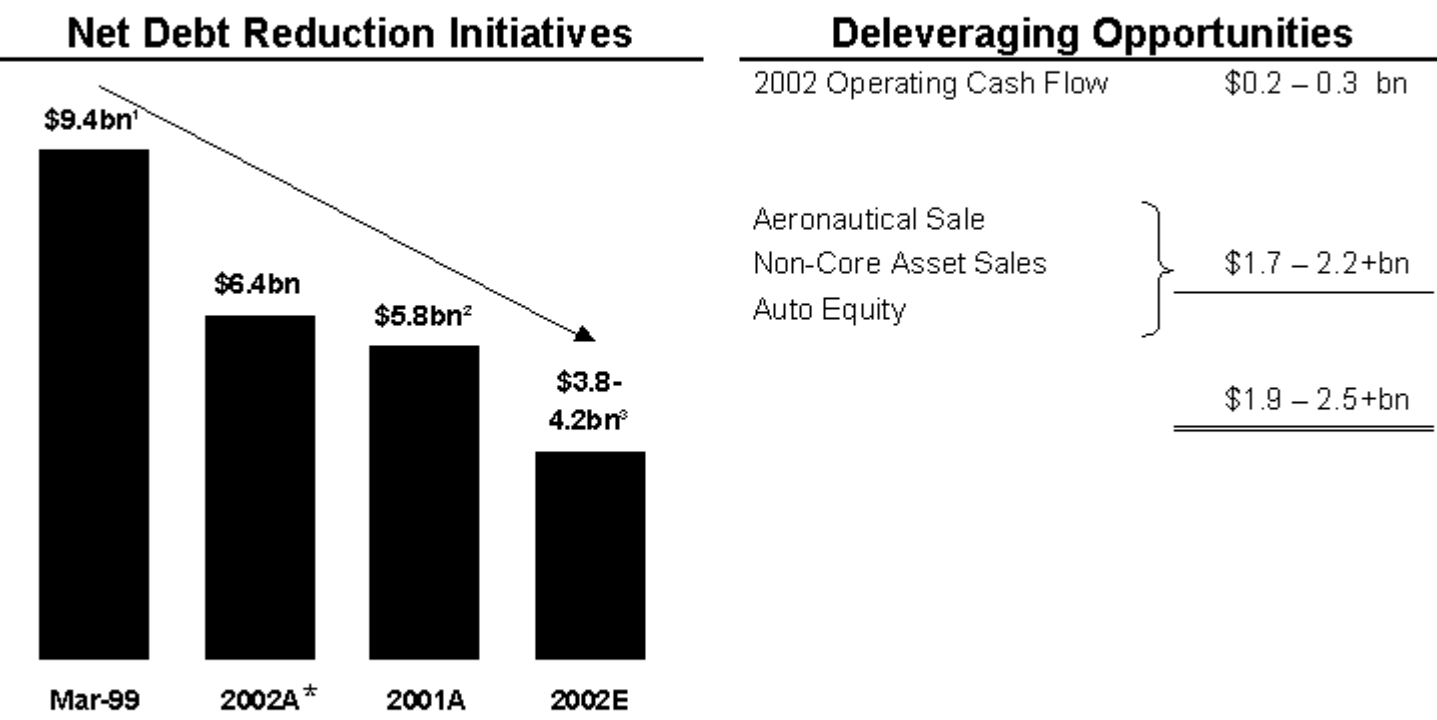
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# Deleveraging Initiatives



Deleveraging Initiatives Reduce Debt to Level Allowing Separation Into Two Well-Capitalized Pure Play Companies

(1)
   
(2)
   
(3)
   
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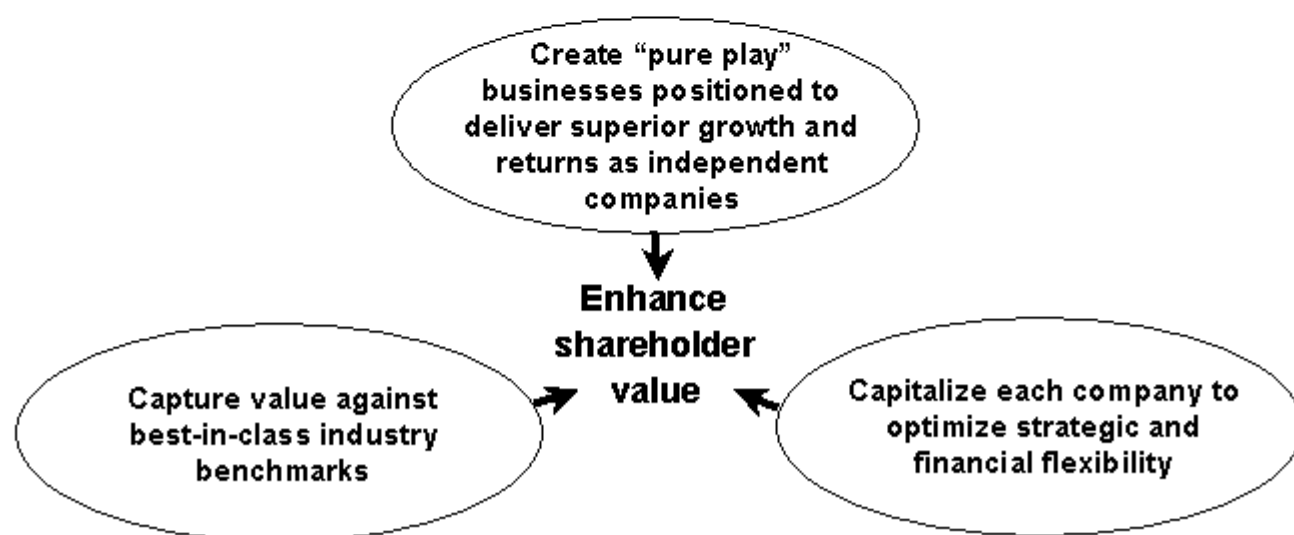
Represents net debt post acquisition of LucasVarity.
   
Represents net debt at 31-Dec-2001 of \$5.5bn plus \$0.3bn of accounts receivable securitization.
   
2002E net debt includes the effect of proceeds of \$1.6 – 2.0bn of the deleveraging opportunities.
   
Typographical error; should read "2000A".

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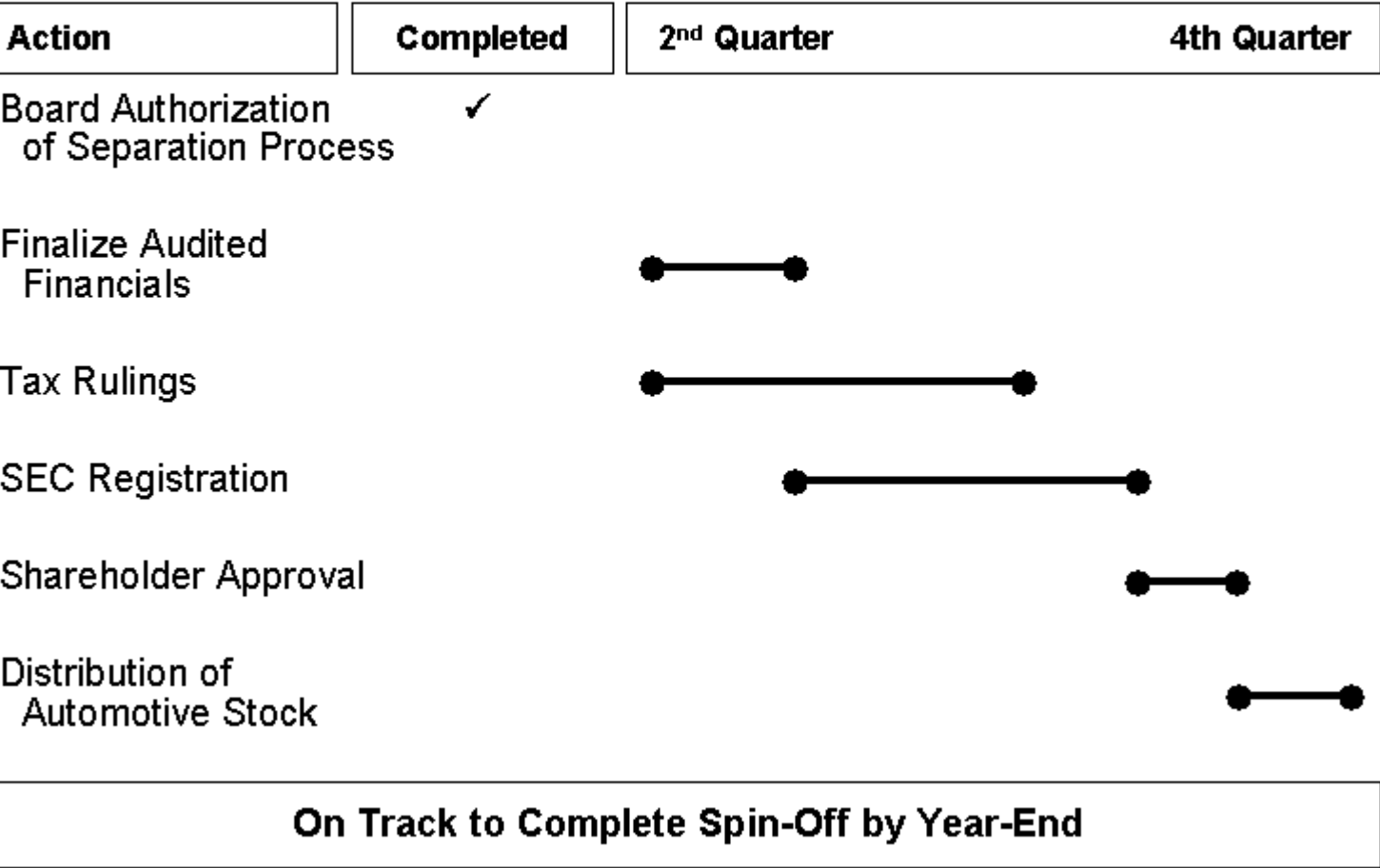
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# Automotive Spin-Off



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## **Separation Plan: Significant Value from Tax Planning**

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- High tax basis in LucasVarity business generates significant tax benefits
  - We anticipate minimal tax leakage on sale of Aeronautical Systems
  - Carry-back against prior capital gains (e.g. RFMD) resulting in cash refund
  - Partial offset of 2002 taxable income
- Spin-Off does not create an impediment to future strategic transactions

<b>Tax Planning Unlocks Significant Value to TRW's Shareholders</b>
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# Creating Two World-Class Pure Play Leaders

TRW Automotive	TRW Systems, Space & Electronics (SS&E)
<ul style="list-style-type: none"><li>✓ Global diversified market leader</li><li>✓ #1 or #2 position in brakes, airbags and other key products</li><li>✓ Well positioned in fastest growing products and platforms</li><li>✓ Outlook for North American Automotive Production improving</li><li>✓ Poised to capture value against best-in-class industry benchmarks</li></ul>	<ul style="list-style-type: none"><li>✓ World-class supplier of space, defense, communications and systems products</li><li>✓ Record backlogs</li><li>✓ Enabling U.S. Defense transformation</li><li>✓ Attractively positioned in the "sweet spot" of the highest growth segments of DoD budget (missile defense, homeland security, space systems, etc.)</li><li>✓ Indium Phosphide and commercial laser investments provide additional value</li></ul>

**Positioned to Deliver Superior Growth and Returns As Independent Companies**

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## **TRW Response to Northrop Grumman**

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- Recommends that shareholders reject Northrop offer
- Continue to pursue shareholder Value Enhancement Plan
- Explore all strategic alternatives to enhance shareholder value

**Northrop's \$53 Offer is Financially Inadequate**



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## Summary

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- Great first quarter – exceeded commitments; increasing full year earnings guidance
- On track to execute shareholder Value Enhancement Plan including sale of Aeronautical Systems, Spin-Off of Automotive; and creation of two world-class pure play companies
- Recommend shareholders reject Northrop \$53/share offer