

TRW Presentation

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Forward-Looking Statements

This communication contains certain "forward-looking statements" that TRW believes are within the meaning of the F

Litigation Reform Act of 1995. Shareholders should be aware that the preparation of any such forward-looking staten

of estimates of future revenues, expenses, activity levels and economic and market conditions, many of which are ou

control. Further, the Company's results could be affected by the ability to obtain new contract awards; the level of def

government and the termination of existing government contracts; pricing pressures from customers; moderation or c

automobile build rate; changes in consumer debt levels; work stoppages; unanticipated downturn in the financial conc

relationships with customers or suppliers; the ability to reduce the level of outstanding debt from cash flow from oper

proceeds from asset dispositions; a credit rating downgrade; increase in interest rates; customer recall and warranty

and litigation issues; changes to the regulatory environment regarding automotive safety; the introduction of competir

technology by competitors; the ability to attract and retain skilled employees with high-level technical competencies; t

companies in which we have made technology investments; the availability of funding for research and development;

and political domestic and international conditions; fluctuations in currency exchange rates; and the impact of addition

which could result in reduced automotive production, disruptions to the transportation system, or significant and prolo

travel. In addition, there can be no assurance: (i) that an agreement relating to any investment in the Company, or rel

other distribution of all or a part of the Company's operating businesses will be reached, or that if an agreement is rea

transactions contemplated by such agreement will be consummated; (ii) that the Company will spin off the Automotiv

spin-off will be complete by the end of the fourth quarter 2002; (iii) that the Company will be successful in reducing th

indebtedness, or that the methods described for debt reduction will be utilized; (iv) as to the amount by which debt wi

the Company's strategy will deliver any particular level of value to TRW shareholders; (v) that defense spending will

development, test and evaluation budgets will increase; (vii) that the commercial aerospace industry will stabilize; (vii

2002 light vehicle production will increase from 2001 levels; (ix) that 2002 earnings per share estimates will be met or

respect to the expected amounts of the Company's operating cash flows in 2002, that such amounts will be utilized to

the Company's indebtedness; (xi) with respect to the amounts that will be realized, if any, by the Company from dives

respect to the amount of sales, earnings per share or cash flow that will be realized by the Company in 2002; and (xii

costs will decrease in 2002. Other factors and assumptions not identified above are also involved in the preparation c

statements, and the failure of such other factors and assumptions to be realized may also cause actual results to diff

discussed. The Company assumes no obligation to update such estimates to reflect actual results, changes in assur

other factors affecting such estimates other than as required by law.

TRW Today ... Four Businesses

2001 Total Sales = \$16.4 Billion

TRW Systems
\$3.2 Billion
19%



Automotive
\$10.1 Billion
62%



**Aeronautics
Systems**
\$1.1 Billion

Technology focused, global presence, leading market

2001 Operational Accomplishments

Meeting Commitments	<ul style="list-style-type: none">• Met or exceeded EPS consensus expectation each quarter• Generated \$640M in cash flow
Reduced Debt	<ul style="list-style-type: none">• Reduced net debt by nearly \$1 B (including asset securitization)• Significant pay down of short term debt; maintaining investment grade credit rating
Invigorated Growth	<ul style="list-style-type: none">• Record backlog at Space & Electronics and Systems (\$8B; ~\$4B in cash orders including priced options)• Key awards in Automotive and Aeronautical Systems
Enhanced Productivity	<ul style="list-style-type: none">• Cut Automotive fixed costs by \$150M; corporate expenses down 10%• Proactive 16% headcount reduction in Aeronautical Systems
Established Six Sigma	<ul style="list-style-type: none">• Trained 1,500 Green Belts and 280 Black Belts• Company-wide roll-out; benefits already evident

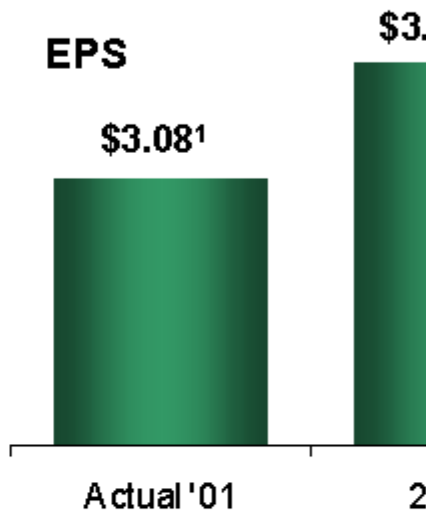
Poised to reap benefits from operational initiatives

2002 — Breakout Year

Q1 Performance

- Operating earnings increased 24%
- EPS increased 20%
- Auto and Defense margins improved
- New contracts
 - SBIRS Low
 - Liquid Booster Target Program
 - Vehicle Stability Control
 - Adaptive Cruise Control

Financial Guidance

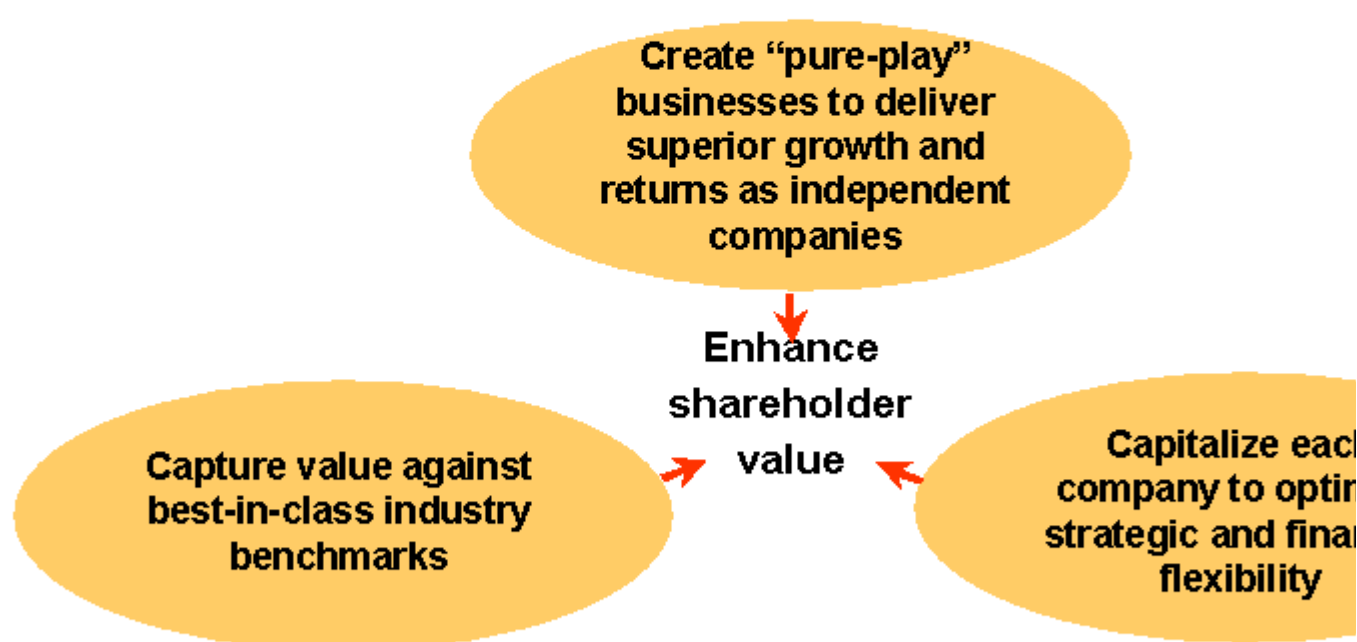


- (1) 2001 is adjusted for FAS 142
- EPS grows by 16%
 - Debt reduction of \$1.0B (operating cash flow and non-core asset sale)

On track for excellent 2002 and beyond but further transformational actions needed

Our Plan to Enhance Value for TRW Shareholders

- ➡ Meet/exceed earnings and debt repayment commitments
- ➡ Accelerate deleveraging initiatives through asset sales
- ➡ Spin-off Automotive into independent, publicly-traded company

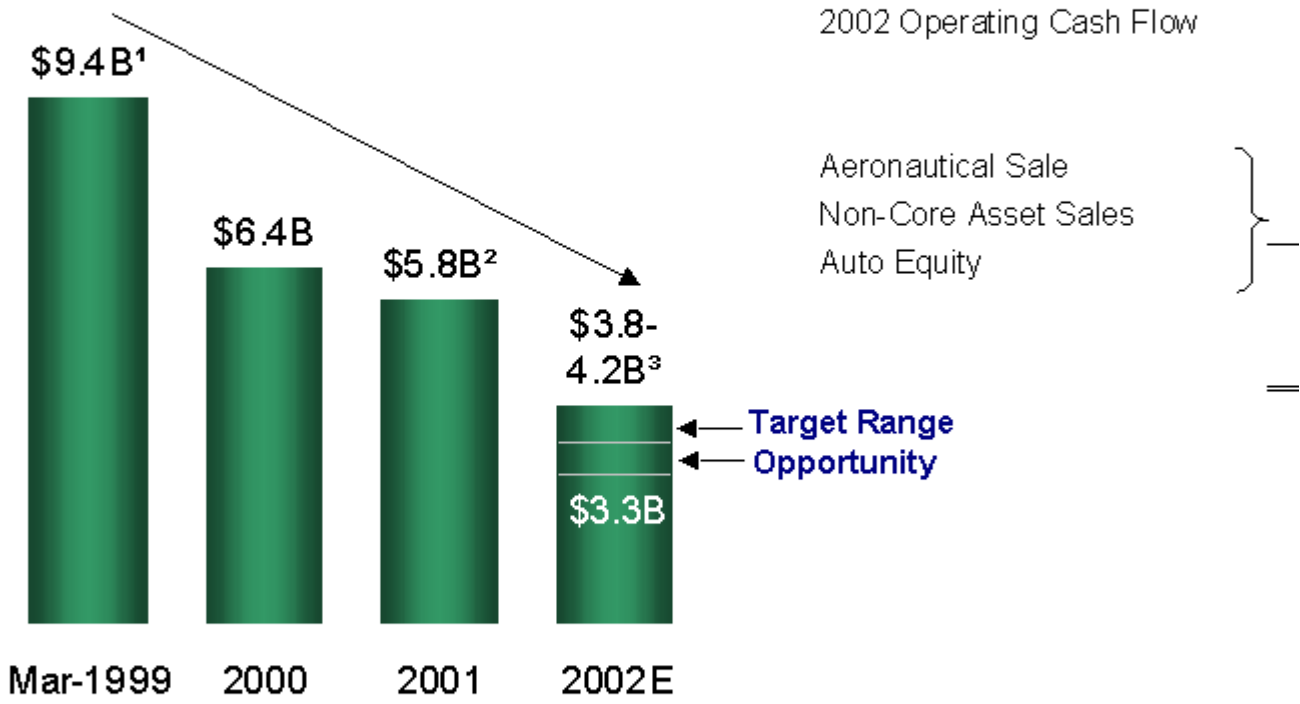


Well-developed program to drive deleveraging and separation of Automotive

Executing Our Strategy ... Deleveraging Initiatives

Net Debt Reduction Initiatives

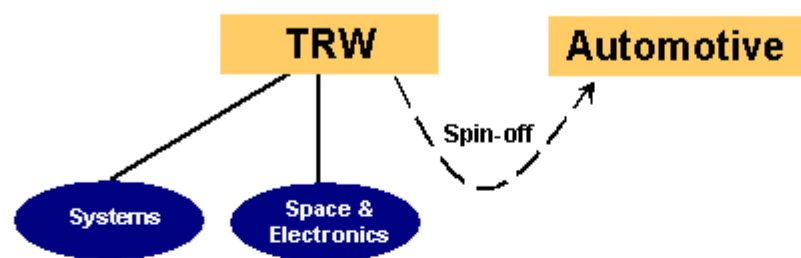
Deleveraging Opportunities



- Represents net debt post acquisition of LucasVarity.
- Represents net debt at 31-Dec-2001 of \$5.5B plus \$0.3B of accounts receivable securitization.
- 2002E net debt includes the effect of proceeds of \$1.6 – 2.0B of the deleveraging opportunities.

Deleveraging allows separation into two well-capitalized pure-play companies

Executing Our Strategy ... Spin-Off Automotive



Action	Completed	2 nd Quarter	4th Quarter
Board Authorization	✓		
Audited Financials	✓		
Submit Tax Rulings	✓		
IRS Review		●————●	
SEC Registration		●————●	
Shareholder Approval			●——●
Distribute Stock			●——●

On track to complete tax-free spin-off by year-end



TRW Tomorrow ... Two Businesses

Systems Space & Electronics



Automotive



**Two independent, pure-play companies created
to unlock shareholder value**

Creating Two World-Class Pure-Play L

TRW Systems, Space & Electronics

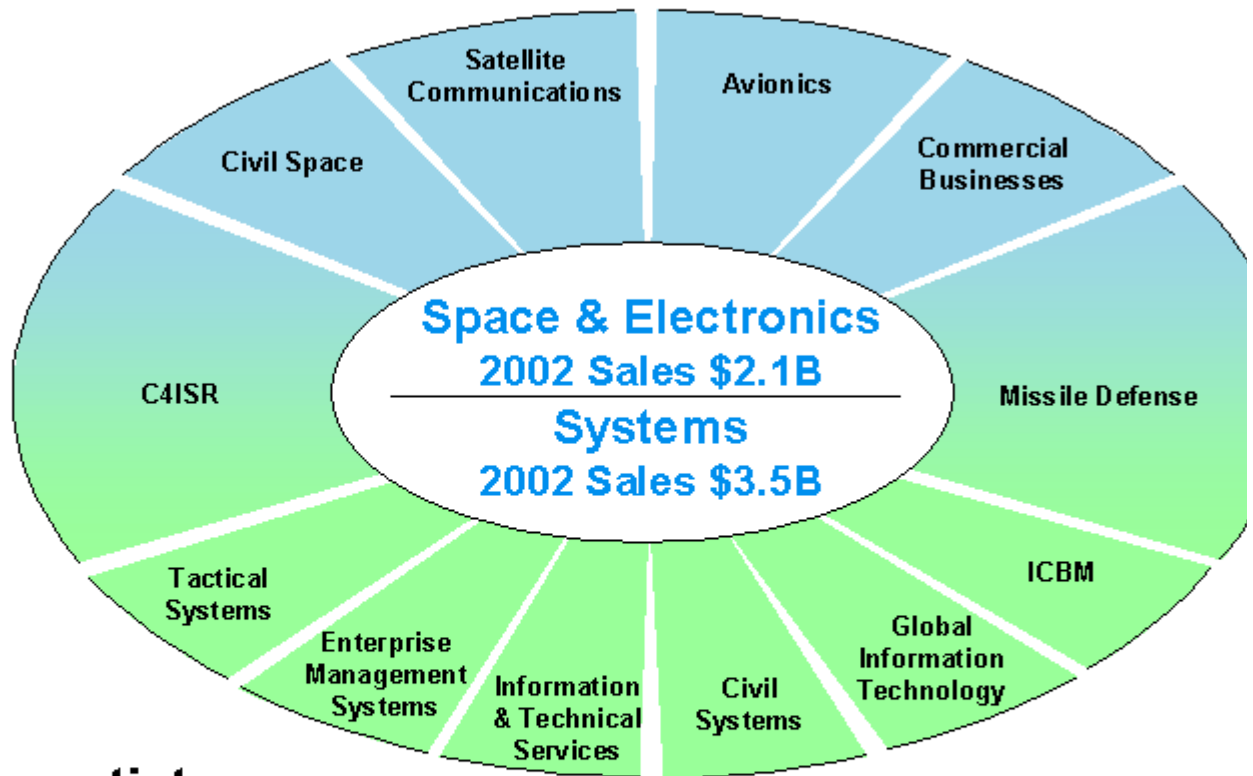
- World-class supplier of space, defense, communications and systems products
- Our people - technical leaders and domain experts
- Record backlog ~ \$13B
- Capabilities critical to U.S. Defense transformation
- Aligned with the highest growth segments of the DoD budget
- Benefit from Homeland Security programs – upside!
- Indium Phosphide and commercial laser investments

TRW Automotive

- Diversified market
- Leading market position
- Well positioned in new products and platforms
- Extremely competitive
- Improving productivity in North America
- Poised to capture value in Best-in-Class industries

Positioned to deliver superior growth and returns as independent companies

SS&E Balanced Portfolio ... Critical Skills and Technologies



Key Differentiators:

- Demonstrated system engineering skills
- Broad array of advanced technologies
- World-class software development capability
- Strong program & subcontract management
- Extensive domain knowledge and relationships
- Satisfied customers – long-term performance on high-end, complex programs
- Readily adaptable to prime or subcontract roles

Complementary businesses

SS&E — Growth Opportunities Across Market Segments

<div><div>Legacy Markets</div><div><ul style="list-style-type: none">• \$2.8B revenue in 2001<ul style="list-style-type: none">– ICBM– ISR– Federal IT– Technical services– MilSatCom Payloads– Earth/Space Science– Military Avionics– Advanced Technologies</div></div> <div>'01-'06 CAGR ~8%</div>	<div><div>Expansion Markets</div><div><ul style="list-style-type: none">• \$2.1B revenue in 2001<ul style="list-style-type: none">– ISR– Homeland Security– Missile Defense– Battlefield Systems– Public Safety Communications– Globalization– Weather Systems– Advanced Technologies</div></div> <div>'01-'06 CAGR ~15%</div>	<div><div>Emerging Markets</div><div><ul style="list-style-type: none">• \$250M revenue in 2001<ul style="list-style-type: none">– Pharmaceuticals– Medical Devices– E-Government– Consumer Products– Consumer Electronics</div><div>'01-'06 CAGR ~10%</div></div>
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Positioned to grow in key market segments

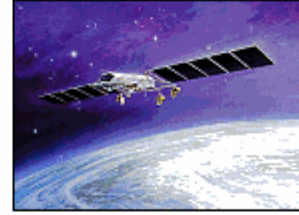
Recent Large Program Wins

Advanced EHF (AEHF)



- \$1.4B total program value
- DoD likely to buy three more satellites (\$1B additional value)
- Strong legacy in digital processing payloads (Milstar)

Space Based Infrared System (SBIRS) Low



- \$3.0B total program value
- Personal commitment + decades of performance on ISR systems (DSP, etc.)

Joint Strike Fighter (JSF)



- Expect \$850M cor
- Future derivatives FMS sales (\$3-5B
- Unmatched CNI c by both competin

Ground-Based Midcourse Defense Segment



- \$1B+ total program value
- Best-in-class software discrimination algorithms

ICBM Enhancements



- \$6B+ total program value through 2013
- Legacy of consistent program performance

Force XXI Battle Command Brigade-and-Below



- \$2B total progra
- Real-time wirele interoperability

Several large program awards pending

Strongly Aligned with Customer and Budget Priorities

Rumsfeld QDR Priorities	Principal SS&E Capabilities				
	ISR / Space	Missile Defense	Communications and Connectivity	Homeland Security	Avior
Protect the U.S. Homeland	✓	✓		✓	
Project and Sustain Power	✓	✓	✓		✓
Deny Enemy Sanctuaries	✓		✓		✓
Protect Information Networks	✓		✓	✓	
Link U.S. Forces Using Information Technology	✓		✓		✓
Strengthen U.S. Space Capabilities	✓		✓		

(1) Source: Journal of Foreign Affairs, "Transforming the Military," May/June 2002.

Well-positioned to capitalize on transforming customer

ISR/Space — Strong Legacy/Promising



LANCE



DSP



Res

<u>Current Programs</u>	<u>Key Future Opportunities</u>	<u>Differen</u>
Hunter Unmanned Aerial Vehicle	Restricted	Signal Int
Diamond	Trail Blazer	Electronic
Trail Blazer	Space Based Radar	Informati
Guardrail	Aerial Common Sensor	
High-band Subsystem	MOSIAC	

Over \$10B in key future opportunities

Missile Defense — Extensive Capabilities



Airborne Laser



Battle Management C3

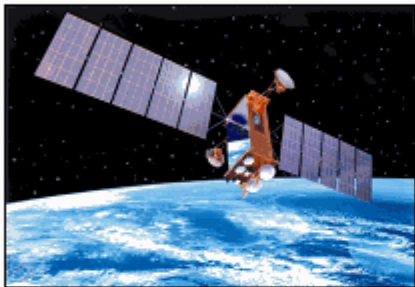


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<u>Current Programs</u>	<u>Key Future Opportunities</u>	<u>Differences</u>
Ground-based Midcourse Defense Segment	Space-Based Systems	Discrimination
Joint National Integration Center	Various Laser Applications	Advanced
Liquid Booster Target Vehicles		Ballistic Knowledge
Space-Based Laser		High-Energy
Ground-based Lasers		

National commitment – strong growth

Communications and Connectivity — Leading Position



AEHF



Milstar



Force
Battle Co

Current Programs	Key Future Opportunities	Differen
Tactical Operations Centers	Warrior Information Network	Comman
Joint Light Bio/Chem	Joint Tactical Radio System	Product
Detection Reconnaissance System	Transformational Communications Technology	Processe
		Advanced

Over \$5B in key future opportunities

Homeland Security — Key Enabling Technologies



E-911 Centers



Ohio Multi-Agency
Radio Communication System



Fingerprint

Opportunities –		
Current Programs	National Budget Priorities	Differences
Tactical Automated Security System	Border Security (\$10B)	Significant System
Port Vulnerability Assessments	Bio Terrorism (\$6B)	Command
Guardian Eagle	Aviation Security (\$5B)	Turnkey Center
Public Safety Radio	First Responders (\$3.5B)	
Airport Security		

Significant upside potential

Avionics — Critical Role



**Raptor
F-22**



**Comanche
RAH-66**



JSF-35

Products	Future Contract Opportunities	Differentiators
Military Communications, Navigation and Identification Systems for Fighter Aircraft	Full Scale Production of F-22 Production of Comanche Development/Production of F-35	Unique H Integrat Wavefo Superior develop

Over \$9B in production opportunities

Creating Two World-Class Pure-Play L

TRW Systems, Space & Electronics	TRW Automotive
<ul style="list-style-type: none">• World-class supplier of space, defense, communications and systems products• Our people - technical leaders and domain experts• Record backlog ~ \$13B• Capabilities critical to U.S. Defense transformation• Aligned with the highest growth segments of the DoD budget• Benefit from Homeland Security programs – upside!• Indium Phosphide and commercial laser investments	<ul style="list-style-type: none">• Customer, geographic, product diversified• Leading market position• Well positioned in new products and platforms• Extremely competitive• Improving productivity North America• Poised to capture new Best-in-Class industries

Positioned to deliver superior growth and returns as independent companies

TRW Automotive

2001 Sales: \$10.1 billion
2001 EBITDA¹: \$1,013 million
2001 EBIT¹: \$533 million

Chassis Systems



2001 Sales: \$5.6 billion
% of Total: 55%

- Braking Systems
- Vehicle Dynamic Control Systems
- Steering Systems and Components
- Chassis Modules
- Linkage and Suspension Systems
- Aftermarket Components

Occupant Safety Systems



2001 Sales: \$3.0 billion
% of Total: 30%

- Inflatable Restraint Systems
- Seat Belt Systems
- Safety Electronics
- Steering Wheel Systems

Other Automotive



2001 Sales:
% of Total:

- Engineered Fasteners
- Body Control Systems
- Engine Components

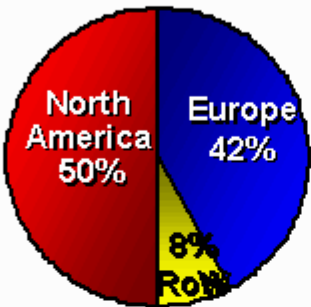
(1) Segment EBIT and EBITDA are post FAS 142.

A leading Tier 1 supplier focused on safety products

Growing from a Position of Strength

Diversified Geographic Mix

2001 Revenues: \$10.1 billion



Strong & Diverse Customer Base



Leading Market Positions

PRODUCT LINE	GLOBAL MARKET POSITION
Anti-lock Braking Systems (N.A.)	#1
Foundation Brakes	#1
Steering	#1
Airbags & Steering Wheels	#2
Seat Belts	#1
Engine Valves	#2
Fasteners & Components	#1

Key Strengths

- Leader in active and passive safety
- Diversified offering of products
- Greater geographical diversity than any other auto supplier
- Balanced customer set – supply to all major vehicle manufacturers

Strength through technology and diversity

Robust Outlook in 2003 and Beyond

Systems Space & Electronics



2002 - 2003

- Double digit sales growth
 - Defense transformation
 - Recent large wins
 - ‘Sweet spot’ of DoD growth segments
- Earnings growing faster than sales
 - Strong contract performance
 - Maturing commercialization initiatives
 - New programs

Automotive



2002 - 2003

- Sales growth equal to or greater than industry
 - Electrically powered steering
 - Vehicle stability
 - Side-impact air bags
- Margins improving
 - Cost controls
 - Restructuring programs
 - Operating efficiencies

Well positioned for continued growth beyond 2003

TRW — A Great Investment Opportunity

- World-class technology leader in multiple markets
- Benefiting from decisive actions taken in 2001
 - A foundation for sustainable growth and operating performance
 - Payoff evident in 2002 – dramatic in 2003 and beyond
- Systems, Space & Electronics – perfectly aligned with Defense and Homeland Security priorities
- Value enhancement plan
 - Creating two powerful, pure-play companies
 - On track to complete by year end
- Exploring strategic alternatives – discussions underway with several potential buyers

Our focus – maximizing shareholder value