

TRW Presentation

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and Aviation Week
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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 statement of estimates of future revenues, expenses, activity levels and economic and market conditions, many of which are out of our control. Further, the Company's results could be affected by the ability to obtain new contract awards; the level of defense government and the termination of existing government contracts; pricing pressures from customers; moderation or reduction of automobile build rate; changes in consumer debt levels; work stoppages; unanticipated downturn in the financial conditions of relationships with customers or suppliers; the ability to reduce the level of outstanding debt from cash flow from operations; 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 competing technology by competitors; the ability to attract and retain skilled employees with high-level technical competencies; the success of 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 additional events which could result in reduced automotive production, disruptions to the transportation system, or significant and prolonged travel. In addition, there can be no assurance: (i) that an agreement relating to any investment in the Company, or any other distribution of all or a part of the Company's operating businesses will be reached, or that if an agreement is reached, the transactions contemplated by such agreement will be consummated; (ii) that the Company will spin off the Automotive Division spin-off will be complete by the end of the fourth quarter 2002; (iii) that the Company will be successful in reducing its indebtedness, or that the methods described for debt reduction will be utilized; (iv) as to the amount by which debt reduction will be achieved; (v) that the Company's strategy will deliver any particular level of value to TRW shareholders; (vi) that defense spending will increase; (vii) that development, test and evaluation budgets will increase; (viii) that the commercial aerospace industry will stabilize; (ix) that 2002 light vehicle production will increase from 2001 levels; (x) that 2002 earnings per share estimates will be met or exceeded; (xi) with respect to the expected amounts of the Company's operating cash flows in 2002, that such amounts will be utilized to reduce the Company's indebtedness; (xii) with respect to the amounts that will be realized, if any, by the Company from divestitures; (xiii) with respect to the amount of sales, earnings per share or cash flow that will be realized by the Company in 2002; and (xiv) that costs will decrease in 2002. Other factors and assumptions not identified above are also involved in the preparation of forward-looking statements, and the failure of such other factors and assumptions to be realized may also cause actual results to differ from those discussed. The Company assumes no obligation to update such estimates to reflect actual results, changes in assumptions or 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
\$1.1 Billion

Technology focused, global presence, leading market

2001 Operational Accomplishments

Meeting Commitments

- Met or exceeded EPS consensus expectation each quarter
- Generated \$640M in cash flow

Reduced Debt

- Reduced net debt by nearly \$1 B (including asset securitization)
- Significant pay down of short term debt; maintaining investment grade credit rating

Invigorated Growth

- Record backlog at Space & Electronics and Systems (\$8B; ~\$4B including priced options)
- Key awards in Automotive and Aeronautical Systems

Enhanced Productivity

- Cut Automotive fixed costs by \$150M; corporate expenses down 10%
- Proactive 16% headcount reduction in Aeronautical Systems

Established Six Sigma

- Trained 1,500 Green Belts and 280 Black Belts
- Company-wide roll-out; benefits already evident

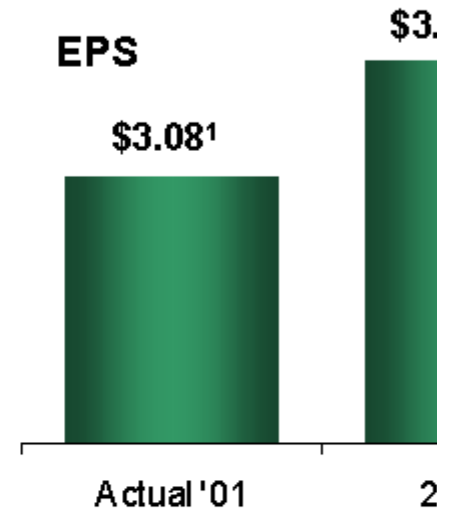
Poised to reap benefits from operational initiatives

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



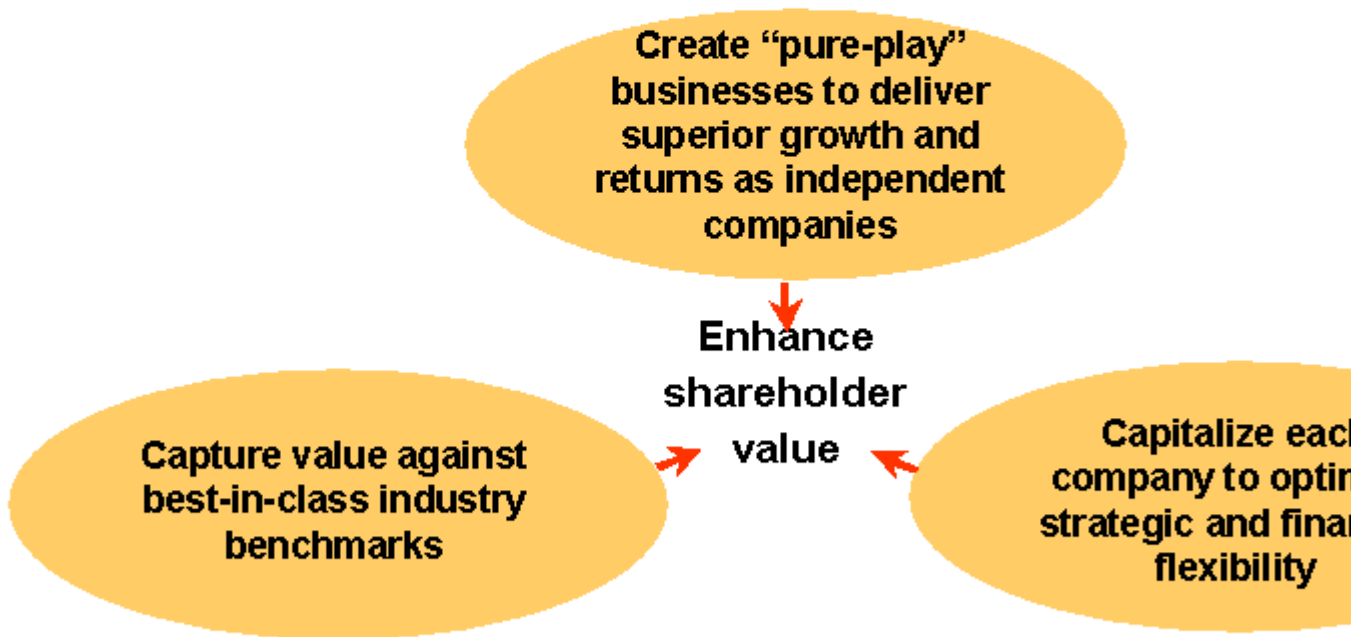
(1) 2001 is adjusted for FAS 142

- EPS grows by 16%
- Debt reduction of \$1.0 billion (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

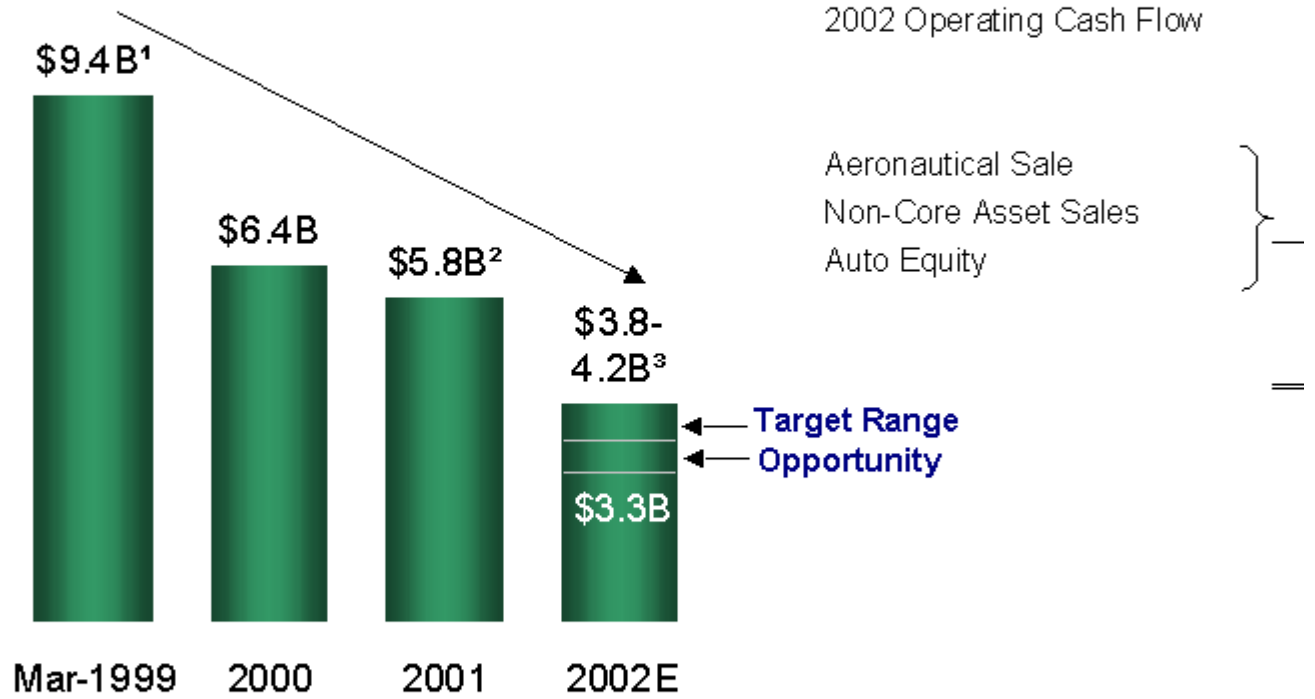


Well-developed program to drive deleveraging and separation of Automotive

Executing Our Strategy ... Deleveraging Initiatives

Net Debt Reduction Initiatives

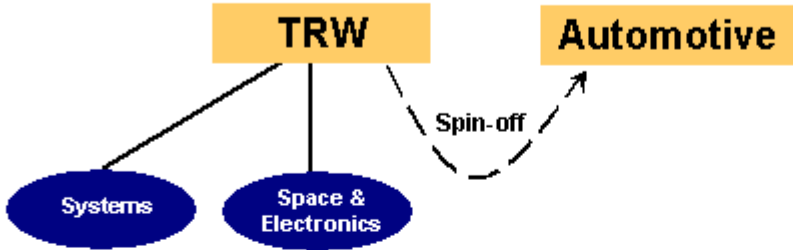
Deleveraging Opportunities



- 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

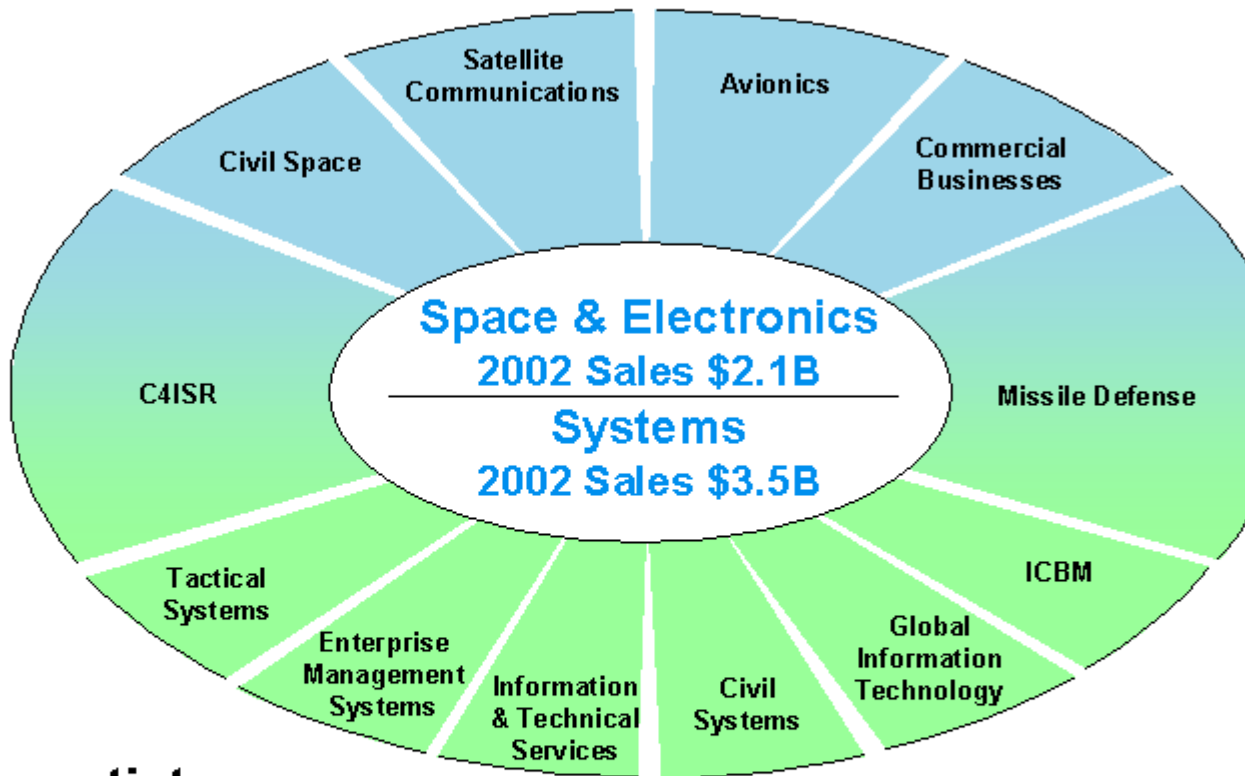
- World-class supplier of space, defense, communications and systems products
- Our people - technical leaders and domain experts
- Record backlog ~ \$13B
- Capabilities critical to U.S. Defense transformation
- Aligned with the highest growth segments of the DoD budget
- Benefit from Homeland Security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

TRW Automotive

- Diversified market
- Leading market position
- Well positioned in key products and platforms
- Extremely competitive
- Improving product quality 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

Legacy Markets

- \$2.8B revenue in 2001
 - ICBM
 - ISR
 - Federal IT
 - Technical services
 - MilSatCom Payloads
 - Earth/Space Science
 - Military Avionics
 - Advanced Technologies

'01-'06 CAGR ~8%

Expansion Markets

- \$2.1B revenue in 2001
 - ISR
 - Homeland Security
 - Missile Defense
 - Battlefield Systems
 - Public Safety Communications
 - Globalization
 - Weather Systems
 - Advanced Technologies

'01-'06 CAGR ~15%

Emerging Markets

- \$250M revenue in 2001
 - Pharma
 - Medical Devices
 - E-Government
 - Consumer Products
 - Consumer Services

'01-'06 CAGR ~10%

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				
	<u>ISR / Space</u>	<u>Missile Defense</u>	<u>Communications and Connectivity</u>	<u>Homeland Security</u>	<u>Avior</u>
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

Current Programs

Hunter Unmanned
Aerial Vehicle
Diamond
Trail Blazer
Guardrail
High-band Subsystem

Key Future Opportunities

Restricted
Trail Blazer
Space Based Radar
Aerial Common Sensor
MOSIAC

Differen

Signal Int
Electronic
Informati

Over \$10B in key future opportunities

Missile Defense — Extensive Capabilities



Airborne Laser



Battle Management C3



S

Current Programs

Ground-based Midcourse
Defense Segment
Joint National Integration
Center
Liquid Booster Target
Vehicles
Space-Based Laser
Ground-based Lasers

Key Future Opportunities

Space-Based Systems
Various Laser Applications

Differen

Discrimin
Advanced
Ballistic M
Knowle
High-Ene

National commitment – strong growth

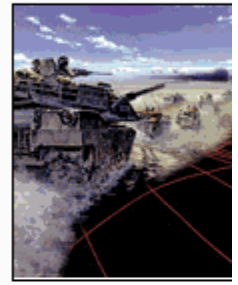
Communications and Connectivity — Leading Position



AEHF



Milstar



**Force
Battle Co**

Current Programs

Tactical Operations Centers
Joint Light Bio/Chem
Detection Reconnaissance
System

Key Future Opportunities

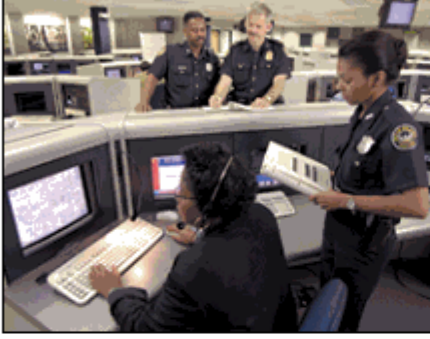
Warrior Information Network
Joint Tactical Radio System
Transformational Communications
Technology

Differen

Comman
Product
Processe
Advanced

Over \$5B in key future opportunities

Homeland Security — Key Enabling Technologies



E-911 Centers



**Ohio Multi-Agency
Radio Communication System**



Fingerpri

Current Programs	Opportunities – National Budget Priorities	Differen
Tactical Automated Security System	Border Security (\$10B)	Significar System:
Port Vulnerability Assessments	Bio Terrorism (\$6B)	Comman
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
F-35**

Products	Future Contract Opportunities	Differences
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

- 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!
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TRW Automotive

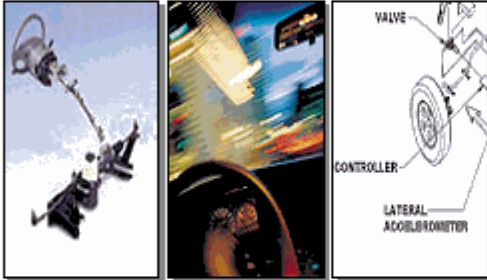
- Customer, geographic product diversified
- Leading market position
- Well positioned in high-growth products and platforms
- Extremely competitive
- Improving productivity in North America
- Poised to capture value in Best-in-Class industries

Positioned to deliver superior growth and returns as independent companies

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 Au



2001 Sales:
 % of Tot

- Engineered Fa
- Body Control S
- Engine Comp

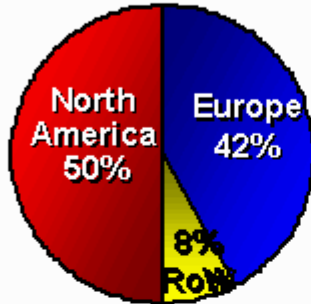
(1) Segment EBIT and EBITDA are post FAS 142.

A leading Tier 1 supplier focused on safety prod

Growing from a Position of Strength

Diversified Geographic Mix

2001 Revenues: \$10.1 billion



Strong & Diverse Cust



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 Strength

- Leader in active and passive
- Diversified offering of products
- Greater geographical diversity than any other auto supplier
- Balanced customer set – serving 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