

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## TRW Automotive Holdings Corp., Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

Ladies and gentlemen, we will now begin the question-and-answer portion of today's call. (Operator Instructions). We will take our first question from Chris Ceraso with Credit Suisse.

#### Christopher Ceraso - Credit Suisse

Hey, thanks. Good morning.

#### John Plant

Good morning.

#### Christopher Ceraso - Credit Suisse

Just a few items here, on the restructuring that you are expecting for 2009, are you going to back to the old policy of absorbing that or is that going to be called out?

#### John Plant

Yes, I think Chris in this time period we are going to call it out, just because it's getting so difficult normally we included it because it was normal times. But now these are not normal times and it's very difficult to focus on what is normal versus the unusual related to these times. So we will be calling it out on a go-forward basis until from this point forward until things get back to normal, we will reassess that.

#### Christopher Ceraso - Credit Suisse

Okay you mentioned that the contribution margin on the lost revenue was probably better than we would have expected, I would agree with that. As you look forward does that get worse because you kind of burn through the temps and you have done some of the cost reduction and you start to run out of things to cut?

#### John Plant

I do not see why it gets worse because the profile, the savings that we have done are the same, basically, our view is, it's our response that reflects inline with volume and so when we use contribution that assumes that we are going to flex of all our cost structure clearly materials, labor, (inaudible) and then we are seeking to achieve flex fixed costs as much if not more than the changes

because that's what we have to do. And I think we have done it so far and I do not really see why it should get worst. I'm hoping that with the effects of all of the cost reduction actions which have been taken and of course those which are yet to come then that should be a good condition for us.

**Christopher Ceraso - Credit Suisse**

Okay so just to clarify, I think Joe mentioned in his comments that 25% was sort of typical for TRW, are you saying that you will outperform related to that 25% or you should be able to achieve the 25%?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.