



**IMPORTANT TAX INFORMATION FOR ROCKWELL SHAREOWNERS  
PLEASE RETAIN FOR YOUR RECORDS**

July 3, 2001

Dear Rockwell Shareowner:

On June 29, 2001, Rockwell International Corporation ("Rockwell") distributed all of the outstanding shares of Common Stock of Rockwell Collins, Inc. ("Collins") to holders of Rockwell Common Stock. In the distribution (the "Distribution"), each holder of Rockwell Common Stock received one share of Common Stock of Collins for every one share of Rockwell Common Stock held as of the close of business on June 15, 2001. **Shareowners do not need to surrender or exchange their Rockwell stock certificates in order to receive the Collins shares to which they are entitled and will not be receiving new Rockwell stock certificates.** Your ownership of Collins shares initially will be registered only in book-entry form, and you will receive a stock distribution statement indicating the number of Collins shares that have been credited to you. You will not receive a certificate for Collins shares unless you request one. All Rockwell shareowners will receive full and fractional shares of Collins Common Stock based on the number of shares of Rockwell Common Stock held. Fractional shares of Collins Common Stock which Rockwell shareowners would be entitled to receive will not be aggregated and sold. Rockwell has received a ruling from the Internal Revenue Service (the "IRS") to the effect that the Distribution qualifies as a tax-free distribution to holders of Rockwell Common Stock for U.S. federal income tax purposes. This ruling, while generally binding upon the IRS, is subject to certain factual representations and assumptions which, if incorrect in any material respect, would cause the ruling to become invalid. Rockwell is not aware of any facts or circumstances that would cause the representations and assumptions to be untrue.

**Tax Basis Allocation and Holding Period**

To determine the U.S. federal income tax basis in your Rockwell Common Stock and your newly received Collins Common Stock, you must allocate the tax basis in your Rockwell Common Stock immediately before the Distribution among such shares. Based upon the average of the high and low trading prices on July 2, 2001 of Rockwell Common Stock and of Collins Common Stock, as reported on the New York Stock Exchange Composite Transactions reporting system, (1) 39.66% of your tax basis should be allocated to your Rockwell Common Stock, and (2) the balance, 60.34%, should be allocated to your newly-received Collins Common Stock. The tax basis in your Rockwell Common Stock before the Distribution generally is equal to the cost of such shares, including commissions (or, if you acquired your Rockwell shares on or before December 11, 1998, an allocable portion of such cost as illustrated in the table below). If

you acquired those shares at different times and at different costs, you will need to make separate tax basis calculations for each group of shares. **Please consult your tax advisor to determine your tax basis in your Rockwell Common Stock to be allocated.**

Your holding period for U.S. federal income tax purposes for the newly-received Collins Common Stock is the same as your holding period for your Rockwell Common Stock with respect to which the Collins Common Stock was received, unless you fall within a special category of holder, such as a dealer or trader who did not hold the Rockwell Common Stock as a capital asset on June 29, 2001.

**IMPORTANT NOTE**

**IF YOU ACQUIRED ROCKWELL COMMON STOCK ON OR PRIOR TO DECEMBER 11, 1998, DEPENDING ON WHEN THE SHARES WERE ACQUIRED, YOUR TAX BASIS MUST ALSO BE ALLOCATED TO ANY SHARES YOU RECEIVED IN CONEXANT SYSTEMS, INC. (“CONEXANT”), ARVINMERITOR, INC. (“MERITOR”) AND THE BOEING COMPANY (“BOEING”).**

<u>Shares acquired between</u>	<u>Allocation of Tax Basis</u>				
	<u>Rockwell</u>	<u>Collins</u>	<u>Conexant</u>	<u>Meritor</u>	<u>Boeing</u>
Dec 12, 1998 and June 15, 2001	39.66%	60.34%			
Sept 18, 1997 and Dec 11, 1998	32.49%	49.43%	18.08%		
Dec 7, 1996 and Sept 17, 1997	28.29%	43.05%	15.75%	12.91%	
Prior to Dec 7, 1996	26.50%	40.31%	14.75%	12.09%	6.35%

Any cash received for fractional shares of Boeing, Meritor, or Conexant stock must reduce the tax basis of the Boeing, Meritor, or Conexant stock calculated using the above table.

**Statement in U.S. Federal Income Tax Return**

U.S. Treasury regulations require each shareowner to attach to his or her 2001 U.S. federal income tax return a signed statement setting forth certain prescribed information about the Distribution. For this purpose, we are enclosing a sample statement (Exhibit 1 attached) which you may complete and use when filing your 2001 tax return. Shares of Rockwell Common Stock held in a plan account by a participant in any of the Rockwell Savings Plans are not treated as owned by the participant for purposes of these filing requirements. Accordingly, a participant in any of the Rockwell Savings Plans who does not otherwise own Rockwell Common Stock is not required to attach the statement referred to above to his or her 2001 tax return. Further, a participant who does otherwise own Rockwell Common Stock is not required to reflect the number of shares of Collins Common Stock credited to his or her plan account on the statement attached to his or her 2001 tax return.

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The information in this letter represents our understanding of existing U.S. federal income tax law and regulations and does not constitute tax advice. It does not purport to be complete or to describe tax consequences that may apply to particular categories of shareowners. Each shareowner should consult a tax advisor as to the particular consequences of the Distribution under U.S. federal, state and local tax laws and foreign tax laws, including, in particular, tax basis allocation rules and the effect of possible changes in tax laws that may affect the description set forth above.

Questions about the information in this letter should be directed as follows:

Rockwell:      Rockwell International Corporation  
Shareowner Relations  
777 E. Wisconsin Ave.  
Suite 1400 (MW31)  
Milwaukee, Wisconsin 53202  
(414) 212-5300

Collins:        Rockwell Collins, Inc.  
Shareowner Relations  
400 Collins Road NE  
Cedar Rapids, Iowa 52498  
(319) 295-1000

Sincerely,



William J. Calise, Jr.  
Senior Vice President, General Counsel and Secretary  
Rockwell International Corporation

**EXHIBIT 1**

**STATEMENT OF COMMON SHAREOWNER OF ROCKWELL INTERNATIONAL CORPORATION, A DELAWARE CORPORATION, FILED PURSUANT TO TREASURY REGULATION SECTION 1.355-5(b), WITH RESPECT TO THE DISTRIBUTION OF STOCK OF ROCKWELL COLLINS, INC., A DELAWARE CORPORATION**

1. The undersigned, a shareowner owning Common Stock of Rockwell International Corporation, a Delaware corporation, received a distribution on June 29, 2001 of shares of Common Stock of Rockwell Collins, Inc., a Delaware corporation, in a distribution which is subject to Section 368(a) (1) (D) of the Internal Revenue Code of 1986, as amended (the "Code").
2. The names and addresses of the corporations involved were:
  - (a) Rockwell International Corporation  
777 E. Wisconsin Avenue  
Milwaukee, Wisconsin 53202
  - (b) Rockwell Collins, Inc.  
400 Collins Road NE  
Cedar Rapids, Iowa 54298
3. The undersigned surrendered no stock or securities of Rockwell International Corporation, a Delaware corporation, in connection with the distribution.
4. The undersigned received shares of Common Stock of Rockwell Collins, Inc., a Delaware corporation, in the distribution.
5. Rockwell International Corporation received a ruling from the Internal Revenue Service to the effect that the distribution qualifies as a tax-free reorganization under Section 368(a) (1) (D) of the Code.

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Shareowner Signature

If shares owned jointly, both taxpayers must sign

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Shareowner Signature