

NORTHROP GRUMMAN

The logo for Northrop Grumman, featuring the company name in a bold, blue, sans-serif font. Below the name is a blue curved line that starts under the 'N' and ends under the 'M', arching upwards.

Northrop Grumman Corporation

Benefits
1840 Century Park East
Los Angeles, CA 90067-2199

December 10, 2008

Enclosed you will find the Summary Annual Report for the *Illgen Simulation Technologies, Inc. 401(k) Savings Plan*, sponsored by Northrop Grumman Corporation. A Summary Annual Report provides the financial status of the plan. This information includes assets, administrative expenses, gains or losses, and changes that have occurred in the plan for the previous year. Every year, Northrop Grumman distributes Summary Annual Reports as required by the Employee Retirement Income Security Act of 1974 (ERISA).

If you have questions about the plan, please call the Northrop Grumman Benefits Center (NGBC) at 1-800-894-4194. If you are calling from outside the United States, please call 718-354-1338. Benefits service representatives are available to assist you Monday through Friday from 9:00 a.m. to 6:00 p.m. Eastern time, excluding holidays. If you are hearing impaired, you will need to use a relay service through your TTY/TDD service provider.

SUMMARY ANNUAL REPORT

FOR ILLGEN SIMULATION TECHNOLOGIES, INC. 401(K) SAVINGS PLAN

This is a summary of the annual report for the Illgen Simulation Technologies, Inc. 401(k) Savings Plan, EIN 34-0575430, Plan No. 055, for period January 1, 2007 through December 31, 2007. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided through insurance and through a trust fund. Plan expenses were \$27,463. These expenses included \$26,102 in corrective distributions and \$1,361 in other expenses. A total of 22 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$1,514,126 as of December 31, 2007, compared to \$1,439,944 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of \$74,182. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$101,645 including employer contributions of \$90,894 and earnings from investments of \$10,751.

Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

Your Rights To Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information;
3. insurance information, including sales commissions paid by insurance carriers; and
4. information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write the office of Northrop Grumman Benefits Center, 7201 Hewitt Associates Drive, P.O. Box 8000, Charlotte, NC 28262-8000 or call 1-800-894-4194. The charge to cover copying costs will be no more than \$20 for the full annual report, or 25 cents per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the main office of the plan (Northrop Grumman Corporation, 1840 Century Park East, Los Angeles, CA 90067) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.