

Northrop Grumman Savings Plans

Summary of Material Modifications

July 2009

Introduction

This summary of material modifications (“SMM”) describes changes to your savings plan, effective as of the dates indicated.

If you are a participant in one of the savings plans listed in the Table of Contents on the following page, please refer to that Section of this SMM for a description of the changes that may affect your savings benefit.

For More Information

For complete details and/ or to request a print copy of the Summary Plan Description (SPD) for the Avondale Industries, Inc. 401(k) Savings Plan, contact the Merrill Lynch Participant Service Center at 1-800-228-4015. For Litton Marine Systems, Inc. 401(k) Savings Plan, contact Fidelity Investments Customer Service at 1-800-835-5091.

For complete details on all other savings plans noted in the enclosed, please see the Summary Plan Description (“SPD”) available on Benefits OnLine at <http://benefits.northropgrumman.com> (under the “Savings” tab, select “Summary Plan Descriptions”). If you want the paper version of your SPD, please call the Northrop Grumman Benefits Center at 1-800-894-4194. If you are calling outside of the United States, please call 718-354-1338. If you are hearing impaired, you will need to use a relay service through your TTY/TDD service provider.

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This portion of the SMM affects participants who are actively participating in the Avondale Industries, Inc. 401(k) Savings Plan.

Plan Participants

Avondale Industries, Inc. 401(k) Savings Plan Participants

Change Effective January 1, 2008

Rollover Distributions to a Roth IRA

If you are eligible to receive your Plan benefits and your account balance exceeds \$1,000, you may roll over your account balance to an individual retirement account (IRA), including a Roth IRA, if you qualify based on certain income limitations. As a reminder, the Plan does not accept rollover contributions of after-tax money, including rollover contributions from Roth accounts.

Change Effective December 19, 2008

New Payment Option

If you retire and your account balance exceeds \$1,000, you may choose to receive your entire account balance in the form of systematic payments for the remainder of your life and, if you elect, the life of your surviving spouse. Your surviving spouse may receive payments for life, with each payment equal to 50% or 75% of the amount of a payment to you during your lifetime.

For more information or to request a printed copy of the Avondale Industries, Inc. 401(k) Savings Plan SPD, you can call the Merrill Lynch Participant Service Center at 1-800-228-4015.

This portion of the SMM affects participants who are actively participating in the Litton Marine Systems, Inc. 401(k) Savings Plan.

Plan Participants

Litton Marine Systems, Inc. 401(k) Savings Plan Participants

Change Effective January 1, 2008

Rollover Distributions to a Roth IRA

If you are eligible to receive your Plan benefits and your account balance exceeds \$1,000, you may roll over your account balance to an individual retirement account (IRA), including a Roth IRA, if you qualify based on certain income limitations. As a reminder, the Plan does not accept rollover contributions of after-tax money, including rollover contributions from Roth accounts.

Change Effective December 19, 2008

New Payment Option

If you retire and your account balance exceeds \$1,000, you may choose to receive your entire account balance in the form of systematic payments for the remainder of your life and, if you elect, the life of your surviving spouse. Your surviving spouse may receive payments for life, with each payment equal to 50% or 75% of the amount of a payment to you during your lifetime.

For more information or to request a printed copy of the Litton Marine Systems, Inc. 401(k) Savings Plan SPD, contact Fidelity Investments Customer Service at 1-800-835-5091.

This portion of the SMM affects all participants who are actively participating in the Northrop Grumman Savings Plan.

Plan Participants

Northrop Grumman Savings Plan Participants

Changes Effective April 24, 2008

Contributions for Highly Compensated Employees (HCEs)

If you are considered a highly compensated employee (“HCE”), as defined by the IRS, you were previously permitted to contribute between 1% and 25% of your eligible compensation to the Savings Plan. As of April 24, 2008, you may elect to contribute up to 35% of your eligible compensation to the Savings Plan.

Although you may now elect to contribute a greater percentage of your eligible compensation, the IRS continues to limit the amount of contributions you may make on a tax-deferred basis (up to \$15,500 in 2008, plus an additional \$5,000 catch-up contribution if you are at least 50 years old). Salary deferrals in excess of these limits may be made on an after-tax basis, subject to the Savings Plan limit.

You are considered highly compensated in 2008 if your gross compensation was more than \$105,000 in 2007. Please keep in mind that this dollar amount (sometimes referred to as the salary threshold) will change periodically.

Changes Effective July 1, 2008

Service Crediting for Employment as a Leased Employee

If you are eligible to participate in the Savings Plan and previously performed service for Northrop Grumman or an affiliated company as a leased employee, then, upon becoming a Savings Plan participant, you will be credited with eligibility and vesting service for the period that you performed service as a leased employee.

Retirement Account Contributions

If you are:

- Eligible to participate in the Savings Plan,
- Either:
 - Hired or rehired by a participating Northrop Grumman business unit on or after July 1, 2008, or
 - Hired by a non-participating business unit of Northrop Grumman and transfer to a participating business unit on or after July 1, 2008, and
- Not eligible to participate in the cash balance pension plan available to other employees of your business unit,

then you will be eligible to receive a retirement account contribution equal to a fixed percentage of your compensation, regardless of whether you have elected to defer a portion of your salary.

Specifically, your retirement account contribution will be determined each pay period as a percentage of your compensation for the pay period in accordance with the following chart:

Retirement Account Contribution	
Your Age	Percentage of Your Compensation
Less than 35	3%
35 to 49	4%
50 or older	5%

The amount of your retirement account contribution will be calculated based on your age as of December 31 of the calendar year in which the contribution is made.

Vesting of Retirement Account Contributions

You will become fully vested in your retirement account contributions upon the earliest of:

- Your completion of three (3) years of service with Northrop Grumman,
- Your 65th birthday, or
- Your death or disability.

If you are not fully vested in your retirement account contributions upon your termination of employment with Northrop Grumman, your retirement account contributions will be forfeited upon the earlier of:

- The date you incur a five (5) year absence from employment with Northrop Grumman, determined as beginning on:
 - Your termination date,
 - The one-year anniversary of your absence from work due to disability, vacation, leave, layoff or a similar situation (subject to the Family and Medical Leave Act), or
 - The two-year anniversary of your absence from work due to pregnancy, birth of your child, placement of a child for adoption, or caring for a child immediately after birth or placement for adoption (subject to the Family and Medical Leave Act), or
- The date you receive a distribution of the vested portion of your Savings Plan account on or after your termination date.

If your retirement account contributions are forfeited due to distribution of the vested portion of your Savings Plan account, and you become reemployed by Northrop Grumman within five (5) years of your previous termination date, then the forfeited contributions will be restored to your account (unadjusted for any gains or losses during the forfeiture period). Your years of service during your previous period of employment with Northrop Grumman will be taken into account in determining the vested status of your retirement account contributions upon reemployment.

Please note, if you become reemployed with Northrop Grumman more than five (5) years after your previous termination date, your forfeited retirement account contributions will not be restored to your Savings Plan account.

Forfeitures may be used to restore account balances for you and/or other Savings Plan participants upon reemployment (as described above), as well as for reducing employer contributions and paying reasonable plan expenses in future years.

Distribution of Retirement Account Contributions

You may withdraw all or a portion of your vested account balance on or after your attainment of age 59½. If you are otherwise eligible to receive distribution of your Savings Plan account, and your account balance exceeds \$1,000, then you may elect to receive distribution of your vested retirement account contributions in the form of:

- A lump sum cash payment,
- A series of partial distributions from your Savings Plan account (subject to the Savings Plan's terms governing the order of distribution of sub-accounts), or
- One of the following annuity forms:
 - A single life annuity,
 - A 50% qualified joint and survivor annuity (QJSA), or
 - A 75% qualified optional survivor annuity (QOSA).

If you elect the QJSA or QOSA options, upon your death, your surviving spouse will receive, for the remainder of his or her life, the specified percentage of the monthly amount regularly payable to you during your life. Please note, if you are married at the time you elect to receive your distribution, your spouse must provide Northrop Grumman with written consent if you elect the single life annuity option, a lump sum cash payment or a series of partial distributions. **[Note: Only married participants can obtain the QJSA and QOSA.]**

Furthermore, you may not take a loan or hardship withdrawal from the portion of your Savings Plan account attributable to your retirement account contributions.

This portion of the SMM affects certain participants who are actively participating in the Northrop Grumman Savings Plan.

Plan Participants

Former Illgen Simulation Technologies, Inc. 401(k) Savings Plan and former Northrop Grumman Mobile Access Software, Inc. 401(k) Plan Participants whose account balances were transferred to the Northrop Grumman Savings Plan

Changes Effective June 20, 2008

Merger of Illgen Simulation Technologies, Inc. 401(k) Savings Plan and Northrop Grumman Mobile Access Software, Inc. 401(k) Plan

If you were a participant in the Illgen Simulation Technologies, Inc. 401(k) Savings Plan or the Northrop Grumman Mobile Access Software, Inc. 401(k) Plan, your account balance under your previous plan was transferred to the Savings Plan. Following the merger, you may make salary deferrals to the Savings Plan and receive any employer contributions for which you are eligible under the Savings Plan's terms.

Your transferred account balance was mapped to one or more core funds available under the Savings Plan and chosen by the Savings Plan's investment manager to roughly mirror your investment elections under your prior plan. However, you may change the investment mix of your transferred account balance, as well as any future contributions to the Savings Plan, on any business day by designating a specific dollar amount to be transferred from one Savings Plan core fund to another (subject to core investment fund seven-day trading restrictions, Northrop Grumman Fund diversification rules and any administrative rules otherwise applicable to the Savings Plan).

This portion of the SMM affects certain participants who are actively participating in the Northrop Grumman Savings Plan.

Plan Participants

Former Redstone Arsenal Retirement Savings Plan Participants whose account balances were transferred to the Northrop Grumman Savings Plan

Changes Effective March 31, 2008

Merger of Redstone Arsenal Retirement Savings Plan

If you were a participant in the Redstone Arsenal Retirement Savings Plan (the “Redstone Plan”), your account balance under the Redstone Plan was transferred to the Savings Plan.

Your transferred account balance was mapped to one or more core funds available under the Savings Plan and chosen by the Savings Plan’s investment manager to roughly mirror your investment elections under the Redstone Plan. However, you may change the investment mix of your transferred account balance, as well as any future contributions to the Savings Plan, on any business day by designating a specific dollar amount to be transferred from one Savings Plan core fund to another (subject to core investment fund seven-day trading restrictions, Northrop Grumman Fund diversification rules and any administrative rules otherwise applicable to the Savings Plan).

This portion of the SMM affects certain participants who are actively participating in the Northrop Grumman Savings Plan.

Plan Participants

Former Xinetics Inc. 401(k) Plan Participants whose account balances were transferred to the Northrop Grumman Savings Plan

Changes Effective November 4, 2008

Merger of Xinetics Inc. 401(k) Plan

If you were a participant in the Xinetics Inc. 401(k) Plan (the "Xinetics Plan"), your account balance under the Xinetics Plan was transferred to the Savings Plan due to the merger of the Xinetics Plan into the Savings Plan.

Your transferred account balance was mapped to one or more core funds available under the Savings Plan and chosen by the Savings Plan's investment manager to roughly mirror your investment elections under the Xinetics Plan. However, you may change the investment mix of your transferred account balance, as well as any future contributions to the Savings Plan, on any business day by designating a specific dollar amount to be transferred from one Savings Plan core fund to another (subject to core investment fund seven-day trading restrictions, Northrop Grumman Fund diversification rules and any administrative rules otherwise applicable to the Savings Plan).

This portion of the SMM affects certain participants who are actively participating in the Northrop Grumman Savings Plan.

Plan Participants

Former Xontech, Inc. Salary Savings and Profit Sharing Plan Participants whose account balances were transferred to the Northrop Grumman Savings Plan

Changes Effective October 16, 2008

Merger of Xontech, Inc. Salary Savings and Profit Sharing Plan

If you were a participant in the Xontech, Inc. Salary Savings and Profit Sharing Plan (the "Xontech Plan"), your account balance under the Xontech Plan was transferred to the Savings Plan due to the merger of the Xontech Plan into the Savings Plan.

Your transferred account balance was mapped to one or more core funds available under the Savings Plan and chosen by the Savings Plan's investment manager to roughly mirror your investment elections under the Xontech Plan. However, you may change the investment mix of your transferred account balance, as well as any future contributions to the Savings Plan, on any business day by designating a specific dollar amount to be transferred from one Savings Plan core fund to another (subject to core investment fund seven-day trading restrictions, Northrop Grumman Fund diversification rules and any administrative rules otherwise applicable to the Savings Plan).

If, prior to the merger, you attained age 70½ and elected to begin receiving payment of your account balance under the Xontech Plan in a series of installments, you may continue to receive regular installment payments after the merger until the earliest of the following occurs:

- The entire pre-merger balance of your Xontech Plan account (plus any post-merger earnings) has been distributed;
- You elect to accelerate your installment payments or receive a lump sum payment of the remainder of the pre-merger balance of your Xontech Plan account (plus any post-merger earnings); or
- You retire or otherwise terminate employment with Northrop Grumman and all affiliated companies.

If you retire or otherwise terminate employment with Northrop Grumman and all affiliated companies before the pre-merger balance of your Xontech Plan account (plus any post-merger earnings) has been fully distributed, the remaining balance will be distributed in a form of payment regularly available under the Savings Plan.

