

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)
3/14/2005**

Northrop Grumman Corporation

(Exact name of registrant as specified in its charter)

DE
(State or Other Jurisdiction
of Incorporation)

1-16411
(Commission File Number)

95-4840775
(IRS Employer
Identification No.)

1840 Century Park East
Los Angeles, CA
(Address of principal executive offices)

90067
(Zip Code)

Registrant's telephone number, including area code
(310) 553-6262

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 – Registrant’s Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

1. Third Amendment to Five-Year Revolving Credit Agreement

On March 14, 2005, Northrop Grumman Corporation (the “Company”) entered into the Third Amendment dated as of February 23, 2005, to the \$2,500,000,000 Five-Year Revolving Credit Agreement (the “Agreement”) dated as of March 30, 2001, among the Company, Northrop Grumman Systems Corporation and Litton Industries, Inc. (predecessor-in-interest to Northrop Grumman Systems Corporation), the Lenders party thereto, JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank) and Credit Suisse First Boston, as Co-Administrative Agents, JPMorgan Chase Bank, as Payment Agent, Salomon Smith Barney, Inc., as Syndication Agent, and The Bank of Nova Scotia and Deutsche Bank Securities Inc. (formerly known as Deutsche Banc Alex. Brown, Inc.) as Co-Documentation Agents, and amended by First Amendment dated as of November 26, 2002 and Second Amendment dated as of January 15, 2004. The Lenders who are parties to the Agreement were requested to provide their consent to the Third Amendment on or before the close of business on March 11, 2005. Pursuant to established practice, the Amendment became effective on March 14, 2005, when JPMorgan Chase Bank confirmed that it had received fully executed counterparts of the Third Amendment from the Required Lenders and the Borrowers under the Agreement. The form of the Third Amendment is attached as Exhibit 10.1.

The Third Amendment amends the definition of “Stock Repurchase Programs” to mean the program announced by the Company on August 20, 2003, the program authorized by the Company on October 26, 2004, and any future programs announced by the Company, in each case to acquire shares of its common stock for cash. The Third Amendment also amends the definition of “Excluded Restricted Payments” to mean cash Restricted Payments not greater than (a) \$200 million in the aggregate during 2003, (b) \$808 million in the aggregate during 2004, (c) \$726 million in the aggregate during 2005, or (d) \$500 million in the aggregate during any year after 2005, in each case to repurchase shares of the Company’s stock under the Stock Repurchase Programs. The effect of the Third Amendment is to increase Excluded Restricted Payments by \$308 million in 2004 and \$226 million in 2005.

2. Stock Plan

A replacement for Exhibit 10(d)(vi), Form of letter from Northrop Grumman Corporation regarding Stock Option and RPSR Retirement Enhancement with respect to the Northrop Grumman 2001 Long-Term Incentive Stock Plan (As amended September 17, 2003) that was filed with the Company’s 10-K for the period ended December 31, 2004, is being refiled to clarify the application of the program with respect to the Company’s stock option and RPSR grants and to correct the time the vested options remain exercisable under the program. A copy of the form of letter is attached as Exhibit 10.2.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit 10.1 – Form of Third Amendment dated as of February 23, 2005 to the \$2,500,000,000 Five-Year Revolving Credit Agreement dated as of March 30, 2001, among Northrop Grumman Corporation, Northrop Grumman Systems Corporation and Litton Industries, Inc. (predecessor-in-interest to Northrop Grumman Systems Corporation), the Lenders party thereto, JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank) and Credit Suisse First Boston, as Co-Administrative Agents, JPMorgan Chase Bank, as Payment Agent, Salomon Smith Barney, Inc., as Syndication Agent, and The Bank of Nova Scotia and Deutsche Bank Securities Inc. (formerly known as Deutsche Banc Alex. Brown, Inc.) as Co-Documentation Agents, and amended by First Amendment dated as of November 26, 2002 and Second Amendment dated as of January 15, 2004.

Signature(s)

Pursuant to the Requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Northrop Grumman Corporation
(Registrant)

March 15, 2005
(Date)

By: /s/ JOHN H. MULLAN

(Signature)
John H. Mullan
Corporate Vice President and Secretary

Exhibit Index

Exhibit No.

- Exhibit 10.1 Form of Third Amendment dated as of February 23, 2005 to the \$2,500,000,000 Five-Year Revolving Credit Agreement dated as of March 30, 2001, among Northrop Grumman Corporation, Northrop Grumman Systems Corporation and Litton Industries, Inc. (predecessor-in-interest to Northrop Grumman Systems Corporation), the Lenders party thereto, JPMorgan Chase Bank, (formerly known as The Chase Manhattan Bank) and Credit Suisse First Boston, as Co-Administrative Agents, JPMorgan Chase Bank, as Payment Agent, Salomon Smith Barney, Inc., as Syndication Agent, and The Bank of Nova Scotia and Deutsche Bank Securities Inc. (formerly known as Deutsche Banc Alex. Brown, Inc.) as Co-Documentation Agents, and amended by First Amendment dated as of November 26, 2002 and Second Amendment dated as of January 15, 2004.
- Exhibit 10.2 Form of letter from Northrop Grumman Corporation regarding Stock Option and RPSR Retirement Enhancement with respect to the Northrop Grumman 2001 Long-Term Incentive Stock Plan (As amended September 17, 2003).

THIRD AMENDMENT dated as of February 23, 2005 (this "Amendment"), to the Five-Year Revolving Credit Agreement dated as of March 30, 2001, as heretofore amended (the "Credit Agreement"), among NORTHROP GRUMMAN CORPORATION, a Delaware corporation formerly known as NNG, Inc. (the "Company"); NORTHROP GRUMMAN SYSTEMS CORPORATION ("Northrop Operating" and, together with the Company, the "Borrowers"), a Delaware corporation formerly known as Northrop Grumman Corporation and the successor by merger to LITTON INDUSTRIES, INC.; the LENDERS (as defined in Article 1 of the Credit Agreement), JPMORGAN CHASE BANK and CREDIT SUISSE FIRST BOSTON, as Co-Administrative Agents, JPMORGAN CHASE BANK, as Payment Agent, SALOMON SMITH BARNEY INC., as Syndication Agent, and THE BANK OF NOVA SCOTIA and DEUTSCHE BANK SECURITIES INC. (formerly known as Deutsche Banc Alex. Brown Inc.), as Co-Documentation Agents.

A. Pursuant to the Credit Agreement, the Lenders have extended, and have agreed to extend, credit to the Borrowers.

B. The Company announced on August 20, 2003, a share repurchase program providing for the acquisition of common shares of the Company for cash consideration not to exceed (a) \$200,000,000 in the aggregate during calendar year 2003 and (b) \$500,000,000 in the aggregate during calendar year 2004. On October 26, 2004, the Company's board of directors authorized a similar repurchase program providing for the acquisition of common shares of the Company for cash consideration not to exceed \$1,000,000,000 during a period of between twelve and eighteen months commencing in November 2004. The Company may in the future announce additional share repurchase programs.

C. In connection with the foregoing, the Borrowers have requested that the Lenders agree to amend certain provisions of the Credit Agreement as provided herein. The Lenders whose signatures appear below, constituting the Required Lenders, are willing, on the terms and subject to the conditions set forth herein, so to amend the Credit Agreement.

D. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Credit Agreement as amended hereby.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. *Amendments.* (a) The definition of "Excluded Restricted Payments" in Section 1.01 of the Credit Agreement is hereby amended to read as follows:

“*Excluded Restricted Payments*” means cash Restricted Payments not greater than (a) \$200,000,000 in the aggregate during calendar year 2003, (b) \$808,000,000 in the aggregate during calendar year 2004, (c) \$726,000,000 in the aggregate during calendar year 2005, or (d) \$500,000,000 in the aggregate during any calendar year thereafter, in each case to acquire shares of the Company’s common stock pursuant to Stock Repurchase Programs.

(b) The definition of “Stock Repurchase Programs” in Section 1.01 of the Credit Agreement is hereby amended to read as follows:

“*Stock Repurchase Programs*” means the stock repurchase program announced by the Company on August 20, 2003, the stock repurchase program authorized by the Company’s Board of Directors on October 26, 2004 and stock repurchase programs that may in the future be announced by the Company, in each case pursuant to which the Company may acquire common shares of the Company for cash consideration.

SECTION 2. *Representations and Warranties.* To induce the Lenders to enter into this Amendment, the Borrowers represent and warrant to such parties that (a) the representations and warranties set forth in Article III of the Credit Agreement are true and correct in all material respects on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date; and (b) no Default or Event of Default has occurred and is continuing.

SECTION 3. *Conditions to Effectiveness.* The amendments provided for in Section 1 shall become effective on the date (the “*Amendment Effective Date*”) on which the Payment Agent shall have received counterparts of this Amendment that, when taken together, bear the signatures of the Borrowers and the Required Lenders.

SECTION 4. *Effect of Amendment.* Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Co-Administrative Agents, the Syndication Agent or the Co-Documentation Agents under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. This Amendment shall apply and be effective only with respect to the provisions of the Credit Agreement specifically referred to herein. After the date hereof, any reference to the Credit Agreement shall mean the Credit Agreement, as modified hereby. This Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 5. *Counterparts.* This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such

counterparts together shall constitute but one and the same contract. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 6. *Applicable Law.* THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. *Expenses.* The Borrower agrees to reimburse the Payment Agent for all out-of-pocket expenses in connection with this Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Co-Administrative Agents.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized officers, all as of the date and year first above written.

NORTHROP GRUMMAN CORPORATION,

by: _____

Name:

Title:

NORTHROP GRUMMAN SYSTEMS CORPORATION,

by: _____

Name:

Title:

JPMORGAN CHASE BANK,
individually and as Co-Administrative Agent and Payment
Agent,

by: _____

Name:

Title:

CREDIT SUISSE FIRST BOSTON,
individually and as Co-Administrative Agent,

by: _____

Name:

Title:

by: _____

Name:

Title:

To approve the Third Amendment:

Name of Institution: _____

by: _____

Name:

Title:

_____, 2005

«First» «Middle» «Last_Name»

«Address»

«City», «State» «Zip»

Re: Stock Option and RPSR Retirement Enhancement («Sector»)

Dear: «Nickname»

We are pleased to announce an enhanced stock option and RPSR retirement benefit for officers whose mandatory retirement date will occur before they have attained 10 years of service with the company. The terms of the enhancement are outlined below.

Retirement Provisions in General. The company's stock option and RPSR grants offer more favorable termination of employment provisions to those employees who retire upon or after attaining age 55 with at least 10 years of service to the company. The provisions of the awards generally provide that, in the event of such a retirement, RPSRs vest on a pro-rated basis, the next installment of any unvested stock option vests, and vested stock options remain exercisable until the fifth anniversary of the retirement date but in no event after the expiration date of the options. The special retirement provisions generally apply with respect to a particular award only if the employee's retirement date is at least six months after the date of an option grant, or six months after the start of the performance period in the case of RPSRs (otherwise, the normal termination of employment rules apply with respect to that grant).

Enhanced Retirement Benefit. Over the past few years, the company has made several strategic hires in its officer group with many of these individuals having long careers in the military or elsewhere. Because these individuals joined Northrop Grumman late in their careers and the company maintains a mandatory retirement policy for officers, these executives are precluded from achieving the 10 years of service necessary to qualify for retirement treatment with respect to their stock options and RPSRs. To provide additional retention incentives, and also to recognize the past service of these executives, the Board of Directors approved a change in the terms of the company's stock option and RPSR grants. Under the new retirement provisions, if you are subject to the company's mandatory retirement policy for officers and you retire at the mandatory retirement age under that policy but do not have at least 10 years of service as of your retirement date, you will be covered by the retirement provisions of your stock options and RPSRs as though you retired at or after age 55 with at least 10 years of service.

Please note that the six-month minimum service rule continues to apply. That is, in order for the retirement enhancement to apply with respect to a particular award, your retirement date must be at least six months after the date of an option grant and six months after the start of the performance period for RPSRs (otherwise, the normal termination of employment rules apply).

The enhanced benefit will be included in the Terms and Conditions applicable to any new stock option and RPSR grants that you receive. This letter confirms that the enhancement will also apply with respect to any Northrop Grumman stock options and RPSRs granted to you in the past to the extent that you still hold those grants when you retire in accordance with the mandatory retirement policy.

Please call Debbie Catsavas at 310-201-3181 if you have any questions.

Very truly yours,

Richard A. Underhill
Vice President
Compensation and Benefits