



Northrop Grumman Awarded \$874.6 Million U.S. Postal Service Contract to Provide Next Generation Automated Mail Handling Equipment

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BALTIMORE, March 1 /PRNewswire-FirstCall/ -- Northrop Grumman Corporation (NYSE: NOC) has been awarded a \$874.6 million fixed-price contract from the United States Postal Service (USPS) to provide 100 Flats Sequencing Systems (FSS) designed to further automate the flats mail stream, which includes large envelopes, catalogs and magazines.

"The FSS award is the latest in a series of programs reflecting our strong relationship with the Postal Service to integrate Northrop Grumman flat mail technologies into innovative postal automation solutions. We have focused on developing a comprehensive system that will enable the agency to realize operational efficiencies, and we are extremely proud and excited at the opportunity to make FSS a reality," said Vicki Spira, vice president of Postal Automation at Northrop Grumman's Government Systems Division.

Northrop Grumman's first generation of flats sorting technologies is in operation at Postal Service processing centers nationwide. FSS represents the next generation of flats automation by sorting mail to the delivery sequence of each carrier, thereby reducing manual sorting. Flat mail is a labor-intensive category of mail to process and deliver due to variations in size and thickness.

Northrop Grumman is serving as the FSS prime contractor. The company jointly developed the key technologies incorporated into FSS with Solystic, a company subsidiary in France, and Siemens Energy & Automation, Inc. in Arlington, Texas. This team will field a pre-production version of the system later this year, which will be used by USPS to develop system operational procedures.

Installation of the first FSS production units at USPS facilities nationwide is expected to begin in 2008 with the remaining FSS installations scheduled for completion by 2010.

Northrop Grumman Corporation is a \$30 billion global defense and technology company whose 120,000 employees provide innovative systems, products, and solutions in information and services, electronics, aerospace and shipbuilding to government and commercial customers worldwide.

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