## NORTHROP GRUMMAN

## Northrop Grumman Contractor Team Wins Department of Defense Nunn-Perry Award

March 21, 2001

DALLAS, March 21, 2001 -- Northrop Grumman Corporation's (NYSE:NOC) Integrated Systems Sector (ISS) has received the Nunn-Perry Award from the Department of Defense (DoD) for outstanding achievement in the Mentor-Protege Program.

Under Mentor-Protege, prime contractors work with small, disadvantaged businesses to help them compete more successfully for defense contracts.

The award was presented to ISS, which paired with Keiko Manufacturing, Signal Hill, Calif., a certified small, disadvantaged business that specializes in the fabrication of precision-machined parts.

"The Mentor-Protege Program highlights successes that can be achieved through partnership and teamwork," said Tom Vice, ISS vice president-Materiel. "DoD, Keiko and Northrop Grumman make a strong team, one committed to producing quality products. I'm pleased that ISS and Keiko have received this acknowledgement."

Twelve teams of DoD prime contractors and their proteges were selected on the basis of how well they worked together to achieve cost efficiencies, enhance the technical capabilities of small firms and increase their defense contracting opportunities. The award is named after retired U.S. Sen. Sam Nunn, who sponsored legislation to create Mentor-Protege in 1991, and former Secretary of Defense William Perry for his commitment to its implementation.

This year's ceremony, held at the Sixth Annual Mentor-Protege Conference in Arlington, Va., marked the third consecutive year that an ISS team has won the award, and the fourth time Northrop Grumman has received this honor since it was created in 1995.

Keiko uses non-metallic, aluminum, titanium and steel to make parts for commercial and military aircraft, utilizing its expertise in CNC machining, CNC turning, CNC milling and assembly. Employing 13 people, Keiko Manufacturing was founded in 1997 by J. Kevin Poydras, president and chief executive officer.

In October 1998, the company entered the Mentor-Protege Program with Northrop Grumman serving as mentor and Keiko as protege. Under the program, Keiko manufactures precision-machined parts for the F/A-18E/F program. Northrop Grumman is providing ongoing assistance to Keiko in the areas of manufacturing engineering, cost estimating, and bid preparation and quality assurance.

During 2000, Keiko experienced a five-fold increase in subcontract dollars from Northrop Grumman, and successfully "graduated" from producing simple two-dimensional parts to machining precision castings and assemblies. Keiko has also received several bid opportunities at other Northrop Grumman sites by virtue of its protege status and the quality of its product. The company recently awarded Keiko a long-term agreement worth \$2.2 million over five years. Northrop Grumman has awarded Keiko more than \$900,000 in machined parts business over the life of this program.

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