



Egypt Orders Sixth E-2C Hawkeye From Northrop Grumman

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PARIS AIR SHOW, Le BOURGET, France, June 19, 2001 -- Northrop Grumman Corporation (NYSE:NOC) has signed a foreign military sales (FMS) contract to deliver an E-2C Hawkeye 2000 export configuration aircraft to Egypt. This contract adds the modification and upgrade of a sixth Egyptian E-2C, a former U.S. Navy E-2C airborne early warning and control (AEW&C) aircraft, to a program awarded previously and brings the value of the work to be done to \$163 million.

In late 1999, Egypt contracted for the upgrade of its five Hawkeyes under a Navy FMS contract valued at approximately \$138 million, which funds nonrecurring design and development work and the procurement of retrofit kits and initial spares. A subsequent contract authorization later this year will add the installation of the upgrade kits into the five Egyptian-owned E-2C's.

All six aircraft will be modified in St. Augustine, Fla., by the Airborne Early Warning and Electronic Warfare (AEW&EW) Systems business area of the company's Integrated Systems Sector (ISS). The engineering work required will be performed in Bethpage, N.Y.

"This program brings benefits to both Egypt and Northrop Grumman," said John Michaelsen, ISS vice president and integrated product team leader for AEW Systems. "Egypt will realize a significant cost savings by having the modifications done at our St. Augustine facility, and that savings has allowed them to purchase another Hawkeye at minimal cost. Having the work in St. Augustine also will help ISS maintain its skill base there through 2006."

The Egyptian Air Force is upgrading the Hawkeyes to enhance the operational readiness of its AEW&C system and to continue interoperability with the U.S. military. Egypt has been operating its Hawkeyes since the first two were delivered in 1986.

All five Egyptian Air Force E-2C aircraft are Group 0 Hawkeyes and will be converted to the Hawkeye 2000 export configuration. The Hawkeye 2000 export configuration features the same new Mission Computer Upgrade and Advanced Control Indicator Set workstations are included in the U.S. Navy Hawkeye 2000's. Delivery of the first modified aircraft to Egypt is currently scheduled for October 2002.

The Egyptian Air Force project joins a similar effort ongoing for Japan's Air Self Defense Force, where the first of Japan's 13 Hawkeyes are being upgraded to the same configuration under a \$20 million contract awarded in 1998. Follow-on orders for Japan's Hawkeyes are expected to increase the total program value to approximately \$250 million. In this case, installations are to be done in Japan.

Northrop Grumman's ISS, headquartered in Dallas, Texas, is a premier aerospace systems integration enterprise. ISS has the capabilities to design, develop, integrate, produce and support complete systems, as well as airframe subsystems, for airborne surveillance and battle management aircraft, early warning aircraft, airborne electronic warfare aircraft and air combat aircraft.

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