NORTHROP GRUMMAN

Northrop Grumman Receives \$23.6 Million Contract for Production of BQM-74E Aerial Targets

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SAN DIEGO, April 10, 2001 -- Northrop Grumman Corporation's (NYSE:NOC) Integrated Systems Sector (ISS) has received a \$23.6 million firm, fixed price contract from the U.S. Navy to produce 78 BQM-74E aerial targets and associated kits. The contract includes options for three additional years of production with a potential total value of \$107 million.

The BQM-74E is a subsonic aerial target that emulates antiship cruise missiles or enemy fighters. The U.S. Navy uses the BQM-74E to provide realistic threat simulation to test and evaluate new weapon systems and for fleet training. Northrop Grumman has successfully delivered more than 7,300 MQM/BQM-74's and Chukars, the international aerial target version, to the U.S. Navy and international customers. The BQM-74 program is managed by the Program Executive Office-Strike Warfare and Unmanned Aviation, Naval Air Systems Command, headquartered in Patuxent River, Md.

Work on this contract will begin in April 2001, with the first vehicle delivery scheduled for February 2002. Final assembly and checkout will be performed at Northrop Grumman facilities in Palmdale and San Diego, Calif. The first year production contract is scheduled to be completed in January 2003.

Northrop Grumman ISS, headquartered in Dallas, Tex., 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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