

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) 10/10/2004

**Northrop Grumman Corp**  
(Exact name of registrant as specified in its charter)

<b>DE</b> (State or other jurisdiction of incorporation)	<b>1-16411</b> (Commission File Number)	<b>95-4840775</b> (IRS Employer Identification No.)
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<b>1840 Century Park East Los Angeles, CA</b> (Address of principal executive offices)	<b>90067</b> (Zip Code)
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Registrant's telephone number, including area code 310-201-3057

(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 (see General Instruction A.2. below):

- 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))

## ITEM 7.01 REGULATION FD DISCLOSURE

In connection with the transaction described in Item 8.01 to this Report on Form 8-K, on October 13, 2004 the Registrant issued a press release, a copy of which is furnished as an exhibit to this Report.

## ITEM 8.01 OTHER EVENTS

On October 10, 2004, the Registrant and its wholly owned subsidiary Northrop Grumman Space & Mission Systems Corp. (“NGS&MS”) entered into a Note Purchase and Settlement Agreement (the “Agreement”) with TRW Automotive Intermediate Holdings Corp. (“TRW Auto Intermediate”), TRW Automotive Holdings Corp. (“TRW Auto”) and Automotive Investors L.L.C. (“AI LLC”). The Agreement provides for (i) the repurchase by TRW Auto Intermediate of the \$600 million original principal amount Seller Subordinated Note dated as of February 28, 2003 plus all accrued interest thereon (as amended, the “Note”) from NGS&MS, (ii) settlement of certain issues that have arisen under that certain Master Purchase Agreement, dated as of November 18, 2002, and subsequently amended by Amendment No. 1 thereto, dated as of December 20, 2002, and Amendment No. 2 thereto, dated as of February 28, 2003 (as amended, the “MPA”), and that certain Employee Matters Agreement, dated as of February 28, 2003 (the “EMA”), and (iii) settlement by the Registrant of certain indemnification obligations under the MPA. The MPA and the EMA were entered into, and the Note was acquired by the Registrant, in connection with the sale of NGS&MS’s automotive business in February 2003.

Under the Agreement, TRW Auto Intermediate will pay NGS&MS an aggregate of \$493.5 million in consideration for the purchase of the Note, which is net of \$40.5 million ascribed to the released claims. TRW Auto Intermediate’s obligation to make this payment and repurchase the Note is subject to it obtaining sufficient financing by November 22, 2004. If TRW Auto Intermediate is unable to secure this financing, then it will not repurchase the Note and instead, (i) the parties will amend the Note to remove any restrictions on transfer therein and (ii) the Registrant will pay TRW Auto \$40.5 million as payment for the amendment of the Note and the settlement of the released claims.

In addition, under the MPA, the Registrant was obligated to indemnify TRW Auto for certain other post-retirement employee benefits (OPEB) payments and, alternatively, upon the occurrence of certain events (including TRW Auto’s initial public offering), to pay a terminal value amount for said indemnities to certain stockholders of TRW Auto. In satisfaction of this obligation, and regardless of whether TRW Auto Intermediate repurchases the Note, the Registrant agreed to pay AI LLC \$52.5 million upon the closing.

In connection with the allocation of pension assets, TRW Auto also agreed to cause its salaried pension plan to pay approximately \$27 million to NGS&MS’s salaried pension plan. TRW Auto also agreed that it will cause its salaried pension plan to pay to NGS&MS’s salaried pension plan the amount actually paid by NGS&MS’s salaried pension plan, approximately \$5 million, in respect of payments previously made by NGS&MS’s salaried pension plan to TRW Auto’s salaried pension plan participants.

The Agreement also provides for (1) mutual releases by TRW Auto and Registrant from certain potential indemnification claims under the MPA and the EMA and (2) clarification of certain ongoing matters under the MPA relating to indemnification and of certain matters in the EMA.

## ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Furnished

Exhibit 99 - Press Release dated October 13, 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

Date: October 13, 2004

By: /s/ John H. Mullan

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John H. Mullan  
Corporate Vice President and Secretary

Exhibit No.

Exhibit 99 Furnished – Press Release dated October 13, 2004

# **NORTHROP GRUMMAN** NEWS

Contacts: Frank Moore (Media) (310) 201-3335  
Gaston Kent (Investors) (310) 201-3423

For Immediate Release

## Northrop Grumman Reaches Agreement on TRW Auto Note Sale and Contractual Issues

LOS ANGELES – Oct. 13, 2004 – Northrop Grumman Corporation (NYSE: NOC) has reached an agreement with TRW Automotive Holdings Corp. (TRW Auto) regarding the repurchase of a \$600 million original principal amount subordinated 8% payment-in-kind note due 2018. The note, which Northrop Grumman received as part of the February 2003 sale of its automotive business, was valued at \$455 million at the time of the transaction. As of September 30, 2004, the note, including accrued interest, was valued at \$543 million.

Under the agreement, the company resolved outstanding contractual issues stemming from the automotive business sale. The company expects to receive \$493.5 million, which is net of \$40.5 million for the settlement of contractual issues. The note repurchase is subject to successful refinancing by TRW Auto by November 22, 2004. If TRW Auto does not secure financing and repurchase the note, the note will be amended to remove any restrictions on its transfer, and Northrop Grumman Corporation will pay TRW Auto \$40.5 million as payment for the amendment and the settlement of the contractual issues.

The company also resolved an indemnification of other post-retirement employee benefits, pursuant to the automotive sale agreement, and has agreed to pay Automotive Investors L.L.C., an affiliate of The Blackstone Group L.P., \$52.5 million.

As a result of the agreement, in the third quarter the company will record a \$9 million after-tax charge to continuing operations relating to the note repurchase, and a \$9 million after-tax charge to discontinued operations.

The company anticipates using the proceeds of the note repurchase for general corporate purposes.

## About Northrop Grumman

Northrop Grumman Corporation is a global defense company headquartered in Los Angeles, Calif. Northrop Grumman provides a broad array of technologically advanced, innovative products, services and solutions in systems integration, defense electronics, information technology, advanced aircraft, shipbuilding and space technology. The company has 125,000 employees and operates in all 50 states and 25 countries and serves U.S. and international military, government and commercial customers.

Northrop Grumman Corporation • 1840 Century Park East • Los Angeles, CA 90067

[www.northropgrumman.com](http://www.northropgrumman.com)

Northrop Grumman Reaches Agreement on  
TRW Auto Note Sale and Contractual Issues

Certain statements and assumptions in this release contain or are based on “forward-looking” information (that Northrop Grumman believes to be within the definition in the Private Securities Litigation Reform Act of 1995) and involve risks and uncertainties, and include, among others, statements in the future tense, and all statements accompanied by terms such as “project,” “expect,” “estimate,” “assume,” “guidance” or variations thereof. This information reflects the company’s best estimates when made, but the company expressly disclaims any duty to update this information if new data becomes available or estimates change after the date of this release.

Such “forward-looking” information includes, among other things, projected deliveries, expected funding for various programs, future effective income tax rates, financial guidance regarding sales, segment operating margin, pension expense, employer contributions under pension plans and medical and life benefits plans, and cash flow, and is subject to numerous assumptions and uncertainties, many of which are outside Northrop Grumman’s control and include the assumption of the successful completion of the repurchase of the TRW Automotive Note. These include Northrop Grumman’s assumptions with respect to future revenues, expected program performance and cash flows, returns on pension plan assets and variability of pension actuarial and related assumptions, the outcome of litigation and appeals, environmental remediation, divestitures of businesses, successful reduction of debt, successful negotiation of contracts with labor unions, effective tax rates and timing and amounts of tax payments, and anticipated costs of capital investments, among other things. Northrop Grumman’s operations are subject to various additional risks and uncertainties resulting from its position as a supplier, either directly or as subcontractor or team member, to the U.S. Government and its agencies as well as to foreign governments and agencies; actual outcomes are dependent upon various factors, including, without limitation, Northrop Grumman’s successful performance of internal plans; government customers’ budgetary constraints; customer changes in short-range and long-range plans; domestic and international competition in both the defense and commercial areas; product performance; continued development and acceptance of new products and, in connection with any fixed price development programs, controlling cost growth in meeting production specifications and delivery rates; performance issues with key suppliers and subcontractors; government import and export policies; acquisition or termination of government contracts; the outcome of political and legal processes; natural disasters and terrorist acts; legal, financial, and governmental risks related to international transactions and global needs for military aircraft, military and civilian electronic systems and support, information technology, naval vessels, space systems and related technologies, as well as other economic, political and technological risks and uncertainties and other risk factors set out in Northrop Grumman’s filings from time to time with the Securities and Exchange Commission, including, without limitation, Northrop Grumman reports on Form 10-K and Form 10-Q.

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