

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

July 2, 1997
(Date of earliest event reported)

Northrop Grumman Corporation
(Exact name of Registrant as specified in its charter)

Delaware (State of Incorporation)	1-3229 (Commission File No.)	95-1055798 (IRS Employer Identification No.)
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1840 Century Park East, Los Angeles, CA 90067
(Address of principal executive officers, including zip
code)

(310) 553-6262
(Registrant's telephone number, including area code)

INFORMATION TO BE INCLUDED IN THE REPORT

Item 5. Other Events

As of July 2, 1997, Northrop Grumman Corporation, a Delaware corporation (the "Company"), Lockheed Martin Corporation, a Maryland corporation ("Lockheed Martin"), and Hurricane Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Lockheed Martin ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Merger Sub will be merged (the "Merger") with and into the Company, with the Company surviving the Merger and becoming a wholly owned subsidiary of Lockheed Martin. At the effective time of the Merger, each issued and outstanding share of common stock of the Company other than shares held in the Company's treasury, will be converted into 1.1923 shares of Lockheed Martin common stock. A copy of the joint press release, dated July 3, 1997, issued by Lockheed Martin and the Company is attached hereto and is incorporated by reference.

Item 7. Financial Statements and Exhibits

(c) Exhibits

Exhibit 99.1 - Press Release of Lockheed
Martin Corporation and Northrop Grumman
Corporation dated July 3, 1997.

SIGNATURES

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

By: /s/ Richard B. Waugh, Jr.

Richard B. Waugh, Jr.
Corporate Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of Lockheed Martin Corporation and Northrop Grumman Corporation dated July 3, 1997.

For Immediate Release

Lockheed Martin and Northrop Grumman Form Strategic
Combination

\$11.6 billion transaction to create \$37 billion global
technology leader

BETHESDA, Maryland/LOS ANGELES, California, July 3, 1997 -- Lockheed Martin (NYSE:LMT) and Northrop Grumman (NYSE:NOC) announced today that their respective boards of directors unanimously approved a definitive agreement to combine the companies to further enhance efficiencies and increase global competitiveness. Following shareholder approvals and U.S. government regulatory reviews, the transaction will create a leading, broad-based technology company with estimated 1997 revenues of approximately \$37 billion and nearly 230,000 employees.

Under the terms of the agreement, Northrop Grumman shareholders will receive 1.1923 shares of Lockheed Martin common stock for each share of Northrop Grumman stock. The transaction is expected to close by the end of 1997.

"As our industry becomes increasingly global, we must constantly improve efficiencies to compete in the 21st century worldwide marketplace," said Norman R. Augustine, chairman and chief executive officer of Lockheed Martin. In bringing together these two healthy, well-matched companies, we will meet our commitments to reduce costs for our customers, increase long-term opportunities for employees and enhance shareholder value."

The combination is consistent with Lockheed Martin's long-term growth strategy to expand core businesses and move into closely related emerging markets. Key impacts on its lines of business will be to:

- Expand critical mass, economies of scale and synergy opportunities in electronics, military aircraft, commercial aerostructures and information systems;
- Increase breadth and depth in key technological discriminators, such as composites, data processing, stealth, sensors, microelectronics and manufacturing;
- Enhance systems engineering and platform integration capabilities.

It is anticipated that the transaction will be accounted for as a pooling-of-interests; however, the impact of other transactions under consideration could, if consummated, result in accounting for the transaction as a purchase. Financially, the transaction is expected to be neutral to 1998 earnings and increasingly accretive thereafter.

Augustine noted that "Lockheed Martin and Northrop Grumman have been leaders in consolidating the aerospace industry, and we are now taking the logical next step in combining together to shape the future. Both corporations have successfully integrated multiple operations and cultures, while maintaining focus on program performance and mission success. We fully intend to combine these two companies with the same spirit of teamwork and emphasis on performance."

"We enter this transaction in the strongest position in our history, which augurs well for the future," said Kent Kresa, chairman of the board, president and chief executive officer of Northrop Grumman. "Another plus is that our two companies have worked together successfully, including on such major current programs as the Joint Strike Fighter, the F-22, the Apache Longbow, and airborne early warning systems. We think this is a great opportunity to combine our unique skills and dedicated employees for the benefit of our customers and shareholders, as well as our employees."

Kresa will join the Lockheed Martin board of directors along with two other members of the Northrop Grumman board to be

determined. Kresa will serve as vice-chairman of Lockheed Martin and will have a strong role in the transition.

Dr. Vance D. Coffman, who will become vice chairman and chief executive officer of Lockheed Martin on August 1, reaffirmed Lockheed Martin's continuing commitment to serve as a merchant supplier, including supporting The Boeing Company and other teammates around the world on various existing and future programs.

Bear, Stearns & Co., Inc. and Lehman Brothers, Inc., are acting as financial advisors to Lockheed Martin. Northrop Grumman is being advised by Salomon Brothers.

Lockheed Martin, headquartered in Bethesda, Maryland, is a global technology company with 1996 sales of \$27 billion. Lockheed Martin provides space and missile systems, electronics, military aircraft, information systems, systems integration and a broad range of services to U.S. and international governments and commercial customers. It has 180,000 employees worldwide.

Northrop Grumman, headquartered in Los Angeles, California, is a leading designer, systems integrator and manufacturer of military surveillance on combat aircraft, defense electronics and systems, airspace management systems, information systems, marine systems, precision weapons, space systems and commercial and military aerostructures. The company currently employs more than 45,000 people and had 1996 sales of approximately \$8 billion.

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