

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)  
of the Securities Exchange Act of 1934

(Amendment No. 5)

LITTON INDUSTRIES, INC.

(Name of Subject Company (issuer))

NORTHROP GRUMMAN CORPORATION  
LII ACQUISITION CORP.  
NNG, INC.

(Name of Filing Persons (offeror))

Common Stock, Par Value \$1.00 Per Share  
(including associated rights)  
(Title of Class of Securities)

538021 10 6  
(CUSIP Number of Class of Securities)

Series B \$2 Cumulative Preferred Stock, Par Value \$5.00 Per Share

(Title of Class of Securities)

538021 40 3  
(CUSIP Number of Class of Securities)

W. Burks Terry  
Corporate Vice President and General Counsel  
Northrop Grumman Corporation  
1840 Century Park East  
Los Angeles, California 90067  
(310) 553-6262

(Name, Address and Telephone Number of Person Authorized to Receive Notices  
and Communications on Behalf of the Person(s) Filing Statement)

Copy to:

Andrew E. Bogen  
Gibson, Dunn & Crutcher LLP  
333 South Grand Avenue  
Los Angeles, California 90071-3197  
(213) 229-7159

Check the box if the filing relates solely to preliminary communications  
made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which this  
statement relates:

third party tender offer  
subject to Rule 14d-1

going-private transaction  
subject to Rule 13e-3

issuer tender offer  
subject to Rule 13e-4

amendment to Schedule 13D  
under Rule 13d-2

Check the following box if the filing is a final amendment reporting the  
results of the tender offer.

Northrop Grumman Corporation, a Delaware corporation ("Parent"), LII Acquisition Corp., and NNG, Inc. ("NNG"), each a Delaware corporation and wholly owned subsidiary of Parent, hereby amend and supplement their Tender Offer Statement on Schedule TO originally filed on January 5, 2001 (the "Schedule TO"), as subsequently amended from time to time, with respect to the Offer to Purchase or exchange (a) all of the issued and outstanding shares of common stock, par value \$1.00 per share (the "Common Stock") of Litton Industries, Inc., a Delaware corporation (the "Company"), together with any associated rights to purchase preferred stock of the Company (the "Rights," and, together with the Common Stock, the "Common Shares") and (b) all of the outstanding shares of Series B \$2 Cumulative Preferred Stock, par value \$5.00 per share (the "Preferred Shares"), of the Company.

Item 1 through 11

As permitted by General Instruction F to Schedule T0, the information set forth in the entire Registration Statement on Form S-4 filed with the SEC by NNG, Inc. on February 1, 2001, is incorporated by reference into this Tender Offer Statement on Schedule T0.

Item 12. Exhibits

Item 12 of the Schedule T0 is hereby amended and supplemented to include the following exhibits:

(a)(1)(vi) Letter of Transmittal, Common Stock and Preferred Stock, each dated February 1, 2001.

(a)(1)(vii) Notice of Guaranteed Delivery, Common Stock and Preferred Stock, each dated February 1, 2001.

(a)(1)(viii) Notice to Participants in the Litton Industries Employees Stock Purchase Plan prior to December 1, 1993, dated February 1, 2001.

(a)(1)(ix) Notice to Participants in the Litton Industries Employees Stock Purchase Plan after November 1, 1994, dated February 1, 2001.

(a)(1)(x) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees, Common Stock and Preferred Stock, dated February 1, 2001.

(a)(1)(xi) Letter to Clients, Common Stock and Preferred Stock, each dated February 1, 2001.

(a)(1)(xii) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

(a)(4) Registration Statement on Form S-4 filed with the SEC by NNG, Inc. on February 1, 2001 and incorporated by this reference.

(a)(5)(ix) Summary Advertisement as published in the Wall Street Journal on February 1, 2001.

(b)(ii) \$6,000,000,000 Senior Credit Facilities Commitment Letter dated January 30, 2001 from Credit Suisse First Boston, The Chase Manhattan Bank and JP Morgan.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

LII ACQUISITION CORP.

By: /s/ John H. Mullan  
-----  
Name: John H. Mullan  
-----  
Title: Secretary  
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NORTHROP GRUMMAN CORPORATION

By: /s/ John H. Mullan  
-----  
Name: John H. Mullan  
-----  
Title: Corporate Vice President and Secretary  
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NNG, INC.

By: /s/ John H. Mullan  
-----  
Name: John H. Mullan  
-----  
Title: Corporate Vice President and Secretary  
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Dated: February 1, 2001

EXHIBIT INDEX

- (a)(1)(i)\* Offer to Purchase, dated January 5, 2001.
- (a)(1)(ii)\* Letter of Transmittal, Common Stock and Preferred Stock, each dated January 5, 2001.
- (a)(1)(iii)\* Notice of Guaranteed Delivery, Common Stock and Preferred Stock, each dated January 5, 2001.
- (a)(1)(iv)\* Notice to Participants in the Litton Industries Employees Stock Purchase Plan prior to December 1, 1993, dated January 5, 2001.
- (a)(1)(v)\* Notice to Participants in the Litton Industries Employees Stock Purchase Plan after November 1, 1994, dated January 5, 2001.
- (a)(1)(vi) Letter of Transmittal, Common Stock and Preferred Stock, each dated February 1, 2001.
- (a)(1)(vii) Notice of Guaranteed Delivery, Common Stock and Preferred Stock, each dated February 1, 2001.
- (a)(1)(viii) Notice to Participants in the Litton Industries Employees Stock Purchase Plan prior to December 1, 1993, dated February 1, 2001.
- (a)(1)(ix) Notice to Participants in the Litton Industries Employees Stock Purchase Plan after November 1, 1994, dated February 1, 2001.
- (a)(1)(x) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees, Common Stock and Preferred Stock, dated February 1, 2001.
- (a)(1)(xi) Letter to Clients, Common Stock and Preferred Stock, each dated February 1, 2001.
- (a)(1)(xii) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- (a)(2) None.
- (a)(3) Not applicable.
- (a)(4) Registration Statement on Form S-4 filed with the SEC by NNG, Inc. on February 1, 2001 and incorporated by this reference.
- (a)(5)(i)\* Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees, Common Stock and Preferred Stock, dated January 5, 2001.
- (a)(5)(ii)\* Letter to Clients, Common Stock and Preferred Stock, each dated January 5, 2001.
- (a)(5)(iii)\* Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- (a)(5)(iv)\* Press release issued by Parent on December 21, 2000 (incorporated by reference to Schedule TO-C filed with the Securities and Exchange Commission on December 20, 2000).
- (a)(5)(v)\* Summary Advertisement as published in the Wall Street Journal on January 5, 2001.
- (a)(5)(vi)\* Press release issued by Parent on January 8, 2001.
- (a)(5)(vii)\* Press release issued by Parent on January 16, 2001.
- (a)(5)(viii)\* Joint Press release issued by Parent and the Company on January 24, 2001.
- (a)(5)(ix) Summary Advertisement as published in the Wall Street Journal on February 1, 2001.
- (b)(i)\* Financing Commitment Letter dated December 20, 2000 from Credit Suisse First Boston and The Chase Manhattan Bank relating to \$6,000,000,000 aggregate principal amount of senior credit facilities.

- (b)(ii) \$6,000,000,000 Senior Credit Facilities Commitment Letter dated January 30, 2001 from Credit Suisse First Boston, The Chase Manhattan Bank and JP Morgan.
- (c) Not applicable.
- (d)(1)\* Merger Agreement, dated as of December 21, 2000, by and among Parent, Purchaser and the Company.
- (d)(2)\* Confidentiality Agreement dated June 23, 2000, between Parent and the Company.
- (d)(3)\* Letter Agreement dated December 21, 2000, between Ronald D. Sugar and Parent.
- (d)(4)\* Amended and Restated Agreement and Plan of Merger dated as of January 23, 2001 among Northrop Grumman Corporation, Litton Industries, Inc., NNG, Inc. and LII Acquisition Corp.
- (d)(5)\* Stockholder's Agreement dated as of January 23, 2001 among Northrop Grumman Corporation, NNG, Inc. and Unitrin, Inc.
- (d)(6)\* Registration Rights Agreement dated as of January 23, 2001 by and among Northrop Grumman Corporation, NNG, Inc. and Unitrin, Inc.
- (e) Not applicable.
- (f)\* Section 262 of the Delaware General Corporation Law (included as Schedule II to the Offer to Purchase).
- (g) None.
- (h) None.

\* Previously filed.

For holders of shares of common stock of Litton Industries, Inc.

LETTER OF TRANSMITTAL  
To Tender Shares of Common Stock  
(together with associated rights)  
of  
Litton Industries, Inc.  
for

any of the following, at the election of tendering holders of Common Stock  
\$80.00 net per share, in cash, not subject to proration

or  
\$80.25 in market value (as described in the Offer) of shares of NNG, Inc.  
Common Stock,  
subject to proration

or  
0.80 shares of NNG, Inc. Series B Preferred Stock,  
subject to proration

Pursuant to the Offer to Purchase or Exchange  
Dated February 1, 2001

of  
NNG, INC.  
a wholly owned subsidiary of  
Northrop Grumman Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY  
TIME, ON THURSDAY, MARCH 1, 2001, UNLESS THE OFFER IS EXTENDED.

The Depository for the Offer is:

EQUISERVE TRUST COMPANY

By Mail:

EQUISERVE TRUST COMPANY  
P.O. Box 842010  
Boston, Massachusetts 02284-2010

By Hand:

EQUISERVE TRUST COMPANY  
c/o Securities Transfer and  
Reporting Services, Inc.  
100 William Street--Galleria  
New York, New York 10038

By Overnight Delivery:

EQUISERVE TRUST COMPANY  
40 Campanelli Drive  
Braintree, Massachusetts 02184

By Facsimile Transmission:  
(for Eligible Institutions  
Only)

(781) 575-4826  
or  
(781) 575-4827

Confirm Receipt of Facsimile

by Telephone Only:

(781) 575-4816

Delivery of this Letter of Transmittal to an address other than as set forth  
above, or transmissions of instructions via a facsimile number other than as  
set forth above, will not constitute a valid delivery. The instructions  
accompanying this Letter of Transmittal should be read carefully before this  
Letter of Transmittal is completed. You must sign this Letter of Transmittal in  
the appropriate space provided therefor, with signature guarantee if required,  
and complete the substitute form W-9 set forth below. See Instruction 9.

This Letter of Transmittal is to be used for the tender of Litton common stock. Tendering stockholders must utilize this form to:

- . select among cash, NNG common stock and NNG preferred stock to be exchanged for tendered shares; and
- . elect among Alternatives A, B and C with respect to tenders for NNG preferred stock and between Alternatives A and B with respect to tenders for NNG common stock, in case proration is required.

Any holder who completes this Letter of Transmittal and tenders shares of Litton common stock without specifying that such holder desires to receive shares of NNG common stock or NNG preferred stock, will be deemed to have requested Cash for the shares of Litton common stock so tendered.

LITTON COMMON STOCK TENDERED FOR CASH

Each holder of Litton common stock who elects to receive cash for such shares will receive \$80.00 for each share so tendered.

Holders of shares of Litton common stock who previously completed and returned the Letter of Transmittal sent with the offer to purchase dated January 5, 2001 (the "Original Letter of Transmittal") tendering their shares of Litton common stock and who continue to desire to exchange for Cash the same number of shares of Litton common stock as requested in the Original Letter of Transmittal do not need to take any action. Such tenders will be assigned to NNG.

Please indicate below the number of shares of Litton common stock tendered herewith for cash by filling in the requested information in the following chart:

Name(s) and address(es) of registered holder(s) (Please fill in exactly as name(s) appear(s) on Litton Common Stock Certificate(s))	Litton Common Stock Certificate(s) and Share(s) of Litton common stock tendered (attach additional list if necessary). See Instruction 3.						
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	<table border="0"> <tr> <td></td> <td style="text-align: center;">Total Number of Shares of</td> <td style="text-align: center;">Number of</td> </tr> <tr> <td style="text-align: center;">Litton Common Stock Certificate Number(s)*</td> <td style="text-align: center;">Litton common stock Represented by Certificate(s)</td> <td style="text-align: center;">Litton common stock Tendered for cash**</td> </tr> </table>		Total Number of Shares of	Number of	Litton Common Stock Certificate Number(s)*	Litton common stock Represented by Certificate(s)	Litton common stock Tendered for cash**
	Total Number of Shares of	Number of					
Litton Common Stock Certificate Number(s)*	Litton common stock Represented by Certificate(s)	Litton common stock Tendered for cash**					
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Total shares of Litton common stock							

\* Need not be completed by stockholder delivering by book-entry transfer.  
 \*\* Unless otherwise indicated it will be assumed that all Litton common stock evidenced by any certificates delivered to the Depositary are being tendered for cash. See Instruction 4.

LITTON COMMON STOCK TENDERED FOR SHARES  
OF NNG COMMON STOCK OR NNG PREFERRED STOCK

Holders who desire to exchange shares of Litton common stock for NNG common stock or NNG preferred stock, should carefully read and understand the following information.

The total number of shares of NNG common stock and NNG preferred stock that will be issued in exchange for Litton common stock is limited, as described in the Offer to Purchase. If Litton stockholders in the aggregate elect that



shares of Litton common stock be exchanged for more shares of NNG common stock or NNG preferred stock than are available for exchange, such elections will be reduced on a pro rata basis as described in the Offer to Purchase until the number of shares of NNG common stock and NNG preferred stock available in the Offer is sufficient to satisfy the remaining elections.

Three alternatives are available for selection by holders of Litton common stock who elect to receive NNG preferred stock in exchange for their Litton common stock. Two alternatives are available for selection by holders of Litton common stock who elect to receive NNG common stock in exchange for their Litton common stock. The three alternatives will govern the treatment of shares of Litton common stock not exchanged by reason of proration for the class of NNG stock selected by the tendering stockholder. The three alternatives are described below.

Alternative A. A tendering Litton common stockholder may make an Alternative A election with respect to Litton common stock which is tendered for either NNG common stock or NNG preferred stock. If the total number of NNG common stock elections (including the deemed elections referred to below) exceeds the NNG common stock available, the Alternative A elections will first be reduced, pro rata, to the extent necessary so that the total number of shares of NNG common stock required for common stock elections does not exceed the NNG common stock available. Shares subject to an Alternative A election which are not exchanged for NNG common stock by reason of proration will be exchanged for \$80.00 in cash per share of Litton common stock. If the tendering stockholder elects to receive NNG preferred stock, any shares subject to an Alternative A election which are not exchanged for NNG preferred stock by reason of proration will be deemed subject to an Alternative A common stock election.

While Alternative A may be selected by any holder of Litton common stock, it is expected that Litton stockholders other than Unitrin, Inc./1/ will likely find it in their interest to select either of the following alternatives which are described below:

- . Alternative B, if they wish to maximize the NNG common stock received in the Offer; or
- . Alternative C, if they wish to receive only NNG preferred stock or cash.

Alternative B. A tendering Litton common stockholder may make an Alternative B election with respect to Litton common stock which is tendered for either NNG common stock or NNG preferred stock. In the event that proration of elections to receive of NNG common stock is still required after the elimination of shares in accordance with Alternative A elections, holders of shares of Litton common stock who elect Alternative B will have their elections to receive NNG common stock reduced pro rata based on the number of shares covered thereby. Shares subject to an Alternative B election which are not exchanged for NNG common stock by reason of proration will be exchanged for \$80.00 in cash per share of Litton common stock. If the tendering Litton common stockholder elects to receive NNG preferred stock, any shares subject to the Alternative B election which are not exchanged for NNG preferred stock by reason of proration will be deemed subject to an Alternative B common stock election.

Alternative C. An Alternative C election is only available for those Litton common stockholders who elect to receive NNG preferred stock in exchange for tendered shares of Litton common stock. Any such shares which are not exchanged for NNG preferred stock by reason of proration will be exchanged for \$80.00 in cash per share.

If no election among the alternatives described above is made in connection with a tender of Litton common stock for NNG common stock or NNG preferred stock, the tendering stockholder will be deemed to have elected Alternative B.

Tenders for NNG Common Stock

Each holder who desires to exchange Litton common stock for NNG common stock, must:

- . specify how many shares of Litton common stock shall be exchanged for NNG common stock; and
- . specify how any shares of Litton common stock not exchanged for NNG common stock by reason of proration shall be treated by electing Alternative A or Alternative B, as described above.

Please indicate below the number of shares of Litton common stock tendered herewith for NNG common stock by filling in the requested information in the following table:

Name(s) and address(es) of registered holder(s) (Please fill in exactly as name(s) appear(s) on Litton Common Stock Certificate(s))	Litton Common Stock Certificate(s) and Share(s) of Litton common stock tendered of: (attach additional list if necessary). See Instruction 3.	Number of shares allocated to each Alternative
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Litton Common Stock Certificate Number(s)*	Total No. of Shrs. of Litton common stock Represented by Certificate(s)	No. of Shrs. of Litton common stock Tendered**
		Alternative A Election      Alternative B Election
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Total shares of Litton common stock		

\* Need not be completed by stockholder delivering by book-entry transfer.  
 \*\* Unless otherwise indicated it will be assumed that all Litton common stock evidenced by any certificates delivered to the Depositary is being tendered. See Instruction 4.

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 /1/ An Alternative A election will be made by Unitrin, as agreed in the stockholder's agreement with respect to all of its Litton stock. By electing Alternative A, Unitrin will assure that if other Litton stockholders do not elect to receive all of the common stock available in the offer, Unitrin will accept up to the remaining NNG common stock available in exchange for the Litton shares owned by it which are not exchanged for NNG preferred stock.

Tenders for NNG Preferred Stock

Each holder who desires to exchange Litton common stock for NNG preferred stock, must:

- . specify how many shares of Litton common stock shall be exchanged for NNG preferred stock; and
- . specify how any shares of Litton common stock not exchanged for NNG preferred stock by reason of proration shall be treated by electing Alternative A, Alternative B or Alternative C, as described above.

Please indicate below the number of shares of Litton common stock tendered herewith for NNG preferred stock by filling in the requested information in the following table:

Name(s) and address(es) of registered holder(s) (Please fill in exactly as name(s) appear(s) on the Litton Common Stock Certificate(s))	Litton Common Stock Certificate(s) and Share(s) of Litton common stock tendered (attach additional list if necessary). See Instruction 3.
Name(s) and address(es) of registered holder(s) (Please fill in exactly as name(s) appear(s) on the Litton Common Stock Certificate(s))	Number of shares allocated to each Alternative

Litton Common Stock Certificate Number(s)*	Total No. of Shrs. of Litton common stock Represented by Certificate(s)	No. of Shrs. of Litton common stock Tendered**
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Total shares of Litton common stock	Alternative A Election	Alternative B Election	Alternative C Election

\* Need not be completed by stockholder delivering by book-entry transfer.

\*\* Unless otherwise indicated it will be assumed that all Litton common stock evidenced by any certificates delivered to the Depositary are being tendered. See Instruction 4.

PREVIOUSLY TENDERED LITTON COMMON STOCK  
(Completed Letter of Transmittal)

Holders of shares of Litton common stock who previously completed and returned the Original Letter of Transmittal tendering their shares of Litton common stock and who continue to desire to exchange for Cash the same number of shares of Litton common stock as requested in the Original Letter of Transmittal do not need to take any action. Such tenders will be assigned to NNG.

Holders of shares of Litton common stock who completed and returned the Original Letter of Transmittal tendering their shares of Litton common stock and who desire now to exchange the shares of Litton common stock so tendered for NNG common stock or NNG preferred stock, must:

- . complete this new Letter of Transmittal;
- . clearly identify below the number of shares of Litton common stock previously tendered; and
- . provide below the date of the Original Letter of Transmittal.

Number of shares of Litton common stock previously tendered

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Date of Original Letter of Transmittal

This Letter of Transmittal is to be completed by stockholders, either if Litton Common Stock Certificates (as defined below) are to be forwarded herewith or, unless an Agent's Message (as defined in the Offer, as referred to below) is utilized, if tender of Litton common stock (as defined below) is to be made by book-entry transfer into the account of EquiServe Trust Company, as Depositary (the "Depositary"), at The Depositary Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in of the Offer. Stockholders who tender Litton common stock by book-entry transfer are referred to herein as "Book-Entry Stockholders." Stockholders whose Litton Common Stock Certificates are not immediately available or who cannot deliver their Litton Common Stock Certificates and all other required documents to the Depositary on or prior to the Expiration Date (as defined in the Offer), or who cannot complete the procedure for book-entry transfer on a timely basis, must tender their Litton common stock according to the guaranteed delivery procedure set forth in of the Offer to Purchase. See Instruction 2. Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the Depositary.

SPECIAL TENDER INSTRUCTIONS

CHECK HERE IF LITTON COMMON STOCK IS BEING TENDERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER LITTON COMMON STOCK BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: \_\_\_\_\_

Account Number: \_\_\_\_\_

Transaction Code Number: \_\_\_\_\_

CHECK HERE IF LITTON COMMON STOCK IS BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING (please enclose a photocopy of such notice of guaranteed delivery):

Name(s) of Registered Owner(s): \_\_\_\_\_

Window Ticket Number (if any): \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Name of Institution that Guaranteed Delivery: \_\_\_\_\_

Account Number: \_\_\_\_\_

Transaction Code Number: \_\_\_\_\_

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to NNG, Inc., a Delaware corporation ("NNG") and a wholly owned subsidiary of Northrop Grumman Corporation, a Delaware corporation, the above described shares of common stock, par value \$1.00 per share (together with the associated rights to purchase preferred stock of Litton Industries, Inc. ("Litton") pursuant to the Rights Agreement dated as of August 17, 1994, as amended December 21, 2000 and January 3, 2001, between Litton and The Bank of New York, the "Litton common stock" and the certificates representing such Litton common stock, the "Litton Common Stock Certificates") of Litton, for the type of consideration elected by the undersigned in this Letter of Transmittal, upon the terms and subject to the conditions set forth in the Offer to Purchase or Exchange, dated February 1, 2001 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (the "Letter of Transmittal," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, collectively constitute the "Offer").

Subject to, and effective upon, acceptance for payment or exchange of the Litton common stock tendered herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, NNG all right, title and interest in and to all of the Litton common stock that is being tendered herewith and any and all Litton common stock or other securities issued, paid or distributed or issuable, payable or distributable in respect of such Litton common stock on or after February 1, 2001, and prior to the transfer to the name of NNG (or a nominee or transferee of NNG) on Litton's stock transfer records of the Litton common stock tendered herewith (collectively, a "Distribution"), and irrevocably appoints the Depository the true and lawful agent, attorney-in-fact and proxy of the undersigned with respect to such Litton common stock (and any Distribution), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver such Litton Common Stock Certificates (and any Distribution) or transfer ownership of such Litton common stock (and any Distribution) on the account books maintained by the Book-Entry Transfer Facility, together, in either case, with appropriate evidences of transfer, to the Depository for the account of NNG, (b) present such Litton common stock (and any Distribution) for transfer on the books of Litton, and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Litton common stock (and any Distribution), all in accordance with the terms and subject to the conditions of the Offer.

The undersigned irrevocably appoints designees of NNG as such undersigned's agents, attorneys-in-fact and proxies, with full power of substitution, to the full extent of the undersigned's rights with respect to the Litton common stock (and any Distribution) tendered by the undersigned and accepted for payment or exchange, as the case may be, by NNG. All such powers of attorney and proxies shall be considered irrevocable and coupled with an interest. Such appointment will be effective when, and only to the extent that, NNG accepts such Litton common stock for payment or exchange. Upon such acceptance for payment or exchange, all prior powers of attorney, proxies and consents given by the undersigned with respect to such Litton common stock (and any Distribution) will be revoked without further action, and no subsequent powers of attorney and proxies may be given nor any subsequent written consents executed (and, if given or executed, will not be deemed effective). The designees of NNG will, with respect to the Litton common stock (and any Distribution) for which such appointment is effective, be empowered to exercise all voting and other rights of the undersigned as they in their sole discretion may deem proper at any annual or special meeting of Litton stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. NNG reserves the right to require that, in order for the Litton common stock to be deemed validly tendered, immediately upon NNG's acceptance of such Litton common stock, NNG must be able to exercise full voting rights with respect to such Litton common stock (and any Distribution), including, without limitation, voting at any meeting of stockholders, subject to applicable law.

The undersigned hereby represents and warrants that (a) the undersigned has full power and authority to tender, sell, assign and transfer the undersigned's Litton common stock (and any Distribution) tendered hereby, and (b) when the Litton common stock is accepted for payment or exchange, as the case may be, by NNG, NNG will acquire good, marketable and unencumbered title to the Litton common stock (and any Distribution), free and clear of all liens, restrictions, charges and encumbrances, and the same will not be subject to any adverse claim and will not have been transferred to NNG in





violation of any contractual or other restriction on the transfer thereof. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depository or NNG to be necessary or desirable to complete the sale, assignment and transfer of the Litton common stock (and any Distribution) tendered hereby. In addition, the undersigned shall promptly remit and transfer to the Depository for the account of NNG any and all Distributions in respect of the Litton common stock tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance or appropriate assurance thereof, NNG will be, subject to applicable law, entitled to all rights and privileges as the owner of any such Distribution and may withhold the entire purchase price or exchange consideration, as the case may be, or deduct from the purchase price or exchange consideration the amount or value thereof, as determined by NNG, in its sole discretion.

All authority herein conferred or agreed to be conferred shall not be affected by and shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Tenders of Litton common stock made pursuant to the Offer are irrevocable, except that Litton common stock tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date, and, unless theretofore accepted for payment by NNG pursuant to the Offer, may also be withdrawn at any time after Tuesday, March 6, 2001. See the Offer to Purchase.

The undersigned understands that tenders of Litton common stock pursuant to any of the procedures described in the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and NNG upon the terms and subject to the conditions set forth in the Offer, including the undersigned's representation that the undersigned owns the Litton common stock being tendered.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price (to the extent that cash is elected) or issue any shares of NNG common stock or NNG preferred stock issued in exchange for Litton Common Stock Certificates tendered hereby and/or issue or return any certificate(s) for Litton common stock not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Litton common stock Tendered." Similarly, unless otherwise indicated herein under "Special Delivery Instructions," please mail the check for the purchase price (to the extent that cash is elected) or the certificates for any shares of NNG common stock or NNG preferred stock issued in exchange for Litton common stock tendered hereby and/or any Litton Common Stock Certificate(s) not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Litton common stock Tendered." In the event that both the "Special Delivery Instructions" and the "Special Payment Instructions" are completed, please issue the check for the purchase price (to the extent that cash is elected) or issue any shares of NNG stock (and certificates evidencing the same) issued in exchange for Litton common stock tendered hereby and/or any Litton Common Stock Certificate(s) not tendered or accepted for payment in the name of, and deliver such check and/or such stock certificates for NNG stock, or Litton Common Stock Certificates to, the person or persons so indicated. Unless otherwise indicated herein under "Special Payment Instructions," please credit any Litton common stock tendered herewith by book-entry transfer that are not accepted for payment or exchange by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that NNG has no obligation, pursuant to the Special Payment Instructions, to transfer any Litton common stock from the name(s) of the registered holder(s) thereof if NNG does not accept for payment or exchange any of the Litton common stock so tendered.

CHECK HERE IF ANY LITTON COMMON STOCK CERTIFICATES REPRESENTING LITTON COMMON STOCK THAT YOU OWN HAVE BEEN LOST, STOLEN OR DESTROYED AND SEE INSTRUCTION 11.

Number of shares of Litton common stock represented by lost, stolen or destroyed Litton Common Stock Certificates:

\* YOU MUST CONTACT THE TRANSFER AGENT TO HAVE ALL LOST LITTON COMMON STOCK CERTIFICATES REPLACED IF YOU WANT TO TENDER SUCH LITTON COMMON STOCK. SEE INSTRUCTION 14 FOR CONTACT INFORMATION FOR THE TRANSFER AGENT.

SPECIAL PAYMENT INSTRUCTIONS  
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if Litton Common Stock Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of Litton common stock accepted for cash payment of certificates to NNG common or preferred stock issued in exchange for Litton common stock are to be issued in the name of someone other than the undersigned or if shares of Litton common stock tendered by book-entry transfer that are not accepted for payment are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than that designated above.

Issue  Check and/or certificates for NNG stock  
 Litton Common Stock Certificate(s) to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

\_\_\_\_\_  
(Tax Identification or Social Security No.)  
(See Substitute Form W-9 Included Herein)

Credit Shares of Litton common stock tendered by book-entry transfer that are not accepted for payment to Depository to the account set forth below:

\_\_\_\_\_  
(Depository Account Number)

SPECIAL DELIVERY INSTRUCTIONS  
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if Litton Common Stock Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of Litton common stock accepted for cash payment of certificates to: NNG common or preferred stock issued in exchange for Litton common stock are to be issued in the name of someone other than the undersigned or to the undersigned at an address other than that shown above.

Issue  Check and/or certificates for NNG stock  
 Litton Common Stock Certificate(s) to:

Name: \_\_\_\_\_

(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

\_\_\_\_\_  
(Tax Identification or Social Security No.)  
(See Substitute Form W-9 Included Herein)

SIGN HERE  
AND COMPLETE ACCOMPANYING SUBSTITUTE FORM W-9

-----  
-----  
Signature(s) of Holder(s)  
(See guarantee requirement below)

Dated: \_\_\_\_\_, 2001

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Litton Common Stock Certificate(s). If signed by person(s) to whom the Litton common stock represented hereby have been assigned or transferred as evidenced by endorsement or stock powers transmitted herewith, the signatures must be guaranteed. If signature is by an officer on behalf of a corporation or by an executor, administrator, trustee, guardian, attorney, agent or any other person acting in a fiduciary or representative capacity, please provide the following information. See Instructions 2, 3 and 5.)

Name(s): \_\_\_\_\_

-----  
(Please Print)

Capacity (full title): \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Zip Code)

Area Code and Telephone Number: \_\_\_\_\_

Tax Identification or Social Security Number: \_\_\_\_\_

GUARANTEE OF SIGNATURE(S)  
(SEE INSTRUCTIONS 1, 2 AND 5)

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Please Print)

Capacity (full title): \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_  
-----  
-----

(Zip Code)

Area Code and Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2001

## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. No signature guarantee is required on this Letter of Transmittal if: (a) this Letter of Transmittal is signed by the registered holder(s) of Litton common stock (which term, for purposes of this document, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Litton common stock) tendered herewith, unless such holder(s) has completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions," or (b) such Litton common stock is tendered for the account of a firm which is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange Medallion Signature Program (MSP), or any other "eligible guarantor institution" (as defined in Rule 17Ad-15 under the Securities Exchange Act of 1934) (each of the foregoing, an "Eligible Institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5 of this Letter of Transmittal.

2. Requirements of Tender. This Letter of Transmittal is to be completed by stockholders either if Litton Common Stock Certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if tenders are to be made pursuant to the procedure for tender by book-entry transfer set forth in the Offer to Purchase. Litton Common Stock Certificates evidencing tendered Litton common stock, or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of Litton common stock into the Depository's account at the Book-Entry Transfer Facility, as well as this Letter of Transmittal (or a facsimile hereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth herein on or prior to the Expiration Date. Stockholders whose Litton Common Stock Certificates are not immediately available or who cannot deliver their Litton Common Stock Certificates and all other required documents to the Depository on or prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Litton common stock by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution; (b) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by NNG, must be received by the Depository on or prior to the Expiration Date; and (c) the Litton Common Stock Certificates (or a Book-Entry Confirmation) representing all tendered Litton common stock in proper form for transfer, in each case, together with this Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry delivery, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery. If Litton Common Stock Certificates are forwarded separately in multiple deliveries to the Depository, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) must accompany each such delivery.

The method of delivery of this Letter of Transmittal, Litton Common Stock Certificates and all other required documents, including delivery through the Book-Entry Transfer Facility, is at the option and risk of the tendering stockholder, and the delivery will be deemed made only when actually received by the Depository (including, in the case of book-entry transfer, by Book-Entry Confirmation). If delivery is by mail, registered mail with return receipt requested and properly insured is recommended. In all cases, sufficient time should be allowed to ensure timely delivery. No alternative, conditional or contingent tenders will be accepted and no fractional Litton common stock will be purchased. All tendering stockholders, by execution of this Letter of Transmittal (or a facsimile hereof if by an Eligible Institution), waive any right to receive any notice of the acceptance of their Litton common stock for payment.

3. Inadequate Space. If the space provided herein is inadequate, the Litton Common Stock Certificate numbers and/or the number of Litton common stock and any other required information should be listed on a separate signed schedule attached hereto.

4. Partial Tenders (Not Applicable to Stockholders Who Tender by Book-Entry Transfer). If fewer than all the shares of Litton common stock evidenced by any Litton Common Stock Certificate submitted are to be tendered, fill in the number of Litton common stock which is to be tendered in the box entitled "Number of Litton common stock Tendered" in the "Description of Litton common stock Tendered." In such cases, new Litton Common Stock Certificates for the Litton common stock that was evidenced by your old Litton Common Stock Certificates, but were not tendered by you, will be sent to you, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Litton common stock represented by Litton Common Stock Certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Litton common stock tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Litton Common Stock Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Litton common stock tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal. If any of the tendered Litton common stock is registered in different names on several Litton Common Stock Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Litton Common Stock Certificates.

If this Letter of Transmittal or any Litton Common Stock Certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to NNG of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Litton common stock listed and transmitted hereby, no endorsements of Litton Common Stock Certificates or separate stock powers are required unless payment is to be made to, or Litton Common Stock Certificates for Litton common stock not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s). In such latter case, signatures on such Litton Common Stock Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Litton Common Stock Certificate(s) listed, the Litton Common Stock Certificate(s) must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the Litton Common Stock Certificate(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, NNG will pay any stock transfer taxes with respect to the transfer and sale of Litton common stock to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if Litton Common Stock Certificates for Litton common stock not tendered or accepted for payment or exchange are to be registered in the name of, any person other than the registered holder(s), or if tendered Litton Common Stock Certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price (or the value of the exchange consideration, if Litton common stock is tendered and exchanged for NNG stock), unless satisfactory evidence of the payment of such taxes or an exemption therefrom is submitted. Except as otherwise provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Litton Common Stock Certificate(s) listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If a check is to be issued in the name of, or certificates for any shares of NNG stock issued in exchange for Litton common stock tendered hereby and/or Litton Common Stock Certificates for Litton common stock not tendered or not accepted for payment or exchange are to be issued or returned to, a person other than the signer of this Letter of Transmittal or if a check or certificates for shares of NNG stock and/or such Litton Common Stock Certificates are to be returned to a person other than the person(s) signing this Letter of Transmittal or to an address other than that shown in this Letter of Transmittal, the appropriate boxes on this Letter of Transmittal must be completed. A Book-Entry Stockholder may request that Litton common stock not accepted for payment or exchange be credited to such account

maintained at the Book-Entry Transfer Facility as such Book-Entry Stockholder may designate under "Special Payment Instructions." If no such instructions are given, such Litton common stock not accepted for payment or exchange will be returned by crediting the account at the Book-Entry Transfer Facility designated above.

8. Waiver of Conditions. Subject to the terms and conditions of the amended merger agreement (as defined in the Offer to Purchase), the conditions of the Offer (other than the minimum tender condition) may be waived by NNG in whole or in part at any time and from time to time in its sole discretion.

9. 31% Backup Withholding; Substitute Form W-9. Under U.S. federal income tax law, a stockholder whose tendered Litton common stock is accepted for payment or exchange pursuant to the Offer may be subject to backup withholding at a rate of 31%. To prevent backup withholding on any payment made to a stockholder pursuant to the Offer, the stockholder is required to notify the Depository of the stockholder's current taxpayer identification number ("TIN") by completing the enclosed Substitute Form W-9, certifying that the TIN provided on that form is correct (or that such stockholder is awaiting a TIN), and that (i) the stockholder has not been notified by the Internal Revenue Service that the stockholder is subject to backup withholding as a result of failure to report all interest or dividends or (ii) after being so notified, the Internal Revenue Service has notified the stockholder that the stockholder is no longer subject to backup withholding. If the Depository is not provided with the correct TIN, such stockholder may be subject to a \$50.00 penalty imposed by the Internal Revenue Service and payments that are made to such stockholder with respect to Litton common stock pursuant to the Offer may be subject to backup withholding (see below).

Each stockholder is required to give the Depository the TIN (e.g., Social Security number or employer identification number) of the record holder of the Litton common stock. If the Litton common stock is registered in more than one name or are not registered in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report. A stockholder who does not have a TIN may check the box in Part 3 of the Substitute Form W-9 if such stockholder has applied for a number or intends to apply for a TIN in the near future. If the box in Part 3 is checked, the stockholder must also complete the "Certificate of Awaiting Taxpayer Identification Number" below in order to avoid backup withholding. If the box is checked, payments made will be subject to backup withholding unless the stockholder has furnished the Depository with his or her TIN by the time payment is made. A stockholder who checks the box in Part 3 in lieu of furnishing such stockholder's TIN should furnish the Depository with such stockholder's TIN as soon as it is received.

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding requirements. To avoid possible erroneous backup withholding, a stockholder who is exempt from backup withholding should complete the Substitute Form W-9 by providing his or her correct TIN, signing and dating the form, and writing exempt on the face of the form. A stockholder who is a foreign individual or a foreign entity should also submit to the Depository a properly completed Form W-8, Certificate of Foreign Status (which the Depository will provide upon request), signed under penalty of perjury, attesting to the stockholder's exempt status. Stockholders are urged to consult their own tax advisors to determine whether they are exempt from these backup withholding and reporting requirements.

If backup withholding applies, the Depository is required to withhold 31% of any payments to be made to the stockholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained by filing a tax return with the Internal Revenue Service. The Depository cannot refund amounts withheld by reason of backup withholding.

10. Requests for Assistance or Additional Copies. Questions or requests for assistance may be directed to the Dealer Manager or the Information Agent at their respective addresses and telephone numbers set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery also may be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

11. Lost, Destroyed or Stolen Certificates. If any Litton Common Stock Certificate has been lost, destroyed or stolen, the stockholder should promptly notify the Transfer Agent at (800) 432-0140. The stockholder then will be instructed as to the steps that must be taken in order to replace the Litton Common Stock Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed Litton Common Stock Certificates have been followed.

Important: This Letter of Transmittal (or a facsimile hereof), together with Litton Common Stock Certificates or confirmation of book-entry transfer or the Notice of Guaranteed Delivery, and all other required documents, must be

received by the Depositary on or prior to the Expiration Date.



EQUISERVE TRUST COMPANY

SUBSTITUTE  
Form W-9

Part 1--PLEASE PROVIDE YOUR  
TIN IN THE BOX AT THE RIGHT  
AND CERTIFY BY SIGNING AND  
DATING BELOW

Social Security Number  
OR  
Employer Identification  
Number

Department of  
the Treasury

-----

Internal Revenue  
Service

-----  
EquiServe Trust  
Company's Request for  
Taxpayer  
Identification Number  
("TIN")

Part 2--Certificate--Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me); and
- (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) after being so notified, the IRS has notified me that I am no longer subject to backup withholding.

-----  
Certification Instructions--You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that your are no longer subject to backup withholding, do not cross out such item (2).  
-----

Signature : \_\_\_\_\_  
Name: \_\_\_\_\_ Date : \_\_\_\_\_  
Address: \_\_\_\_\_  
(Please Print)

Part 3--  
Awaiting TIN

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 31% of all reportable payments made to me will be withheld.

Signature : \_\_\_\_\_ Date : \_\_\_\_\_ , 2001

Questions and requests for assistance may be directed to the Information Agent or Dealer Manager at their respective addresses and telephone numbers set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal or other related tender offer materials may be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Information Agent for the Offer is:

[LOGO OF GEORGESON SHAREHOLDER COMMUNICATIONS INC.]

17 State Street, 10th floor  
New York, New York 10004

Bankers and Brokers Call Collect: (212) 440-9800  
All Others Call Toll Free: (800) 223-2064

The Dealer Manager for the Offer is:

Salomon Smith Barney

388 Greenwich Street  
New York, New York 10013

Call Toll Free: (877) 319-4978

For holders of Series B \$2 Cumulative Preferred Stock of Litton Industries, Inc.

LETTER OF TRANSMITTAL

To Tender Shares of Series B \$2 Cumulative Preferred Stock of Litton Industries, Inc.

at \$35.00 net per share, in cash, not subject to proration Pursuant to the Offer to Purchase or Exchange Dated February 1, 2001 of NNG, Inc., a wholly owned subsidiary of Northrop Grumman Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 1, 2001, UNLESS THE OFFER IS EXTENDED.

The Depository for the Offer is:

EQUISERVE TRUST COMPANY

By Mail: EQUISERVE TRUST COMPANY P.O. Box 842010 Boston, Massachusetts 02284-2010

By Hand: EQUISERVE TRUST COMPANY c/o Securities Transfer and Reporting Services, Inc. 100 William Street--Galleria New York, New York 10038

By Overnight Delivery: EQUISERVE TRUST COMPANY 40 Campanelli Drive Braintree, Massachusetts 02184

By Facsimile Transmission: (for Eligible Institutions Only) (781) 575-4826 or (781) 575-4827

By Confirmation Receipt of Facsimile by Telephone Only: (781) 575-4816

Delivery of this Letter of Transmittal to an address other than as set forth above, or transmissions of instructions via a facsimile number other than as set forth above, will not constitute a valid delivery. The instructions accompanying this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed. You must sign this Letter of Transmittal in the appropriate space provided therefor, with signature guarantee if required, and complete the substitute form W-9 set forth below. See Instruction 9.

DESCRIPTION OF PREFERRED SHARES TENDERED

Table with 4 columns: Name(s) and Address(es) of Registered Holder(s), Preferred Share Certificate(s) and Preferred Shares Tendered, Preferred Share Certificate Number(s)\*, Total Number of Preferred Shares Represented by Certificate(s), Number of Preferred Shares Tendered\*\*

Total  
Preferred  
Shares

\* Need not be completed by stockholder delivering by book-entry transfer.

\*\* Unless otherwise indicated it will be assumed that all Litton preferred stock evidenced by any certificates delivered to the Depositary are being tendered. See Instruction 4.

This Letter of Transmittal is to be completed by holders, either if Preferred Share Certificates (as defined below) are to be forwarded herewith or, unless an "agent's message" (as defined in the Offer to Purchase, as referred to below) is utilized, if tenders of shares of Litton preferred stock (as defined below) are to be made by book-entry transfer into the account of EquiServe Trust Company, as Depository (the "Depository"), at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in "The Offer Procedures for Tendering" in the Offer to Purchase. Stockholders who tender Litton preferred stock by book-entry transfer are referred to herein as "Book-Entry Stockholders." Litton stockholders whose Preferred Share Certificates are not immediately available or who cannot deliver their Preferred Share Certificates and all other required documents to the Depository on or prior to the expiration date of the Offer, or who cannot complete the procedure for book-entry transfer on a timely basis, must tender their shares of Litton preferred stock according to the guaranteed delivery procedure set forth in "The Offer Procedures for Tendering" in the Offer to Purchase. See Instruction 2. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

SPECIAL TENDER INSTRUCTIONS

CHECK HERE IF PREFERRED SHARES ARE BEING TENDERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER PREFERRED SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: \_\_\_\_\_

Account Number: \_\_\_\_\_

Transaction Code Number: \_\_\_\_\_

CHECK HERE IF PREFERRED SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING (please enclose a photocopy of such notice of guaranteed delivery):

Name of Registered Owner(s): \_\_\_\_\_

Window Ticket Number (if any): \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Name of Institution that Guaranteed Delivery: \_\_\_\_\_

Account Number: \_\_\_\_\_

Transaction Code Number: \_\_\_\_\_

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to NNG, Inc., a Delaware corporation ("NNG") and a wholly owned subsidiary of Northrop Grumman Corporation, a Delaware corporation, the above described shares of Series B \$2 Cumulative Preferred Stock, par value \$5.00 per share (the "Litton preferred stock" and the certificates representing such Litton preferred stock, the "Preferred Share Certificates") of Litton Industries, Inc., a Delaware corporation ("Litton"), at a price of \$35.00 per share of Litton preferred stock, net to the seller in cash, less any required withholding of taxes and without the payment of interest, upon the terms and subject to the conditions set forth in the Offer to Purchase or Exchange, dated February 1, 2001 (the "Offer to Purchase or Exchange"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (the "Letter of Transmittal," which, together with the Offer to Purchase or Exchange, as each may be amended or supplemented from time to time, collectively constitute the "Offer").

Subject to, and effective upon, acceptance for payment of the shares of Litton preferred stock tendered herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, NNG all right, title and interest in and to all of the shares of Litton preferred stock that is being tendered hereby and any and all Litton preferred stock or other securities issued, paid or distributed or issuable, payable or distributable in respect of such shares of Litton preferred stock on or after February 1, 2001, and prior to the transfer to the name of NNG (or a nominee or transferee of NNG) on Litton's stock transfer records (collectively, a "Distribution"), and irrevocably appoints the Depository the true and lawful agent, attorney-in-fact and proxy of the undersigned with respect to such shares of Litton preferred stock (and any Distribution), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver such Preferred Share Certificates (and any Distribution) or transfer ownership of such shares of Litton preferred stock (and any Distribution) on the account books maintained by the Book-Entry Transfer Facility, together, in either case, with appropriate evidences of transfer, to the Depository for the account of NNG, (b) present such shares of Litton preferred stock (and any Distribution) for transfer on the books of Litton, and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares of Litton preferred stock (and any Distribution), all in accordance with the terms and subject to the conditions of the Offer.

The undersigned irrevocably appoints designees of NNG as such undersigned's agents, attorneys-in-fact and proxies, with full power of substitution, to the full extent of the undersigned's rights with respect to the shares of Litton preferred stock (and any Distribution) tendered by the undersigned and accepted for payment by NNG. All such powers of attorney and proxies shall be considered irrevocable and coupled with an interest. Such appointment will be effective when, and only to the extent that, NNG accepts such shares of Litton preferred stock for payment. Upon such acceptance for payment, all prior powers of attorney, proxies and consents given by the undersigned with respect to such shares of Litton preferred stock (and any Distribution) will be revoked without further action, and no subsequent powers of attorney and proxies may be given nor any subsequent written consents executed (and, if given or executed, will not be deemed effective). The designees of NNG will, with respect to the shares of Litton preferred stock (and any Distribution) for which such appointment is effective, be empowered to exercise all voting and other rights of the undersigned as they in their sole discretion may deem proper at any annual or special meeting of Litton stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. NNG reserves the right to require that, in order for the shares of Litton preferred stock to be deemed validly tendered, immediately upon NNG's acceptance of such shares of Litton preferred stock, NNG must be able to exercise full voting rights with respect to such shares of Litton preferred stock (and any Distribution), including, without limitation, voting at any meeting of Litton stockholders subject to applicable law.

The undersigned hereby represents and warrants that (a) the undersigned has full power and authority to tender, sell, assign and transfer the undersigned's shares of Litton preferred stock (and any Distribution)

tendered hereby, and (b) when the shares of Litton preferred stock are accepted for payment by NNG, NNG will acquire good, marketable and unencumbered title to the shares of Litton preferred stock (and any Distribution), free and clear of all liens, restrictions, charges and encumbrances, and the same will not be subject to any adverse claim and will not have been transferred to NNG in violation of any contractual or other restriction on the transfer thereof. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depositary or NNG to be necessary or desirable to complete the sale, assignment and transfer of the shares of Litton preferred stock (and any Distribution) tendered hereby. In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of NNG any and all Distributions in respect of the shares of Litton preferred stock tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance or appropriate assurance thereof, NNG will be, subject to applicable law, entitled to all rights and privileges as the owner of any such Distribution and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by NNG, in its sole discretion.

All authority herein conferred or agreed to be conferred shall not be affected by and shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Tenders of Litton preferred stock made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date, and, unless theretofore accepted for payment by NNG pursuant to the Offer, may also be withdrawn at any time after Tuesday, March 6, 2001. See "The Offer--Withdrawal Rights" in the Offer to Purchase.

The undersigned understands that tenders of Litton preferred stock pursuant to any of the procedures described in "The Procedures for Tendering" in the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and NNG upon the terms and subject to the conditions set forth in the Offer, including the undersigned's representation that the undersigned owns the Litton preferred stock being tendered.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price and/or issue or return any certificate(s) for shares of Litton preferred stock not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Litton preferred stock Tendered." Similarly, unless otherwise indicated herein under "Special Delivery Instructions," please mail the check for the purchase price and/or any certificate(s) for shares of Litton preferred stock not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Litton preferred stock Tendered." In the event that both the "Special Delivery Instructions" and the "Special Payment Instructions" are completed, please issue the check for the purchase price and/or any Preferred Share Certificate(s) not tendered or accepted for payment in the name of, and deliver such check and/or such Preferred Share Certificates to, the person or persons so indicated. Unless otherwise indicated herein under "Special Payment Instructions," please credit any shares of Litton preferred stock tendered herewith by book-entry transfer that are not accepted for payment by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that NNG has no obligation, pursuant to the Special Payment Instructions, to transfer any shares of Litton preferred stock from the name(s) of the registered holder(s) thereof if NNG does not accept for payment any of the shares of Litton preferred stock so tendered.

CHECK HERE IF ANY PREFERRED SHARE CERTIFICATES REPRESENTING LITTON PREFERRED STOCK THAT YOU OWN HAVE BEEN LOST, STOLEN OR DESTROYED AND SEE INSTRUCTION 11.

Number of shares of Litton preferred stock represented by lost, stolen or destroyed Preferred Share Certificates:

\* YOU MUST CONTACT THE TRANSFER AGENT TO HAVE ALL LOST PREFERRED SHARE CERTIFICATES REPLACED IF YOU WANT TO TENDER SUCH LITTON PREFERRED STOCK. SEE INSTRUCTION 11 FOR CONTACT INFORMATION FOR THE TRANSFER AGENT.

\*\* IF YOU PREVIOUSLY TENDERED YOUR SHARES OF LITTON COMMON STOCK PURSUANT TO THE OFFER TO PURCHASE DATED JANUARY 5, 2001 AND STILL WANT TO TENDER THOSE SHARES, YOU DO NOT NEED TO DO ANYTHING. TO CHECK THE STATUS OF YOUR PREVIOUS TENDER, PLEASE CALL THE INFORMATION AGENT, GEORGESON SHAREHOLDER COMMUNICATIONS INC. TOLL FREE AT (800) 223-2064.



SPECIAL PAYMENT INSTRUCTIONS  
(See Instructions 1, 5, 6, and 7)

To be completed ONLY if Preferred Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of shares of Litton preferred stock accepted for payment are to be issued in the name of someone other than the undersigned or if Litton preferred stock tendered by book-entry transfer that are not accepted for payment are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than that designated above.

Issue  Check  
and/or  Preferred Share  
Certificate(s) to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
(Include Zip Code)

\_\_\_\_\_  
(Tax Identification or Social Security No.)

(See Substitute Form W-9 Included Herein)

Credit shares of Litton preferred stock tendered by book-entry transfer that are not accepted for payment to Depository to the account set forth below:

\_\_\_\_\_  
(Depository Account Number)

SPECIAL DELIVERY INSTRUCTIONS  
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if Preferred Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of Litton preferred stock accepted for payment are to be issued in the name of someone other than the undersigned or to the undersigned at an address other than that shown above.

Issue  Check  
and/or  Preferred Share  
Certificate(s)  
to:

Name: \_\_\_\_\_

(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Include Zip Code)

\_\_\_\_\_  
(Tax Identification or Social Security No.)  
(See Substitute Form W-9 Included Herein)

SIGN HERE  
(And Complete Accompanying Substitute Form W-9)

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-----  
Signature(s) of Holder(s)  
(See guarantee requirement below)

Dated: \_\_\_\_\_, 2001

Must be signed by registered holder(s) exactly as name(s) appear(s) on the Preferred Share Certificate(s). If signed by person(s) to whom the shares of Litton preferred stock represented hereby have been assigned or transferred as evidenced by endorsement or stock powers transmitted herewith, the signatures must be guaranteed. If signature is by an officer on behalf of a corporation or by an executor, administrator, trustee, guardian, attorney, agent or any other person acting in a fiduciary or representative capacity, please provide the following information. (See Instructions 2, 3 and 5.)

Name(s): \_\_\_\_\_

-----  
(Please Print)

Capacity (full title): \_\_\_\_\_

Address: \_\_\_\_\_  
(Zip Code)

Area Code and Telephone No.: \_\_\_\_\_

Tax Identification or Social Security No.: \_\_\_\_\_

GUARANTEE OF SIGNATURE(S)  
(See Instructions 1, 2 And 5)

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please Print)

Capacity (full title): \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

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-----  
(Zip Code)

Area Code and Telephone No.: \_\_\_\_\_

Dated: \_\_\_\_\_, 2001

## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. No signature guarantee is required on this Letter of Transmittal if: (a) this Letter of Transmittal is signed by the registered holder(s) of shares of Litton preferred stock (which term, for purposes of this document, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of shares of Litton preferred stock) tendered herewith, unless such holder(s) has completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions," or (b) such shares of Litton preferred stock are tendered for the account of a firm which is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange Medallion Signature Program (MSP), or any other "eligible guarantor institution" (as defined in Rule 17Ad-15 under the Securities Exchange Act of 1934) (each of the foregoing, an "Eligible Institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5 of this Letter of Transmittal.

2. Requirements of Tender. This Letter of Transmittal is to be completed by stockholders either if Preferred Share Certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if tenders are to be made pursuant to the procedure for tender by book-entry transfer set forth in "The Offer-Procedures for Tendering" in the Offer to Purchase. Preferred Share Certificates evidencing tendered shares of Litton preferred stock, or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of shares of Litton preferred stock into the Depository's account at the Book-Entry Transfer Facility, as well as this Letter of Transmittal (or a facsimile hereof), properly completed and duly executed, with any required signature guarantees, or an "agent's message" in connection with a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth herein on or prior to the expiration date of the Offer. Litton stockholders whose Preferred Share Certificates are not immediately available or who cannot deliver their Preferred Share Certificates and all other required documents to the Depository on or prior to the expiration date of the Offer or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their shares of Litton preferred stock by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in "The Offer-Procedures for Tendering" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution; (b) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by NNG, must be received by the Depository on or prior to the Expiration Date; and (c) the Preferred Share Certificates (or a Book-Entry Confirmation) representing all tendered shares of Litton preferred stock in proper form for transfer, in each case, together with this Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry delivery, an agent's message) and any other documents required by this Letter of Transmittal, must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery. If Preferred Share Certificates are forwarded separately in multiple deliveries to the Depository, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) must accompany each such delivery.

The method of delivery of this Letter of Transmittal, Preferred Share Certificates and all other required documents, including delivery through the Book-Entry Transfer Facility, is at the option and risk of the tendering stockholder, and the delivery will be deemed made only when actually received by the Depository (including, in the case of book-entry transfer, by Book-Entry Confirmation). If delivery is by mail, registered mail with return receipt requested and properly insured is recommended. In all cases, sufficient time should be allowed to ensure timely delivery. No alternative, conditional or contingent tenders will be accepted and no fractional shares of Litton preferred stock will be purchased. All tendering stockholders, by execution of this Letter of Transmittal (or a facsimile hereof if by an Eligible

Institution), waive any right to receive any notice of the acceptance of their shares of Litton preferred stock for payment.

3. Inadequate Space. If the space provided herein is inadequate, the Preferred Share Certificate numbers and/or the number of shares of Litton preferred stock and any other required information should be listed on a separate signed schedule attached hereto.

4. Partial Tenders (Not Applicable to Stockholders Who Tender by Book-Entry Transfer). If fewer than all the shares of Litton preferred stock evidenced by any Preferred Share Certificate submitted are to be tendered, fill in the number of shares of Litton preferred stock which is to be tendered in the box entitled "Number of shares of Litton preferred stock Tendered" in the "Description of Litton preferred stock Tendered." In such cases, new Preferred Share Certificates for the shares of Litton preferred stock that were evidenced by your old Preferred Share Certificates, but were not tendered by you, will be sent to you, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the expiration of the Offer. All shares of Litton preferred stock represented by Preferred Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the shares of Litton preferred stock tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Preferred Share Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the shares of Litton preferred stock tendered hereby is owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal. If any of the tendered shares of Litton preferred stock is registered in different names on several Preferred Share Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Preferred Share Certificates.

If this Letter of Transmittal or any Preferred Share Certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to NNG of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the shares of Litton preferred stock listed and transmitted hereby, no endorsements of Preferred Share Certificates or separate stock powers are required unless payment is to be made to, or Preferred Share Certificates for Litton preferred stock not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s). In such latter case, signatures on such Preferred Share Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Preferred Share Certificate(s) listed, the Preferred Share Certificate(s) must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the Preferred Share Certificate(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, NNG will pay any applicable stock transfer taxes with respect to the transfer and sale of shares of Litton preferred stock to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if Preferred Share Certificates for shares of Litton preferred stock not tendered or accepted for payment are to be registered in the name of, any person other than the registered holder(s), or if tendered Preferred Share Certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price, if applicable, unless satisfactory evidence of the

payment of such taxes or an exemption therefrom is submitted. Except as otherwise provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Preferred Share Certificate(s) listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If a check is to be issued in the name of, and/or Preferred Share Certificates for Litton preferred stock not tendered or not accepted for payment are to be issued or returned to, a person other than the signer of this Letter of Transmittal or if a check and/or such Preferred Share Certificates are to be returned to a person other than the person(s) signing this Letter of Transmittal or to an address other than that shown in this Letter of Transmittal, the appropriate boxes on this Letter of Transmittal must be completed. A Book-Entry Stockholder may request that Litton preferred stock not accepted for payment be credited to such account maintained at the Book-Entry Transfer Facility as such Book-Entry Stockholder may designate under "Special Payment Instructions." If no such instructions are given, such Litton preferred stock not accepted for payment will be returned by crediting the account at the Book-Entry Transfer Facility designated above.

8. Waiver of Conditions. Subject to the terms and conditions of the amended merger agreement (as defined in the Offer to Purchase), the conditions of the Offer (other than minimum tender condition) may be waived by NNG in whole or in part at any time and from time to time in its sole discretion.

9. 31% Backup Withholding; Substitute Form W-9. Under U.S. federal income tax law, a stockholder whose tendered shares of Litton preferred stock accepted for payment pursuant to the Offer is required to provide the Depository with such stockholder's correct taxpayer identification number ("TIN") on Substitute Form W-9 and to certify that the TIN provided on Substitute Form W-9 is correct (or that such stockholder is awaiting a TIN). If such stockholder is an individual, the TIN is his or her social security number. If the Depository is not provided with the correct TIN, such stockholder may be subject to a \$50.00 penalty imposed by the Internal Revenue Service and payments that are made to such stockholder with respect to shares of Litton preferred stock pursuant to the Offer may be subject to backup withholding (see below).

A Litton stockholder who does not have a TIN may check the box in Part 3 of the Substitute Form W-9 if such stockholder has applied for a number or intends to apply for a TIN in the near future. If the box in Part 3 is checked, the stockholder must also complete the "Certificate of Awaiting Taxpayer Identification Number" below in order to avoid backup withholding. If the box is checked, payments made will be subject to backup withholding unless the stockholder has furnished the Depository with his or her TIN within 60 days. A Litton stockholder who checks the box in Part 3 in lieu of furnishing such stockholder's TIN should furnish the Depository with such stockholder's TIN as soon as it is received.

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding requirements. In order for a foreign individual to qualify as an exempt recipient, that stockholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status (Form W-8). Forms for such statements can be obtained from the Depository. Stockholders are urged to consult their own tax advisors to determine whether they are exempt from these backup withholding and reporting requirements.

If backup withholding applies, the Depository is required to withhold 31% of any payments to be made to the stockholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained by filing a tax return with the Internal Revenue Service. The Depository cannot refund amounts withheld by reason of backup withholding.

10. Requests for Assistance or Additional Copies. Questions or requests for assistance may be directed to the Dealer Manager or the Information Agent at their respective addresses and telephone numbers set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery also may be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

11. Lost, Destroyed or Stolen Certificates. If any Preferred Share Certificate has been lost, destroyed or stolen, the stockholder should promptly notify the Transfer Agent at (800) 432-0140. The stockholder then will be instructed as to the steps that must be taken in order to replace the Preferred Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed Preferred Share Certificates have been followed.

Important: This Letter of Transmittal (or a facsimile hereof), together with Preferred Share Certificates or confirmation of book-entry transfer or the Notice of Guaranteed Delivery, and all other required documents, must be received by the Depositary on or prior to the Expiration Date.

EQUISERVE TRUST COMPANY:

SUBSTITUTE  
Form W-9  
Department of  
the Treasury

Part 1--PLEASE PROVIDE YOUR  
TIN IN THE BOX AT RIGHT AND  
CERTIFY BY SIGNING AND  
DATING BELOW.

Social Security Number  
OR  
Employer Identification  
Number

Internal Revenue  
Service

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EquiServe Trust Company's  
Request for Taxpayer  
Identification Number ("TIN")

-----  
Part 2--Certification--Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me); and
- (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

-----  
CERTIFICATION INSTRUCTIONS--You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of under-reporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out such item (2).  
-----

SIGNATURE: \_\_\_\_\_

Part 3--  
Awaiting TIN

NAME: \_\_\_\_\_ DATE: \_\_\_\_\_ , 2001  
(Please Print)

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 31% of all reportable payments made to me will be withheld.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ , 2001

Questions and requests for assistance may be directed to the Information Agent or Dealer Manager at their respective addresses and telephone numbers set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal or other related tender offer materials may be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Information Agent for the Offer is:

[LOGO OF GEORGESON SHAREHOLDER COMMUNICATIONS INC.]

17 State Street, 10th floor  
New York, New York 10004

Bankers and Brokers Call Collect: (212) 440-9800  
All Others Call Toll Free: (800) 223-2064

The Dealer Manager for the Offer is:

Salomon Smith Barney

388 Greenwich Street  
New York, New York 10013

Call Toll Free: (877) 319-4978



NOTICE OF GUARANTEED DELIVERY  
(Not to Be Used for Signature Guarantees)

for

Tender of Shares of Common Stock  
(together with associated rights)

of

Litton Industries, Inc

for

any of the following, at the election of tendering holders of Common Stock

\$80.00 net per share, in cash, not subject to proration

or

\$80.25 in market value (as described below) of shares of NNG, Inc. Common Stock,  
subject to proration

or

0.80 shares of NNG, Inc. Series B Convertible Preferred Stock,  
subject to proration

to

NNG, Inc.,  
a wholly owned subsidiary of  
Northrop Grumman Corporation

This Notice of Guaranteed Delivery or one substantially equivalent hereto must be used to accept the Offer (as defined below) if certificates representing shares of Common Stock, par value \$1.00 per share, of Litton Industries, Inc. (together with the associated rights to purchase preferred stock of Litton Industries, Inc. pursuant to the Rights Agreement dated as of August 17, 1994, as amended December 21, 2000 and January 23, 2001, between Litton Industries, Inc. and the Bank of New York, the "Litton common stock" and the certificates representing such Litton common stock, the "Common Share Certificates") are not immediately available or time will not permit the Common Share Certificates and all required documents to reach the Depository (as defined in the Offer to Purchase or Exchange) on or prior to the expiration date of the Offer or if the procedures for delivery by book-entry transfer, as set forth in the Offer to Purchase or Exchange, cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mailed to the Depository. See "Procedures for Tendering" in the Offer to Purchase or Exchange.

The Depository for the Offer is:  
EQUIERVE TRUST COMPANY

By Mail:

EQUIERVE TRUST COMPANY  
P.O. Box 842010  
Boston, Massachusetts 02284-  
2010

By Hand:

EQUIERVE TRUST COMPANY  
c/o Securities Transfer and  
Reporting Services Inc.  
100 William Street--Galleria  
New York, New York 10038

By Overnight Delivery:

EQUIERVE TRUST COMPANY  
40 Campanelli Drive  
Braintree, Massachusetts 02184

By Facsimile Transmission:  
(Eligible Institutions Only)  
(781) 575-4826  
or  
(781) 575-4827

Confirm Receipt of Facsimile  
by Telephone Only:  
(781) 575-4816

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSIONS OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX IN THE LETTER OF TRANSMITTAL.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to NNG, Inc., a Delaware corporation ("NNG"), and a wholly owned subsidiary of Northrop Grumman Corporation, a Delaware corporation, in accordance with the terms and subject to the conditions set forth in NNG's Offer to Purchase or Exchange, dated February 1, 2001 (the "Offer to Purchase or Exchange"), and in the related Letter of Transmittal (the "Letter of Transmittal," which, together with the Offer to Purchase or Exchange, as each may be amended or supplemented from time to time, collectively constitute the "Offer"), receipt of which is hereby acknowledged, the number of shares of Litton common stock indicated below pursuant to the procedures for guaranteed delivery set forth in "Procedures for Tendering" in the Offer to Purchase or Exchange.

Certificate Nos. (If Available): \_\_\_\_\_

Number of Shares of Litton common stock: \_\_\_\_\_

(Check if Litton common stock will be tendered by book-entry transfer)

Account Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2001

Name(s) of Record Holder(s): \_\_\_\_\_  
(Please type or print)

Address(es): \_\_\_\_\_

Zip Code: \_\_\_\_\_

Area Code and Tel. No(s): \_\_\_\_\_

Signature(s): \_\_\_\_\_

GUARANTEE  
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange Medallion Signature Program (MSP), or any other "eligible guarantor institution" as defined in Rule 17Ad-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), (a) represents that the above named person(s) "own(s)" the shares of Litton common stock tendered hereby within the meaning of Rule 14e-4 promulgated under the Exchange Act, (b) represents that such tender of Litton common stock complies with Rule 14e-4 under the Exchange Act, and (c) guarantees to deliver to the Depository either the Common Share Certificates evidencing all tendered Litton common stock, in proper form for transfer, or a "book-entry confirmation" (as defined in the Offer to Purchase or Exchange) with respect to such Litton common stock, in either case, together with the letter of transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees or an "agent's message" (as defined in the Offer to Purchase or Exchange) in the case of a book-entry delivery, and any other required documents, all within three New York Stock Exchange trading days after the date hereof. The eligible guarantor institution that completes this form must communicate the guarantee to the Depository and must deliver the letter of transmittal and Common Share Certificates to the Depository within the time period indicated herein. Failure to do so may result in financial loss to such eligible guarantor institution.

Name of Firm: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Please Print or Type)

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Area Code and Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2001

NOTE: DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE. SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

NOTICE OF GUARANTEED DELIVERY  
(Not To Be Used For Signature Guarantees)

for

Tender of Shares of Series B \$2 Cumulative Preferred Stock

of

Litton Industries, Inc.

at

\$35.00 net per share in cash,

not subject to proration

Pursuant to the Offer to Purchase or Exchange Dated February 1, 2001

to

NNG, Inc.,  
a wholly owned subsidiary of  
Northrop Grumman Corporation

This Notice of Guaranteed Delivery or one substantially equivalent hereto must be used to accept the Offer (as defined below) if certificates representing shares of Series B \$2 Cumulative Preferred Stock, par value \$5.00 per share, of Litton Industries, Inc. (the "Litton preferred stock" and the certificates representing such Litton preferred stock, the "Preferred Share Certificates") are not immediately available or time will not permit the Preferred Share Certificates and all required documents to reach the Depository (as defined in the Offer to Purchase or Exchange) on or prior to the expiration date of the Offer or if the procedures for delivery by book-entry transfer, as set forth in the Offer to Purchase, cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mailed to the Depository. See "Procedures for Tendering" in the Offer to Purchase or Exchange.

The Depository for the Offer is:

EQUISERVE TRUST COMPANY

By Mail:  
EQUISERVE TRUST COMPANY  
P.O. Box 842010  
Boston, Massachusetts 02284-  
2010

By Hand:  
EQUISERVE TRUST COMPANY  
c/o Securities Transfer and  
Reporting Services Inc.  
100 William Street--Galleria  
New York, New York 10038

By Overnight Delivery:  
EQUISERVE TRUST COMPANY  
40 Campanelli Drive  
Braintree, Massachusetts 02184

By Facsimile Transmission:  
(Eligible Institutions Only)  
(781) 575-4826  
or  
(781) 575-4827

Confirm Receipt of Facsimile  
by Telephone Only:  
(781) 575-4816

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS FORM IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to NNG, Inc., a Delaware corporation ("NNG"), and a wholly owned subsidiary of Northrop Grumman Corporation, a Delaware corporation, in accordance with the terms and subject to the conditions set forth in NNG's Offer to Purchase or Exchange, dated February 1, 2001 (the "Offer to Purchase"), and in the related Letter of Transmittal (the "Letter of Transmittal," which, together with the Offer to Purchase or Exchange, as each may be amended or supplemented from time to time, collectively constitute the "Offer"), receipt of which is hereby acknowledged, the number of shares of Litton preferred stock indicated below pursuant to the procedures for guaranteed delivery set forth in "Procedures for Tendering" in the Offer to Purchase or Exchange.

Certificate Nos. (If Available): \_\_\_\_\_

Number of Shares of Litton preferred stock: \_\_\_\_\_

(Check if Litton preferred stock will be tendered by book-entry transfer)

Account Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2001

Name(s) of Record Holder(s): \_\_\_\_\_

(Please type or print)

Address(es): \_\_\_\_\_

Zip Code: \_\_\_\_\_

Area Code and Tel. No(s): \_\_\_\_\_

Signature(s): \_\_\_\_\_

GUARANTEE  
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange Medallion Signature Program (MSP), or any other "eligible guarantor institution" as defined in Rule 17Ad-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), (a) represents that the above named person(s) "own(s)" the shares of Litton preferred stock tendered hereby within the meaning of Rule 14e-4 promulgated under the Exchange Act, (b) represents that such tender of Litton preferred stock complies with Rule 14e-4 under the Exchange Act, and (c) guarantees to deliver to the Depository either the Preferred Share Certificates evidencing all tendered Litton preferred stock, in proper form for transfer, or a "book-entry confirmation" (as defined in the Offer to Purchase or Exchange) with respect to such Litton preferred stock, in either case, together with the letter of transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees or an "agent's message" (as defined in the Offer to Purchase or Exchange) in the case of a book-entry delivery, and any other required documents, all within three New York Stock Exchange trading days after the date hereof. The eligible guarantor institution that completes this form must communicate the guarantee to the Depository and must deliver the letter of transmittal and Preferred Share Certificates to the Depository within the time period indicated herein. Failure to do so may result in financial loss to such eligible guarantor institution.

Name of Firm: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please Print or Type)

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Area Code and Telephone No.: \_\_\_\_\_

Dated: \_\_\_\_\_, 2001

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE. CERTIFICATES SHOULD BE SENT ONLY WITH YOUR LETTER OF TRANSMITTAL.

NOTICE TO PARTICIPANTS IN  
THE LITTON INDUSTRIES  
EMPLOYEES STOCK PURCHASE PLAN

February 1, 2001

You are the owner of shares of common stock of Litton Industries, Inc. ("Litton") purchased for your account as a participant in the Litton Employees Stock Purchase Plan prior to December 1, 1993 (the "Old Plan"). These shares are held in an account at The Bank of New York, which acts as the Custodian for the Old Plan.

Enclosed are materials that are being sent to all Litton stockholders describing an offer by NNG, Inc., a wholly owned subsidiary of Northrop Grumman Corporation, to purchase or exchange each outstanding common share of Litton for any of the following, at your election :

- . \$80.00 net per share, in cash, not subject to proration;
- . \$80.25 in market value (as described in the enclosed materials) of shares of NNG Inc. common stock, subject to proration; or
- . 0.80 shares of NNG Series B Preferred Stock, subject to proration.

The materials enclosed contain important background information regarding the offer to purchase or exchange and how to tender your Litton shares. Please read these materials carefully.

Please note that because your Litton shares purchased under the Old Plan are held in an account at the Bank of New York, you do not hold any actual stock certificates reflecting that investment in Litton. You may therefore disregard references in the enclosed material to lost stock certificate(s) or the return of stock certificates.

If you want to tender all or part of the Litton shares held in your Old Plan account, you must complete the enclosed CREAM letter of transmittal and return it to EquiServe Trust Company, as provided in the enclosed materials. Your letter of transmittal must be received by 12:00 Midnight, New York City time, on Thursday, March 1, 2001, unless the offer is extended. If you do not want to tender any shares at this time and do not wish to withdraw any previously tendered Litton shares, you do not need to do anything.

Please note that if you hold Litton shares other than through the Old Plan, to tender those shares you must complete and return the Blue, Green or Cream letter of transmittal regarding those shares sent to you separately.

If you have any questions regarding the enclosed material or the status of any previous tender of Litton shares you may have made, please call Georgeson Shareholder Communications Inc. at (800) 223-2064.



NOTICE TO PARTICIPANTS IN  
THE LITTON INDUSTRIES  
EMPLOYEES STOCK PURCHASE PLAN

February 1, 2001

You are the owner of shares of common stock of Litton Industries, Inc. ("Litton") purchased for your account as a participant in the Litton Employees Stock Purchase Plan after November 1, 1994 (the "New Plan"). These shares are held in an account at The Bank of New York, which acts as the Custodian for the New Plan.

Enclosed are materials that are being sent to all Litton stockholders describing an offer by NNG, Inc., a wholly owned subsidiary of Northrop Grumman Corporation, to purchase or exchange each outstanding common share of Litton for any of the following, at your election:

- . \$80.00 net per share, in cash, not subject to proration;
- . \$80.25 in market value (as described in the enclosed materials) of shares of NNG Inc. common stock, subject to proration; or
- . 0.80 shares of NNG Series B Preferred Stock, subject to proration.

The materials enclosed contain important background information regarding the offer to purchase or exchange and how to tender your Litton shares. Please read these materials carefully.

Please note that because your Litton shares purchased under the New Plan are held in an account at the Bank of New York, you do not hold any actual stock certificates reflecting that investment in Litton. You may therefore disregard references in the enclosed material to lost stock certificate(s) or the return of stock certificates.

If you want to tender all or part of the Litton shares held in your New Plan account, you must complete the enclosed PURPLE letter of transmittal and return it to EquiServe Trust Company, as provided in the enclosed materials. Your letter of transmittal must be received by 12:00 Midnight, New York City time, on Thursday, March 1, 2001, unless the offer is extended. If you do not want to tender any shares at this time and do not wish to withdraw any previously tendered Litton shares, you do not need to do anything.

Please note that if you hold Litton shares other than through the New Plan, to tender those shares you must complete and return the Blue, Green or Cream letter of transmittal regarding those shares sent to you separately.

If you have any questions regarding the enclosed material or any previous tender of Litton shares you may have made, please call Georgeson Shareholder Communications Inc. at (800) 223-2064.

SALOMON SMITH BARNEY INC.

OFFER TO PURCHASE OR EXCHANGE  
Each Outstanding Share of Common Stock  
(together with associated rights)

of

Litton Industries, Inc.

for

any of the following, at the election of tendering holders of common stock

\$80.00 net per share, in cash, not subject to proration

or

\$80.25 in market value (determined as described in the Offer to Purchase)  
of shares of NNG, Inc. Common Stock, subject to proration

or

0.80 shares of NNG, Inc. Series B Preferred Stock, subject to proration

and

Each Outstanding Share of Series B \$2 Cumulative Preferred Stock

of

Litton Industries, Inc.

for

\$35.00 net per share, in cash, not subject to proration

by

NNG, Inc., a wholly-owned subsidiary

of

Northrop Grumman Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY  
TIME, ON THURSDAY, MARCH 1, 2001, UNLESS THE OFFER IS EXTENDED.

February 1, 2001

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

We have been engaged to act as Dealer Manager in connection with the third party tender offer NNG, Inc., a Delaware corporation ("NNG") and a wholly-owned subsidiary of Northrop Grumman Corporation, a Delaware corporation, to purchase (A) each outstanding share of common stock, par value \$1.00 per share (together with the associated rights to purchase preferred stock of Litton Industries, Inc. ("Litton") pursuant to the Rights Agreement dated as of August 17, 1994 as amended December 21, 2000 and January 23, 2001 between Litton Industries, Inc. and The Bank of New York, the "Litton common stock") of Litton, for any of the following: (i) \$80.00 in cash; (ii) \$80.25 in market value, as described in the Offer, of shares of NNG common stock, par value \$1.00 per share (the "NNG Common Stock"), with a value of \$80.25; or (iii) 0.80 share of NNG Series B Preferred Stock, par value \$1.00 per share (the "NNG Preferred Stock"), and (B) each outstanding share of Series B \$2 Cumulative Preferred Stock, par value \$5.00 per share (the "Litton

preferred stock"), of Litton at a price of \$35.00 per Preferred Share, upon the terms and subject to the conditions set forth in the Offer to Purchase or Exchange dated February 1, 2001 (the "Offer to Purchase") and in the related Letters of Transmittal (each a "Letter of Transmittal," which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, collectively constitute the "Offer").

The Offer is conditioned upon, among other things, (i) there being validly tendered and not properly withdrawn prior to the expiration of the Offer a total of at least 25,646,399 Litton common stock and Litton preferred stock, which represents a majority of the total outstanding Litton common stock and Litton preferred stock on a fully-diluted basis, and (ii) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements as of 1976, as amended, and, to the extent required, the approval of the merger by the Commission of the European Union under Council Regulation (EEC) No. 4064/89 of the Council of the European Union.

For your information and for forwarding to your clients for whom you hold Litton common stock and/or Litton preferred stock registered in your name or in the name of your nominee or who hold Litton common stock and/or Litton preferred stock registered in their own names, we enclose the following documents:

1. Offer to Purchase or Exchange dated February 1, 2001.

2. Letter of Transmittal to tender Litton common stock for your use and for the information of your clients who hold Litton common stock. Facsimile copies of the Letter of Transmittal may be used to tender Litton common stock.

3. Letter of Transmittal to tender Litton preferred stock for your use and for the information of your clients who hold Litton preferred stock. Facsimile copies of the Letter of Transmittal may be used to tender Litton preferred stock.

4. Two separate Letters to Clients, which may be sent to your clients for whose account you hold Litton common stock or Litton preferred stock, as the case may be, registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.

5. Notice of Guaranteed Delivery to be used to accept the Offer if Common Share Certificates (as defined in the Offer to Purchase) are not immediately available or time will not permit the Common Share Certificates and all required documents to reach the Depository on or prior to the expiration of the Offer or if the procedures for delivery by book-entry transfer, as set forth in the Offer to Purchase, cannot be completed on a timely basis.

6. Notice of Guaranteed Delivery to be used to accept the Offer if Preferred Share Certificates (as defined in the Offer to Purchase) are not immediately available or time will not permit the Preferred Share Certificates and all required documents to reach the Depository on or prior to the expiration of the Offer or if the procedures for delivery by book-entry transfer, as set forth in the Offer to Purchase, cannot be completed on a timely basis.

7. Letter to stockholders of Litton from Michael R. Brown, Chairman and Chief Executive Officer of Litton, and Ronald D. Sugar, President and Chief Operating Officer of Litton accompanied by Litton's Amended Solicitation/Recommendation Statement on Schedule 14D-9.

8. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

9. Return envelope addressed to EquiServe Trust Company, as Depository.

In accordance with the terms and subject to the satisfaction or waiver (where applicable) of the conditions to the Offer, NNG will accept for payment, purchase and pay for, or exchange for NNG common or NNG Series B Convertible Preferred Stock, all Litton common stock and all Litton preferred stock validly tendered

and not properly withdrawn pursuant to the Offer at the earliest time following expiration of the Offer when all such conditions shall have been satisfied or waived (where applicable). For purposes of the Offer, NNG will be deemed to have accepted for payment or exchange, as the case may be (and thereby purchased or exchanged), shares of Litton common stock and Litton preferred stock validly tendered and not properly withdrawn if, as and when NNG gives oral or written notice to the Depository of NNG's acceptance for payment or exchange of such shares of Litton common stock and Litton preferred stock pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for or exchange of Litton common stock and Litton preferred stock accepted for payment or exchange pursuant to the Offer will be made only after timely receipt by the Depository of (1) the Common Share Certificates or the Preferred Share Certificates (as the case may be) or a "book-entry confirmation" (as defined in the Offer to Purchase) of a book-entry transfer of such shares of Litton common stock and/or Litton preferred stock into the Depository's account at the Book-Entry Transfer Facility pursuant to the procedures set forth in "The Offer-Procedures for Tendering" in the Offer to Purchase; (2) the Letter of Transmittal to tender Litton common stock (or a facsimile thereof) properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message (as defined in the Offer to Purchase) in lieu of the Letter of Transmittal and/or the Letter of Transmittal to tender Litton preferred stock (or a facsimile thereof) properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message in lieu of the Letter of Transmittal; and (3) any other documents required under the Letter of Transmittal.

NNG will not pay any commissions or fees to any broker, dealer or other person (other than the Depository, the Information Agent and the Dealer Manager, as described in the Offer to Purchase) in connection with the solicitation of tenders of Litton common stock and Litton preferred stock pursuant to the Offer. NNG will, however, upon request, reimburse you for customary clerical and mailing expenses incurred by you in forwarding any of the enclosed materials to your clients.

NNG will pay any stock transfer taxes with respect to the transfer and sale of shares of Litton common stock and/or Litton preferred stock to it or to its order pursuant to the Offer, except as otherwise provided in Instruction 6 of the enclosed Letter of Transmittal.

Your prompt action is requested. We urge you to contact your clients as promptly as possible. Please note that the Offer and withdrawal rights expire at 12:00 Midnight, New York City time, on Thursday, March 1, 2001, unless the Offer is extended.

In order for a Litton stockholder to take advantage of the Offer, the Letter of Transmittal to tender shares of Litton common stock or Litton preferred stock (or a facsimile thereof), properly completed and duly executed, together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and any other documents required by such Letter of Transmittal should be sent to the Depository, and Common Share Certificates and Preferred Share Certificates should be delivered, or the shares of Litton common stock and Litton preferred stock should be tendered pursuant to the procedures for book-entry transfer, all in accordance with the instructions set forth in the Letter of Transmittal and the Offer to Purchase.

Holders of Litton common stock and/or Litton preferred stock whose Common Share Certificates and/or Preferred Share Certificates are not immediately available or who cannot deliver their Common Share Certificates and/or Preferred Share Certificates and all other required documents to the Depository on or prior to the expiration of the Offer, or who cannot complete the procedure for delivery by book-entry transfer on a timely basis, must tender their shares of Litton common stock and/or Litton preferred stock according to the guaranteed delivery procedures set forth in "The Offer- Procedures for Tendering" in the Offer to Purchase.

Inquiries you may have with respect to the Offer should be addressed to the Information Agent or the Dealer Manager as set forth below. Requests for copies of the Offer to Purchase, either Letter of Transmittal and all other tender offer materials may be directed to the Information Agent.

Very truly yours,

Salomon Smith Barney Inc.

#### Enclosures

Nothing contained herein or in the enclosed documents shall constitute you or any other person as an agent of NNG, the Depositary, the Information Agent, the Dealer Manager or any affiliate of any of them, or authorize you or any other person to make any statement or use any document on behalf of any of them in connection with the Offer other than the enclosed documents and the statements contained therein.

OFFER TO PURCHASE OR EXCHANGE  
Each Outstanding Share of Common Stock  
(together with associated rights)

of

Litton Industries, Inc.

for

any of the following, at the election of tendering holders of common stock

\$80.00 net per share, in cash, not subject to proration

or

\$80.25 in market value (determined as described in the Offer to Purchase or Exchange) of shares of NNG, Inc. Common Stock, subject to proration

or

0.80 shares of NNG, Inc. Series B Preferred Stock, subject to proration

by

NNG, Inc.  
a wholly owned subsidiary of  
Northrop Grumman Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, FEBRUARY 2, 2001, UNLESS THE OFFER IS EXTENDED.

February 1, 2001

To Our Clients:

Enclosed for your consideration is an Offer to Purchase or Exchange, dated February 1, 2001 (the "Offer to Purchase or Exchange") and the related Letter of Transmittal (the "Letter of Transmittal," which, together with the Offer to Purchase or Exchange, as each may be amended or supplemented from time to time, collectively constitute the "Offer") relating to the offer by NNG, Inc., a Delaware corporation ("NNG") and a wholly owned subsidiary of Northrop Grumman Corporation, a Delaware corporation ("Northrop Grumman"), to purchase or exchange each outstanding share of common stock, par value \$1.00 per share (together with the associated rights to purchase preferred stock of Litton Industries, Inc., a Delaware corporation ("Litton"), pursuant to the Rights Agreement dated as of August 17, 1994, as amended December 21, 2000 and January 23, 2001, between the Company and The Bank of New York, the "Litton Common Stock"), of Litton for any of the following, at your election:

- . \$80.00 net per share, in cash, not subject to proration;
- . \$80.25 in market value (as described in the enclosed materials) of shares of NNG Inc. common stock, subject to proration; or
- . 0.80 shares of NNG Series B Preferred Stock, subject to proration.

We are the holder of record of shares of Litton common stock held by us for your account. The enclosed Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender shares of Litton common stock held by us for your account. A tender of such shares of Litton common stock can be made only by us as the holder of record and pursuant to your instructions.

Accordingly, we request instructions as to whether you wish to have us tender on your behalf any or all of the shares of Litton common stock held by us for your account, in accordance with the terms and subject to the conditions set forth in the Offer.

Your attention is directed to the following:

1. The offer price for each share of Litton common stock is your choice of the three items listed above.
2. The Offer is being made for all outstanding shares of Litton common stock.
3. The Offer is being made pursuant to the terms of an Amended and Restated Agreement and Plan of Merger, dated as of January 23, 2001, among Northrop Grumman, Litton, NNG and LII Acquisition Corp., a Delaware corporation ("LII Acquisition") (the "Amended Merger Agreement"). The Amended Merger Agreement provides, among other things, for the making of the Offer by NNG. The Amended Merger Agreement further provides that LII Acquisition will be merged with and into Litton (the "Litton merger") following the completion of the Offer. Litton will continue as the surviving corporation after the Litton merger and will be a wholly owned subsidiary of NNG.
4. The directors present at a meeting of the Board of Directors of Litton have unanimously (i) determined that each of the Offer and the Litton merger is fair to, and in the best interests of, the common stockholders of Litton and (ii) approved and adopted the Amended Merger Agreement and the transactions contemplated thereby and resolved to recommend acceptance of the Offer by the common stockholders of the Company and approval and adoption by the stockholders of the Company, if necessary, of the Amended Merger Agreement. The Board of Directors makes no recommendation with respect to the tender of Litton preferred stock.
5. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Thursday, March 1, 2001, unless the Offer is extended.
6. Tendering stockholders will not be obligated to pay any commissions or fees to any broker, dealer or other person or, except as set forth in the instructions in the Letter of Transmittal, stock transfer taxes with respect to the transfer and sale of shares of Litton common stock to NNG or to its order pursuant to the Offer.
7. The Offer is conditioned upon, among other things, (i) there being validly tendered and not properly withdrawn prior to the expiration or termination of the Offer a total of at least 25,646,399 shares of Litton common stock and shares of Series B \$2 Cumulative Preferred Stock, par value \$5.00 per share ("Litton preferred stock"), of Litton which represents a majority of the total outstanding shares of Litton common stock and Litton preferred stock on a fully-diluted basis, and (ii) the receipt of certain governmental and regulatory approvals. The Offer also is subject to other terms and conditions.
8. Litton stockholders who tender their shares of Litton common stock for shares of NNG preferred stock must select Alternative A, Alternative B or Alternative C, which will determine how those shares will be treated if there are not enough shares of NNG preferred stock to issue the total number of shares of NNG preferred stock requested by Litton stockholders in the Offer. Litton stockholders who tender their shares of Litton common stock for shares of NNG common stock must select Alternative A or Alternative B, which will determine how these shares will be treated if there are not enough shares of NNG common stock to issue the total number of shares of NNG common stock requested by Litton stockholders in the Offer. If you tender your shares of Litton common stock for NNG preferred stock or NNG common stock and do not specify one of the available Alternatives, you will be deemed to have selected Alternative B. Please read the section of the Offer to Purchase or Exchange entitled "Choices Available to Litton Stockholders" for an explanation of how these Alternatives work.

If you wish to have us tender any or all of the shares of Litton common stock held by us for your account, please instruct us by completing, executing and returning to us the instruction form contained in this letter. If you authorize a tender of your shares of Litton common stock, all your shares of Litton common stock will be tendered unless otherwise specified in such instruction form. Please make sure that if you tender your shares of Litton common stock for shares of NNG preferred stock that you select Alternative A, Alternative B or Alternative C and if you tender your shares of Litton common stock for shares of NNG common stock that you select Alternative A or Alternative B. Your instructions should be forwarded to us in ample time to

permit us to submit a tender on your behalf on or prior to the expiration of the Offer.



INSTRUCTIONS WITH RESPECT TO THE

Offer to Purchase for Cash  
Each Outstanding Share of Common Stock  
(together with associated rights)

of

Litton Industries, Inc.

for

any of the following, at the election of tendering holders of common stock  
\$80.00 net per share, in cash, not subject to proration

or

\$80.25 in market value (determined as described in the Offer to Purchase or  
Exchange) of shares of NNG, Inc. Common Stock, subject to proration

or

0.80 shares of NNG, Inc. Series B Preferred Stock, subject to proration

by

NNG, Inc.  
a wholly owned subsidiary of  
Northrop Grumman Corporation

The undersigned acknowledge(s) receipt of your letter enclosing the Offer to Purchase or Exchange, dated February 1, 2001, and the related Letter of Transmittal, in connection with the offer by NNG, Inc., a Delaware corporation ("NNG") and a wholly owned subsidiary of Northrop Grumman Corporation, to purchase each of the outstanding shares of common stock of Litton, par value \$1.00 per share (together with the associated rights to purchase preferred stock of Litton Industries, Inc. ("Litton") pursuant to the Rights Agreement dated as of August 17, 1994 as amended December 21, 2000 and January 23, 2001 between Litton and The Bank of New York, the "Litton common stock"), for any of the following, at your election:

- . \$80.00 net per share, in cash, not subject to proration;
- . \$80.25 in market value (as described in the enclosed materials) of shares of NNG Inc. common stock, subject to proration; or
- . 0.80 shares of NNG Series B Preferred Stock, subject to proration.

This will instruct you to tender to NNG the number of shares of Litton common stock indicated below (or, if no number is indicated below, all shares of Litton common stock) which are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer to Purchase or Exchange and in the related Letter of Transmittal furnished to the undersigned.

-----  
Number of Shares of Litton common stock  
to be Tendered for stock\*:

Alternative Selected  
(Check the Box)

-----  
 A       B       C  
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Number of Shares of Litton common stock  
to be Tendered for cash\*:  
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\* Unless otherwise indicated, it will be assumed that all of your Common Shares held by us for your account are to be tendered.

SIGN BELOW

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Signature(s)

-----  
Please Print Name(s)

-----  
Address

-----  
Account Number

-----  
Area Code and Telephone Number

-----  
Taxpayer Identification Numbers(s)  
or Social Security Number(s)

Dated: \_\_\_\_\_, 2001

OFFER TO PURCHASE  
Each Outstanding Share of Series B \$2 Cumulative Preferred Stock

of

Litton Industries, Inc.

for

\$35.00 Net Per Share, in Cash, Not Subject to Proration

by

NNG, Inc.,  
a wholly owned subsidiary of  
Northrop Grumman Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 1, 2001, UNLESS THE OFFER IS EXTENDED.

February 1, 2001

To Our Clients:

Enclosed for your consideration is an Offer to Purchase or Exchange, dated February 1, 2001 (the "Offer to Purchase or Exchange") and the related Letter of Transmittal (the "Letter of Transmittal," which, together with the Offer to Purchase or Exchange, as each may be amended or supplemented from time to time, collectively constitute the "Offer") relating to the offer by NNG, Inc., a Delaware corporation ("NNG"), and a wholly owned subsidiary of Northrop Grumman Corporation, a Delaware corporation ("Northrop Grumman"), to purchase all of the outstanding shares of Series B \$2 Cumulative Preferred Stock, par value \$5.00 per share ("Litton preferred stock"), of Litton Industries, Inc., a Delaware corporation ("Litton"), at a price of \$35.00 per preferred stock, net to the seller in cash, less any required withholding of taxes and without the payment of any interest, upon the terms and subject to the conditions set forth in the Offer.

We are the holder of record of shares of Litton preferred stock held by us for your account. The enclosed Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender shares of Litton preferred stock held by us for your account. A tender of such shares of Litton preferred stock can be made only by us as the holder of record and pursuant to your instructions.

Accordingly, we request instructions as to whether you wish to have us tender on your behalf any or all shares of Litton preferred stock held by us for your account, in accordance with the terms and subject to the conditions set forth in the Offer.

Your attention is directed to the following:

1. The Offer Price is \$35.00 per share of Litton preferred stock, net to the seller in cash, without interest and less any required withholding of taxes, upon the terms and subject to the conditions set forth in the Offer.

2. The Offer is being made for all outstanding shares of Litton preferred stock.

3. The Offer is being made pursuant to the terms of an Amended and Restated Agreement and Plan of Merger (the "Amended Merger Agreement"), dated as of January 23, 2001, among Northrop Grumman, Litton, NNG and LII Acquisition Corp., a Delaware corporation ("LII Acquisition"). The Amended Merger Agreement further provides, among other things, for the making of the Offer by NNG. The Amended Merger Agreement

further provides that LII Acquisition will be merged with and into Litton (the "Litton merger") following the completion of the Offer. Litton will continue as the surviving corporation after the Litton merger and will be a subsidiary of NNG.

4. The directors present at a meeting of the Board of Directors of Litton have unanimously (i) determined that each of the Offer and the Litton merger is fair to, and in the best interests of, the common stockholders of Litton and (ii) approved and adopted the Amended Merger Agreement and the transactions contemplated thereby and resolved to recommend acceptance of the Offer by the common stockholders of Litton and approval and adoption by the stockholders of Litton, if necessary, of the Amended Merger Agreement. The Board of Directors of Litton makes no recommendation with respect to the tender of Litton preferred stock.

5. The Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on Thursday, March 1, 2001, unless the Offer is extended.

6. Tendering stockholders will not be obligated to pay any commissions or fees to any broker, dealer or other person or, except as set forth in the instructions in of the Letter of Transmittal, stock transfer taxes with respect to the transfer and sale of shares of Litton preferred stock to NNG or to its order pursuant to the Offer.

7. The Offer is conditioned upon, among other things, (i) there being validly tendered and not properly withdrawn prior to the expiration or termination of the Offer a total of at least 25,646,399 shares of common stock, par value \$1.00 per share (together with the associated rights to purchase preferred stock of Litton Industries, Inc. pursuant to the Rights Agreement dated as of August 17, 1994, as amended December 21, 2000 and January 23, 2001, between Litton Industries, Inc. and The Bank of New York, the "Litton common stock"), and Litton preferred stock, which represents a majority of the total outstanding shares of Litton common stock and Litton preferred stock on a fully-diluted basis, and (ii) the receipt of certain governmental and regulatory approvals. The Offer also is subject to other terms and conditions.

If you wish to have us tender any or all of the shares of Litton preferred stock held by us for your account, please instruct us by completing, executing and returning to us the instruction form contained in this letter. If you authorize a tender of your Litton preferred stock, all your shares of Litton preferred stock will be tendered unless otherwise specified in the instruction form. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf on or prior to the expiration of the Offer.

INSTRUCTIONS WITH RESPECT TO THE  
Offer to Purchase for Cash  
All Outstanding Shares of Series B \$2 Cumulative Preferred Stock

of

Litton Industries, Inc.

for

\$35.00 Net Per Share

by

NNG, Inc.,  
a wholly owned subsidiary of  
Northrop Grumman Corporation

The undersigned acknowledge(s) receipt of your letter enclosing the Offer to Purchase or Exchange, dated February 1, 2001, and the related Letter of Transmittal, in connection with the offer by NNG, Inc., a Delaware corporation ("NNG"), and a wholly owned subsidiary of Northrop Grumman Corporation, to purchase all of the outstanding shares of Series B \$2 Cumulative Preferred Stock, par value \$5.00 per share ("Litton preferred stock"), of Litton Industries, Inc., a Delaware corporation, at \$35.00 per Preferred Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase or Exchange and in the related Letter of Transmittal.

This will instruct you to tender to NNG the number of shares of Litton preferred stock indicated below (or, if no number is indicated below, all Litton preferred stock) which are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer to Purchase or Exchange and in the related Letter of Transmittal furnished to the undersigned.

Number of shares of  
Litton preferred  
stock  
to be Tendered\*:  
  
- - - - -

SIGN BELOW

\_\_\_\_\_  
Signature(s)

\_\_\_\_\_  
Please print name(s)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Area Code & Telephone Number

\_\_\_\_\_  
Taxpayer Identification Number(s) or  
Social Security Number(s)

Dated: \_\_\_\_\_, 2001

- - - - -  
\* Unless otherwise indicated, it will be assumed that all of your Preferred Shares held by us for your account are to be tendered.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number to Give to EquiServe Trust Company--Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give to EquiServe Trust Company.

For this type of account:	Give the SOCIAL SECURITY number of-
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Husband and wife (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)
6. Account in the name of guardian or committee for a designated ward, minor or incompetent person	The ward, minor or incompetent person(3)
7. a. The usual revocable savings trust account (grantor is also trustee)	The grantor- trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
8. Sole proprietorship	The owner(4)

For this type of account:	Give the EMPLOYER IDENTIFICATION number of--
9. A valid trust, estate or pension trust	The legal entity (do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.) (5)
10. Corporate	The corporation
11. Religious, charitable or educational tax-exempt organization	The organization
12. Partnership account held	The partnership

in the name of the  
business

- |  |                          |
|--|--------------------------|
| 13. Association, club or<br>other tax-exempt<br>organization   | The organization         |
| 14. A broker or registered<br>nominee  | The broker or<br>nominee |
| 15. Account with the<br>Department of<br>Agriculture in the name<br>of a public entity (such<br>as a state or local<br>government, school<br>district or prison) that<br>receives agricultural<br>program payments | The public<br>entity     |

- 
- (1) List first and circle the name of the person whose number you furnish. If only one person has a social security number, that person's number must be furnished.
  - (2) Circle the minor's name and furnish the minor's social security number.
  - (3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
  - (4) Show the name of the owner. You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number (if you have one).
  - (5) List first and circle the name of the legal trust, estate or pension trust.

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER OF SUBSTITUTE FORM W-9

Page 2

Obtaining a Number

If you don't have a TIN or you don't know your number, obtain Form SS-5, Application for a Social Security Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

Payees Exempt From Backup Withholding

Payees specifically exempted from backup withholding include the following:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
2. The United States or any of its agencies or instrumentalities.
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities.
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation.
7. A foreign central bank of issue.
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
9. A futures commission merchant registered with the Commodity Futures Trading Commission.
10. A real estate investment trust.
11. An entity registered at all times during the tax year under the Investment Company Act of 1940.
12. A common trust fund operated by a bank under section 584(a).
13. A financial institution.
14. A middleman known in the investment community as a nominee or custodian.
15. A trust exempt from tax under section 664 or described in section 4947.

Payments Exempt From Backup Withholding

Dividends and patronage dividends that generally are exempt from backup withholding include:

- . Payments to nonresident aliens subject to withholding under section 1441.
- . Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- . Payments of patronage dividends not paid in money.
- . Payments made by certain foreign organizations.
- . Section 404(k) distributions made by an ESOP.

Interest payments that generally are exempt from backup withholding include:

- . Payments of interest on obligations issued by individuals. Note: you may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided a correct TIN to the payer.
- . Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- . Payments described in section 6049(b)(5) to nonresident aliens.
- . Payments on tax-free covenant bonds under section 1451.
- . Payments made by certain foreign organizations.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TIN, WRITE "EXEMPT" ON THE FACE OF THE FORM AND SIGN AND DATE THE FORM.

Certain payments other than interest, dividends and patronage dividends not subject to information reporting are also not subject to backup withholding. For details, see the regulations under Internal Revenue Code sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N.

Privacy Act Notice.--Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report, among other things, interest, dividends, and certain other income paid to you. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states and the District of Columbia to carry out their tax laws. You must provide your TIN whether or not you are required to file a tax



return. Payers must generally withhold 31% of taxable interest, dividend and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

#### Penalties

(1) Penalty for Failure to Furnish TIN.--If you fail to furnish your correct TIN to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil and Criminal Penalties for False Information.--If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a \$500 civil penalty. Willfully falsifying certifications or affirmations may also subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX  
CONSULTANT OR THE INTERNAL REVENUE SERVICE

A registration statement relating to the securities proposed to be issued in the Offer has been filed with the Securities and Exchange Commission but has not yet become effective. Such securities may not be sold nor may offers to buy such securities be accepted prior to the time the registration statement becomes effective. This announcement is not an offer to sell or the solicitation of an offer to buy such securities nor shall there be any sale thereof in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of NNG by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase or Exchange  
Each Outstanding Share of Common Stock  
(together with associated rights)

of

Litton Industries, Inc.

for any of the following, at the election of tendering holders of Common Stock

\$80.00 net, in cash, not subject to proration or

\$80.25 in market value (as described below) of shares of NNG, Inc. Common Stock,

subject to proration or

0.80 shares of NNG, Inc. Series B Preferred Stock, subject to proration and

Each Outstanding Share of Series B \$2 Cumulative Preferred Stock

of

Litton Industries, Inc.

for \$35.00 net, in cash, not subject to proration

by

NNG, Inc.

a wholly owned subsidiary of

Northrop Grumman Corporation

Immediately prior to the acceptance of shares pursuant to the Offer, NNG, Inc. will become a holding company for Northrop Grumman Corporation and will change its name to "Northrop Grumman Corporation." At such time, the present Northrop Grumman Corporation will change its name to "Northrop Grumman Operations Corporation."

The number of shares of NNG common stock exchanged for each Common Share will be determined by dividing \$80.25 by the average of the closing prices of Northrop Grumman common stock for the five consecutive trading days ending two trading days prior to the expiration of the Offer. The Offer is made upon the terms and subject to the conditions set forth in the Offer to Purchase or Exchange, dated February 1, 2001 (the "Offer to Purchase or Exchange"), and in the related Letter of Transmittal for the Common Shares and the related Letter of Transmittal for the Preferred Shares (each individually, a "Letter of Transmittal," together, the "Letters of Transmittal," and which, together with the Offer to Purchase or Exchange, as each may be amended or supplemented from time to time, collectively constitute the "Offer"). As used herein, the term "Common Shares" refers to the common stock of Litton and the term "Preferred Shares" refers to the Series B \$2 Cumulative Preferred Stock of Litton.

Only 13,000,000 shares of NNG common stock and 3,500,000 shares of NNG Series B Preferred Stock are available for exchange in the Offer. If tendering Litton stockholders elect to receive more than such amounts, such elections will be subject to pro rata reduction based on the number of shares covered thereby, as described in the Offer to Purchase or Exchange.

Tendering stockholders who have Common Shares and/or Preferred Shares registered in their names and who tender directly will not be charged brokerage fees or commissions or, subject to the instructions in the Letters of Transmittal, transfer taxes on the exchange of Common Shares and/or Preferred Shares pursuant to the Offer. Stockholders who hold their Common Shares and/or Preferred Shares through a broker or bank should consult such institution as to

whether it charges any service fees. Northrop Grumman or NNG will pay all charges and expenses of the Depository, the Information Agent and the Dealer Manager (each as defined below) incurred in connection with the Offer.

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THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 1, 2001, UNLESS THE OFFER IS EXTENDED.  
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The Offer is being made pursuant to an Amended and Restated Agreement and Plan of Merger, dated as of January 23, 2001 (the "Merger Agreement"), among Northrop Grumman, NNG, LII Acquisition Corp. and Litton, pursuant to which, after completion of the Offer, LII Acquisition Corp. will be merged with and into Litton (the "Merger") and Litton will be the surviving corporation. On the effective date of the Merger, each outstanding Common Share (other than Common Shares held by NNG, Northrop Grumman and their respective subsidiaries or by stockholders who have properly perfected appraisal rights under Delaware law) will by virtue of the Merger, and without any action by the holder thereof, be cancelled and converted into the right to receive \$80.00 per Common Share in cash, or any higher cash price paid pursuant to the Offer, without interest. Each Preferred Share not accepted for payment in the Offer will remain outstanding after the Merger, without change, as a share of the Series B \$2 Cumulative Preferred Stock of Litton. The Merger Agreement is more fully described in the Offer to Purchase or Exchange.

THE DIRECTORS OF LITTON PRESENT AT A DULY CALLED SPECIAL MEETING OF THE BOARD OF DIRECTORS (I) UNANIMOUSLY APPROVED THE MERGER AGREEMENT, THE OFFER AND THE MERGER, (II) UNANIMOUSLY DETERMINED THAT THE OFFER AND THE MERGER ARE FAIR TO, AND IN THE BEST INTEREST OF, THE HOLDERS OF COMMON SHARES, AND (III) UNANIMOUSLY RECOMMEND THAT THE COMMON STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR COMMON SHARES PURSUANT TO THE OFFER. THE BOARD OF DIRECTORS OF LITTON IS NOT MAKING ANY RECOMMENDATION TO HOLDERS OF PREFERRED SHARES AS TO WHETHER THEY SHOULD ACCEPT THE OFFER AND TENDER THEIR PREFERRED SHARES PURSUANT TO THE OFFER.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A TOTAL OF AT LEAST 25,646,399 COMMON SHARES AND PREFERRED SHARES, WHICH REPRESENTS A MAJORITY OF THE TOTAL OUTSTANDING COMMON SHARES AND PREFERRED SHARES ON A FULLY-DILUTED BASIS, (II) THE EXPIRATION OR TERMINATION OF ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED AND, TO THE EXTENT REQUIRED, THE APPROVAL OF THE MERGER BY THE COMMISSION OF THE EUROPEAN UNION UNDER REGULATION (EEC) NO. 4064/89 OF THE COUNCIL OF THE EUROPEAN UNION, AND (III) THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, RELATING TO THE SECURITIES TO BE ISSUED IN THE OFFER, SHALL HAVE BECOME EFFECTIVE. THE OFFER ALSO IS SUBJECT TO OTHER TERMS AND CONDITIONS.

For purposes of the Offer, NNG will be deemed to have accepted for payment or exchange (and thereby purchased) Common Shares and Preferred Shares validly tendered and not withdrawn as, if and when NNG gives oral or written notice to EquiServe Trust Company, N.A. (the "Depository") of its acceptance for payment or exchange of such Common Shares and Preferred Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for or exchange of Common Shares and Preferred Shares accepted for payment or exchange pursuant to the Offer will be made by deposit of the purchase price therefor or certificates representing shares of NNG common stock or NNG preferred stock exchangeable therefor with the Depository, which will act as agent for all tendering stockholders for the purpose of receiving payments or certificates representing shares of NNG common stock or NNG preferred stock from NNG and transmitting such payments or delivering such certificates to tendering stockholders whose Common Shares and/or Preferred Shares have been accepted for payment or exchange. In all cases, payment for Common Shares and Preferred Shares accepted for payment or exchange pursuant to the Offer (and delivery of certificates representing shares of NNG common stock and NNG preferred stock issued pursuant to the Offer) will be made only after timely receipt by the Depository of (i) certificates representing the Common Shares and/or Preferred Shares or a Book-Entry Confirmation (as defined in the Offer to Purchase or Exchange) with respect to such Common Shares and/or Preferred Shares, (ii) a Letter of Transmittal to tender Common Shares and/or a Letter of Transmittal to tender Preferred Shares (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in the Offer to Purchase or Exchange) in lieu of such Letter of Transmittal, and (iii) any other documents required by the Letter of Transmittal.

UNDER NO CIRCUMSTANCES WILL ANY INTEREST BE PAID ON THE OFFER PRICE FOR TENDERED COMMON SHARES AND TENDERED PREFERRED SHARES, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

For United States federal income tax purposes, it is expected that: Litton stockholders who receive only cash for their Common Shares or Preferred Shares pursuant to the Offer will recognize any gain or loss on the exchange; holders

of Common Shares who receive solely shares of NNG Common Stock or NNG Series B Preferred Stock pursuant to the Offer will recognize neither gain nor loss; and holders of Common Shares who receive a combination of cash and NNG stock pursuant to the Offer will not recognize any loss and will recognize gain not in excess of the total amount of cash received.

Subject to the applicable rules and regulations of the Securities and Exchange Commission, applicable law and the terms of the Merger Agreement, NNG expressly reserves the right, in its sole discretion, at any time, from time to time, to extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depositary. Any such extension will be followed as promptly as possible by a public announcement thereof not later than 9:00 a.m., New York City time, on the next business day after the day on which the Offer is scheduled to expire. During any such extension, all Common Shares and Preferred Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of a tendering stockholder to withdraw its Common Shares and/or Preferred Shares.

Tenders of Common Shares and Preferred Shares made pursuant to the Offer may be withdrawn at any time prior to the expiration of the Offer. Thereafter, such tenders are irrevocable, except that they may be withdrawn at any time after Tuesday, March 6, 2001, unless theretofore accepted for payment as provided in the Offer to Purchase or Exchange.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal containing the information and satisfying the requirements set forth in the Offer to Purchase or Exchange must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase or Exchange.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase or Exchange and is incorporated herein by reference.

Litton has provided NNG with Litton's stockholder list and security position listings for the purpose of disseminating the Offer to stockholders. The Offer to Purchase or Exchange, the related Letters of Transmittal and other relevant materials will be mailed to record holders of Common Shares and Preferred Shares and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Common Shares and Preferred Shares.

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THE OFFER TO PURCHASE OR EXCHANGE AND THE LETTERS OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER. SUCH DOCUMENTS MAY BE EXAMINED AT THE WEB SITE OF THE SECURITIES AND EXCHANGE COMMISSION AT WWW.SEC.GOV.  
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Questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth below. Stockholders may request additional copies of the Offer to Purchase or Exchange, the related Letters of Transmittal and other tender offer materials from the Information Agent, the Dealer Manager or their broker, dealer, commercial bank or trust company. Such additional copies will be furnished at NNG's expense. No fees or commissions will be paid to brokers, dealers or other persons (other than the Information Agent and the Dealer Manager) for soliciting tenders of Common Shares and/or Preferred Shares pursuant to the Offer.

The Information Agent for the Offer is:

GEORGESON  
SHAREHOLDER  
COMMUNICATIONS INC.

17 State Street, 10th Floor  
New York, New York 10004  
Brokers and Bankers Call Collect: (212) 440-9800  
All Others Please Call: (800) 223-2064

The Dealer Manager for the Offer is:

Salomon Smith Barney  
388 Greenwich Street  
New York, New York 10013  
Call Toll-Free (877) 319-4978

February 1, 2001



CREDIT SUISSE FIRST BOSTON  
Eleven Madison Avenue  
New York, NY 10010

JP MORGAN  
THE CHASE MANHATTAN BANK  
270 Park Avenue  
New York, NY 10017

January 30, 2001

Northrop Grumman Corporation  
1840 Century Park East  
Los Angeles, CA 90067-2199

Attention of Albert F. Myers

Project Intrepid  
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\$6,000,000,000 Senior Credit Facilities  
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Commitment Letter  
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Ladies and Gentlemen:

You have advised Credit Suisse First Boston ("CSFB"), The Chase Manhattan Bank ("Chase" and, together with CSFB, the "Initial Lenders") and JP Morgan, a division of Chase Securities Inc. ("JP Morgan" and, together with CSFB, the "Agents") that Northrop Grumman Corporation ("you" or the "Borrower") intends to acquire (the "Acquisition") Litton Industries, Inc. (the "Target"), a Delaware corporation, and to consummate the other Transactions. Capitalized terms used but not defined herein have the meanings assigned in the Summary of Principal Terms and Conditions attached hereto as Exhibit A (the "Term Sheet").

You have further advised us that, in connection therewith, the Borrower will obtain the senior credit facilities (the "Facilities") described in the Term Sheet, in an aggregate principal amount of \$6,000,000,000, consisting of a 364-Day Revolving Credit Facility in a principal amount of \$2,500,000,000, a Five-Year Revolving Credit Facility in a principal amount of \$2,500,000,000 (together with the 364-Day Revolving Credit Facility, the "Revolving Facilities") and a 364-Day Term Facility in the principal amount of \$1,000,000,000 (the "Term Facility" and, together with the Revolving Facilities, the "Facilities").

In connection with the foregoing, you have requested that (a) we agree to structure and arrange the Facilities and syndicate the Revolving Facilities, (b) CSFB and Chase agree to act as co-administrative agents, (c) CSFB and JP Morgan agree to act as joint book managers and joint lead arrangers for the Facilities and (d) each Initial Lender severally commits to provide one-half of the principal amount of the Facilities.

Each Initial Lender is pleased to advise you of its several commitment to provide up to one-half of the principal amount of the Facilities, upon the terms and subject to the conditions set forth or referred to in this commitment letter (the "Commitment Letter") and in the Term Sheet.

It is agreed that CSFB and Chase will act as co-administrative agents for the Facilities, that CSFB and JP Morgan will act as joint book managers and joint lead arrangers for the Facilities and that we will, in such capacities, perform the duties and

exercise the authority customarily performed and exercised by it in such roles. You agree that no other titles will be awarded and no compensation (other than that expressly contemplated by the Term Sheet and the Fee Letter referred to below) will be paid in connection with the Facilities unless you and we shall so agree.

We intend to syndicate the Revolving Facilities to a group of financial institutions (together with the Initial Lenders, the "Lenders") identified by us in consultation with you. We intend to commence syndication efforts promptly upon the execution of this Commitment Letter, and you agree to actively assist us in completing a syndication satisfactory to us. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the syndication efforts benefit materially from your and the Target's existing lending relationships, (b) direct contact between senior management, representatives and advisors of the Borrower, the Target and the proposed Lenders, (c) assistance by the Borrower and the Target in the preparation of a Confidential Information Memorandum for the Revolving Facilities and other marketing materials to be used in connection with the syndication and (d) the hosting, with us, of one or more meetings of prospective Lenders.

We will manage, in consultation with you, all aspects of the syndication including decisions as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate, the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist us in our syndication efforts, you agree promptly to prepare and provide, and to use commercially reasonable efforts to cause the Target to prepare and provide, to us all information with respect to the Borrower, the Target and their respective subsidiaries, the Transactions and the other transactions contemplated hereby, including all financial information and projections (the "Projections"), as we may reasonably request. You hereby represent and covenant that (a) all information other than the Projections (the "Information") that has been or will be made available to us by you or any of your representatives is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the Projections that have been or will be made available to us by you or any of your representatives have been or will be prepared in good faith based upon assumptions that are reasonable at the time made and at the time the related Projections are made available to us. You agree that if at any time prior to the closing of the Facilities any of the representations in the preceding sentence would be incorrect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will promptly supplement the Information and the Projections so that such representations will be correct under those circumstances. In arranging and syndicating the Facilities, we will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof.

As consideration for the Initial Lenders' several commitments hereunder and our agreements to perform the services described herein, you agree to pay to the Initial Lenders the nonrefundable fees set forth in the Term Sheet and in the Fee Letter dated the date hereof and delivered herewith with respect to the Facilities (the "Fee Letter").

The Initial Lenders' several commitments hereunder and our agreements to perform the services described herein are further subject to (a) our not having discovered or otherwise become aware of any information not previously disclosed to us that we believe to be inconsistent in a material and adverse manner with our understanding, based on the information provided to us prior to the date hereof, of the business, assets, operations, condition (financial or otherwise), or prospects of the Borrower, the Target and their respective subsidiaries, (b) there not having occurred any material adverse change or material adverse condition in the business, assets, operations, condition (financial or otherwise) or prospects of the Borrower and its subsidiaries, taken as a whole, or the Target and its subsidiaries, taken as a whole, in each case since December 31, 1999, (c) there not having occurred after the date hereof a material disruption of or material adverse change in financial, banking or capital market conditions that has adversely affected the syndication of the Revolving Facilities, (d) our satisfaction that, prior to and during the syndication of the Revolving Facilities, there shall be no competing issues of debt securities or commercial bank or other credit facilities of the Borrower, the Target or their respective subsidiaries being offered, placed or arranged, (e) the negotiation, execution and delivery of definitive documentation with respect to the Facilities satisfactory to us and our counsel, (f) our having been afforded a reasonable period following the date hereof to syndicate the Revolving Facilities and (g) the other conditions set forth in the Term Sheet.

You agree (a) to indemnify and hold harmless each of CSFB, Chase, JP Morgan and their respective affiliates and their respective officers, directors, employees, agents and controlling persons from and against any and all losses, claims, damages, liabilities and expenses, joint or several, to which any such persons may become subject arising out of or in connection with this Commitment Letter, the Fee Letter, the Term Sheet, the Transactions, the Facilities or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any of such indemnified persons is a party thereto, and to reimburse each of such indemnified persons upon demand for any reasonable legal or other expenses incurred in connection with investigating or defending any of the foregoing, provided that the

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foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they are found in a final judgment of a court to have resulted from the willful misconduct or gross negligence of such indemnified person, and (b) to reimburse us from time to time, upon presentation of a summary statement, for all reasonable out-of-pocket expenses (including but not limited to expenses of our due diligence investigation, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of counsel), in each case incurred in connection with the Facilities and the preparation of this Commitment Letter, the Term Sheet, the Fee Letter and the definitive documentation for the Facilities. Notwithstanding any other provision of this Commitment Letter, no indemnified person shall be liable for any indirect or consequential damages in connection with its activities related to the Facilities.

You acknowledge that each of us and our affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein and otherwise. None of us will use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or its other relationships with you in connection with the performance by us of services for other companies, and none of us will furnish any such information to other



companies. You also acknowledge that none of us has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by us from other companies.

This Commitment Letter and our commitments hereunder shall not be assignable by you without the prior written consent of the Initial Lenders and the Agents (and any attempted assignment without such consent shall be null and void), are intended to be solely for the benefit of the parties hereto (and indemnified persons), are not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and indemnified persons), and are not intended to create a fiduciary relationship among the parties hereto. Each Initial Lender may assign its commitment hereunder to any of its affiliates or any Lender. Any such assignment to an affiliate will not relieve the assignor from any of its obligations hereunder unless and until such affiliate shall have funded the portion of the commitment so assigned. Any assignment to a Lender shall be by novation and shall release the assignor from the portion of its commitment hereunder so assigned. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by the Initial Lenders, the Agents and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter are the only agreements that have been entered into between us with respect to the Facilities and set forth the entire understanding of the parties with respect thereto. This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER.

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter, the Term Sheet or the Fee Letter nor any of their terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to your officers, employees, attorneys, accountants and advisors on a confidential and need-to-know basis or (b) as required by applicable law or compulsory legal process (in which case you agree to inform us promptly thereof); provided that following your acceptance hereof and of the Fee

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Letter you may disclose this Commitment Letter, the Term Sheet and the contents hereof and thereof (but not the Fee Letter or the contents thereof) to the Target and its attorneys, accountants and advisors, in each case in connection with the Acquisition and on a confidential and need-to-know basis.

The compensation, reimbursement, indemnification and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the Initial Lenders' commitments hereunder.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof and of the Term Sheet and the Fee Letter by returning to us executed counterparts hereof and of the Fee Letter not later than 5:00 p.m., New York City time, on January 31, 2001. The Initial Lenders' commitments hereunder and agreements contained herein will expire at such time in the event that we have not received such executed counterparts in accordance with the immediately preceding sentence. In the event that the Closing Date does not occur on or before March 31, 2001, then this Commitment Letter and the Initial Lenders' commitments and undertakings hereunder shall automatically terminate unless we shall, in our discretion, agree to an extension. Before such date, we may terminate this Commitment Letter if any event occurs or information becomes available that, in our judgment, results or is likely to result in the failure to satisfy any condition precedent set forth herein or in the Term Sheet.

This Commitment Letter supersedes and replaces the Commitment Letter dated December 20, 2000, among Credit Suisse First Boston, The Chase Manhattan Bank, Chase Securities Inc. and Northrop Grumman Corporation.

We are pleased to have been given the opportunity to assist you in connection with the financing for the Acquisition.

Very truly yours,

CREDIT SUISSE FIRST BOSTON,

by

\_\_\_\_\_  
Name:  
Title:

by

\_\_\_\_\_  
Name:  
Title:

JP MORGAN, a division of CHASE  
SECURITIES INC.,

by

\_\_\_\_\_  
Name:  
Title:

THE CHASE MANHATTAN  
BANK,

by

\_\_\_\_\_  
Name:  
Title:

Accepted and agreed to as of  
the date first above written:

NORTHROP GRUMMAN CORPORATION,

by

\_\_\_\_\_  
Name:  
Title:

Project Intrepid  
-----  
\$6,000,000,000 Senior Credit Facilities  
-----  
Summary of Principal Terms and Conditions  
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Borrowers:  
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Initially, Northrop Grumman Corporation, a Delaware corporation ("Northrop Grumman") and, substantially concurrent with Holding's acquisition (the "Acquisition") of Litton Industries, Inc., a Delaware corporation ("Litton"), Litton (together with Northrop Grumman, the "Borrowers").

[Parent Guarantor:  
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A newly formed Delaware corporation ("Holdings") that, after the Mergers referred to below, will be the direct parent of each Borrower.]

[Joint Liability;Guarantees:  
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Each Borrower will be jointly and severally liable for the obligations of the other Borrower under the Facilities. In addition, the obligations of each Borrower will be irrevocably and unconditionally guaranteed by Holdings (the "Guarantee").]

Acquisition:  
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Holdings intends to acquire Litton pursuant to the Amended and Restated Agreement and Plan of Merger dated as of [ ], 2001 (as amended, the "Merger Agreement"), among Northrop Grumman, LII Acquisition, Inc. ("Litton Merger Sub") and Litton. Pursuant to the Merger Agreement, Litton Merger Sub has made an offer (the "Exchange Offer") to acquire all the issued and outstanding capital stock of Litton for consideration consisting of, at the election of the holders thereof and subject to certain other conditions and adjustments, (a) \$80 per share, net to the seller in cash, and/or (b) a combination of new common stock of Holdings (valued at up to \$1.1 billion in the aggregate) and/or new preferred stock of Holdings (valued at up to \$350 million in the aggregate) (the "Exchange Offer"). Immediately prior to the consummation of the Exchange Offer, Holdings will cause a newly formed, wholly-owned subsidiary ("Northrop Merger Sub") to merge (the "Northrop Grumman Merger") with and into Northrop Grumman, as consideration for which the existing stockholders of Northrop Grumman will receive common stock of Holdings. As promptly as practicable following the consummation of the Exchange Offer, Litton Merger Sub and Litton will merge (the "Litton Merger" and, together with the Northrop Grumman Merger, the "Mergers") in a transaction in which, subject to stockholders' dissent rights, each issued and outstanding share of capital stock of Litton not acquired in the Exchange Offer will be converted into the right to receive \$80 per share in cash. The

aggregate consideration payable to the stockholders of Litton in respect of the Acquisition will be approximately \$3.8 billion. In connection with the Acquisition, (a) Northrop Grumman and Litton will repay all amounts outstanding under, and terminate, their primary existing bank credit agreements (the "Existing Credit Agreements") and repay certain other existing debt (together with the Existing Credit Agreements, the "Refinanced Debt"), (b) the Borrowers will obtain the senior credit facilities described below under the caption "Senior Credit Facilities" and (c) fees and expenses incurred in connection with the foregoing will be paid. The transactions described in this paragraph, together with the Acquisition, are collectively referred to herein as the "Transactions".

Sources and Uses:

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The approximate sources and uses of the funds necessary to consummate the Transactions are set forth in Annex II hereto.

Joint Bookrunners and Joint Lead Arrangers:

- - - - -

JP Morgan, a division of Chase Securities Inc. ("JP Morgan") and Credit Suisse First Boston ("CSFB") will act as joint bookrunners and joint lead arrangers for the Facilities (the "Arrangers"), and will perform the duties customarily associated with such roles.

Co-Administrative Agents:

- - - - -

The Chase Manhattan Bank ("Chase") and CSFB will act as co-administrative agents (the "Agents") for a syndicate of financial institutions (together with Chase and CSFB, the "Lenders"), and will perform the duties customarily associated with such role.

Payment Agent:

- - - - -

Chase (the "Payment Agent").

Syndication Agent solely in connection

- - - - -

with the Revolving Facilities:

- - - - -

Salomon Smith Barney Inc.

Co-Documentation Agents solely in

- - - - -

connection with the Revolving Facilities:

- - - - -

The Bank of Nova Scotia and Deutsche Banc Alex. Brown Securities Inc.

Senior Credit Facilities:

- - - - -

Two unsecured Revolving Credit Facilities (each a "Revolving Facility" and together the "Revolving Facilities") in an aggregate principal amount of up to \$5,000,000,000, comprised of:

(A) A 364-Day Revolving Credit Facility in an aggregate principal amount of up to \$2,500,000,000 (the "364-Day Revolving Facility") and

(B) A Five-Year Revolving Credit Facility in an aggregate principal amount of up to \$2,500,000,000 (the "Five-Year Revolving Facility").

An unsecured Term Loan Facility (the "Term Facility" and, together with the Revolving Facilities, the "Facilities") in an aggregate principal amount of \$1,000,000,000.

Availability:  
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(A) Loans under the Term Facility will be available in a single drawing on the date of the initial funding under the Facilities. Amounts borrowed and repaid under the Term Facility may not be reborrowed.

(B) Amounts borrowed and repaid under the Revolving Facilities may be reborrowed subject to availability under the applicable Revolving Facility.

Purpose:  
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The initial borrowings under the Facilities will be made by Northrop Grumman. The proceeds of the initial borrowings will be used (a) by Northrop Grumman to make a contribution to the equity capital of Holdings prior to the Northrop Grumman Merger, which Holdings will in turn use to pay the cash consideration payable in the Exchange Offer and the Litton Merger, (b) by both Borrowers to refinance the Existing Credit Agreements and Refinanced Debt and (c) by both Borrowers to pay related fees and expenses. Holdings will guarantee the borrowings immediately following the Northrop Grumman Merger. The proceeds of subsequent borrowings under the Revolving Facilities, which may be made by either Northrop Grumman or Litton, will be used for general corporate purposes.

Final Maturity:  
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(A) The Lenders' commitments under the 364-Day Revolving Facility will expire and the borrowings thereunder will mature on the date that is 364 days after the date of execution of definitive credit documentation for the Facilities (the "Closing Date").

- (B) Commitments under the Five-Year Revolving Facility will expire and the borrowings thereunder will mature on the fifth anniversary of the Closing Date.
- (C) Borrowings under the Term Facility will mature on the date that is 364 days after the Closing Date, and will require no scheduled amortization prior thereto.

Mandatory Prepayments and  
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Reductions in Commitments:  
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Commitments under the 364-Day Revolving Facility will be reduced (and loans thereunder prepaid) and loans under the Term Facility shall be prepaid from time to time by an amount equal to (a) 100% of the value of the Holdings stock (either common or preferred) that is received by Litton shareholders pursuant to the Exchange Offer, (b) 100% of the net cash proceeds of certain non-ordinary-course asset sales or other dispositions of assets by Holdings and its subsidiaries and (c) 100% of the net cash proceeds of certain issuances of debt or equity securities of Holdings and its subsidiaries.

All of the above-described prepayments will be applied first to the reduction of commitments under the 364-Day Revolving Facility, except that the net cash proceeds of the issuance of debt by Northrop Grumman pursuant to its proposed Rule 144A offering will be applied first to the Term Facility until the Term Facility is paid in full, and then to the reduction of commitments under the 364-Day Revolving Facility.

Voluntary Prepayments and  
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Reductions in Commitments:  
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Voluntary prepayments of borrowings under the Term Facility and voluntary reductions of the unutilized portion of the commitments and prepayments of borrowings under the Revolving Facilities will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period.

Representations and Warranties:  
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Usual for facilities and transactions of this type and otherwise substantially in the form of those contained in Northrop Grumman's Second Amended and Restated Credit Agreement dated as of March 1, 1996 and amended by Amendment No. 1 dated as of November 1, 1996 (the "Restated Credit Agreement"), including corporate existence;

accuracy of financial information; absence of material adverse change; absence of material litigation; absence of breach or defaults; corporate action; necessary approvals; use of proceeds; ERISA matters; payment of taxes; ownership of properties; environmental matters; true and complete disclosure; material subsidiaries and intercompany debt.

Conditions Precedent to Initial Borrowing:

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Usual for facilities and transactions of this type and otherwise substantially in the form of those contained in the Restated Credit Agreement, including: delivery of satisfactory legal opinions, audited financial statements and other financial information; accuracy of representations and warranties; absence of defaults, prepayment events or creation of liens under debt instruments or other agreements; evidence of authority; and payment of expenses and fees.

The Northrop Grumman Merger and the Exchange Offer shall be consummated substantially simultaneously with the closing under the Facilities and there shall have been validly tendered under the Exchange Offer and not withdrawn a majority of the capital stock of Litton, such that Litton Merger Sub would be able to consummate the Litton Merger without the vote of any other stockholder of Litton, in each case in accordance with applicable law and on the terms described herein; the Merger Agreement and all other related documentation shall be satisfactory to the Lenders; and none of such documentation shall have been amended, waived or modified in any material respect without the consent of the Lenders.

After giving effect to the Transactions and the other transactions contemplated hereby, Holdings and its subsidiaries shall have outstanding no indebtedness or preferred stock other than (a) the loans and other extensions of credit under the Facilities and (b) other indebtedness to be agreed upon.

The Lenders shall have received (a) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Northrop Grumman and Litton for the 1997, 1998 and 1999 fiscal years and (b) (i) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Northrop Grumman and Litton for each subsequent



fiscal quarter ended 30 days before the Closing Date or (ii) all 10-Qs which Northrop Grumman and Litton have filed, as required, with the SEC, neither of which shall be materially inconsistent with the financial statements or forecasts previously provided to the Lenders.

The amount and nature of any environmental or health and safety liabilities, including any liabilities related to the presence or release of, or exposure to, hazardous substances, to which Holdings and its subsidiaries may be subject after giving effect to the Transactions shall be substantially consistent with the Agents' understanding thereof based on the disclosure contained in Northrop Grumman's Annual Report on Form 10-K for the year ended December 31, 1999 and Litton's Annual Report on Form 10-K for its year ended July 31, 2000.

All requisite governmental authorities and third parties shall have approved or consented to the Transactions and the other transactions contemplated hereby to the extent required, all applicable appeal periods shall have expired and there shall be no litigation, governmental, administrative or judicial action, actual or threatened, that could reasonably be expected to restrain, prevent or impose burdensome conditions on the Transactions or the other transactions contemplated hereby.

Conditions Precedent to  
- -----  
all Borrowings:  
- -----

Delivery of notice, accuracy of representations and warranties and absence of defaults.

Affirmative Covenants:  
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Usual for facilities and transactions of this type and otherwise substantially in the form of those contained in the Restated Credit Agreement (to be applicable to Holdings and its subsidiaries), including delivery of financial statements and other financial information; maintenance of corporate existence and rights; performance of obligations, including payment of taxes and ERISA; compliance with law; delivery of notices of default and litigation; maintenance of satisfactory insurance and inspection of books and properties.

Negative Covenants:  
- -----

Usual for facilities and transactions of this type and otherwise substantially in the form of those contained in the Restated Credit Agreement (to be applicable to Holdings and its subsidiaries), including limitations on restricted payments;

limitations on dispositions of property; limitations on guarantees; limitations on mergers, acquisitions and asset sales; limitations on subsidiary equity issuances; limitations on liens; limitations on loans and investments; limitations on debt and hedging arrangements; limitations on acquisitions of Margin Stock and limitations on changes in business conducted by Holdings and its subsidiaries.

Selected Financial Covenants:

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Usual for facilities and transactions of this type and otherwise substantially in the form of those contained in the Restated Credit Agreement (with financial definitions and levels to be agreed upon), including (a) maximum ratios of Funded Debt to Total Capitalization, (b) maximum ratios of Funded Debt to Cash Flow and (c) minimum ratios of Cash Flow minus Capital Expenditures to Fixed Charges.

Events of Default:

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Usual for facilities and transactions of this type and otherwise substantially in the form of those contained in the Restated Credit Agreement, including: failure to pay principal, interest or other amounts; breach of representations and warranties; breach of covenants; certain bankruptcy events; cross default and cross acceleration; certain ERISA matters; certain judgments; invalidity of Guarantee; and Change in Control (to be defined).

Voting:

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Amendments and waivers of the definitive credit documentation will require the approval of Lenders holding more than 50% of the aggregate amount of the loans and commitments under the Facilities, except that the consent of each Lender adversely affected thereby shall be required with respect to, among other things, (a) increases in the commitment of such Lender, (b) reductions of principal, interest or fees, (c) release of Guarantee and (d) extensions of final maturity.

Yield Protection and Illegality:

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Usual and customary, including but not limited to protection with respect to breakage costs, changes in capital requirements or their interpretation, changes in circumstances, reserves, illegality and taxes.

Assignments and Participations:

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The Lenders will be permitted to assign loans and commitments to other Lenders (or their affiliates) without restriction, or to other financial institutions with the consent of the Borrowers and the Agents, in each case not to be unreasonably withheld; provided, that the Borrowers shall be -----  
entitled to base their consent or refusal upon the criteria

described in Northrop Grumman's Existing Credit Agreement. Each assignment (except to other Lenders or their affiliates) will be in a minimum amount of \$10,000,000. The Agents will receive a customary processing and recordation fee, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation.

The Lenders will be permitted to participate loans and commitments without restriction to other financial institutions. Voting rights of participants shall be limited to matters in respect of (a) increases in commitments, (b) reductions of principal, interest or fees, (c) release of Guarantee and (d) extensions of final maturity.

Expenses and Indemnification:  
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Holdings and the Borrowers will indemnify the Arrangers, the Agents and the other Lenders and hold them harmless from and against all costs, expenses (including without limitation fees, disbursements and other charges of counsel) and liabilities of the Arrangers, the Agents and the other Lenders arising out of or relating to any claim or any litigation or other proceeding (regardless of whether the Arrangers, the Agents or any other Lender is a party thereto) that relates to the Transactions, including the financing contemplated hereby, the Acquisition or any transactions connected therewith, provided that none of

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the Arrangers, the Agents or any other Lender will be indemnified for any cost, expense or liability to the extent determined in the final judgment of a court of competent jurisdiction to have resulted from its gross negligence or willful misconduct. In addition, all out-of-pocket expenses of the Lenders for enforcement costs and documentary taxes associated with the Facilities are to be paid by the Borrowers.

Governing Law and Forum:  
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New York.

Counsel to Agents and  
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Arrangers:  
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Cravath, Swaine & Moore.

Facility Fee:  
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Facility Fees will accrue and be payable to the Lenders on the aggregate amount of each Revolving Facility (whether drawn or undrawn), commencing on the date of the initial funding under any of the Facilities. Facility Fees will be payable in arrears at the end of each calendar quarter and upon the maturity date or the termination of the commitments. The rates at which the Facility Fees accrue will depend upon the ratings of Moody's Investors Service, Inc. and Standard and Poor's Ratings Services (the "Ratings") applicable to the [Holding's] senior, unsecured, non-credit enhanced long-term debt (the "Index Debt"), as set forth in the table appearing at the end of this Annex I.

Interest Rates:  
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The interest rates under the Facilities will be, at the option of [Holdings], Adjusted LIBOR or ABR, in each case plus spreads depending upon the Ratings, as set forth in the table appearing at the end of this Annex I.

Holdings may elect interest periods of 1, 2, 3 or 6 months for Adjusted LIBOR borrowings.

Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of ABR loans based on the Prime Rate) and interest shall be payable at the end of each interest period and, in any event, at least every 3 months.

ABR is the Alternate Base Rate, which is the higher of Chase's Prime Rate and the Federal Funds Effective Rate plus 1/2 of 1%.

Adjusted LIBOR will at all times include statutory reserves.

FEE AND SPREAD TABLES

364-Day Revolving Facility	Ratings (S&P/Moody's)	Facility Fee (bps per annum)	LIBOR Spread (bps per annum)	ABR Spread (bps per annum)	Drawn Cost (bps per annum)
Category 1	BBB+ or Baa1 or higher	10.0	65.0	0.0	75.0
Category 2	BBB or Baa2 or higher	12.5	87.5	0.0	100.0
Category 3	BBB- and Baa3	17.5	107.5	7.5	125.0
Category 4	BBB- and Ba1 or BB+ and Baa3	25.0	125.0	25.0	150.0
Category 5	BB+ and Ba1	30.0	145.0	45.0	175.0
Category 6	Anything lower	37.5	187.5	87.5	225.0

Five-Year Revolving Facility	Ratings (S&P/Moody's)	Facility Fee (bps per annum)	LIBOR Spread (bps per annum)	ABR Spread (bps per annum)	Drawn Cost (bps per annum)
Category 1	BBB+ or Baa1 or higher	15.0	60.0	0.0	75.0
Category 2	BBB or Baa2 or higher	17.5	82.5	0.0	100.0
Category 3	BBB- and Baa3	22.5	102.5	2.5	125.0
Category 4	BBB- and Ba1 or BB+ and Baa3	37.5	112.5	12.5	150.0
Category 5	BB+ and Ba1	42.5	132.5	32.5	175.0
Category 6	Anything lower	50.0	175.0	75.0	225.0

Term Facility	Ratings (S&P/Moody's)	LIBOR Spread (bps per annum)	ABR Spread (bps per annum)
Category 1	BBB+ or Baa1 or higher	75.0	0.0
Category 2	BBB or Baa2 or higher	100.0	0.0
Category 3	BBB- and Baa3	125.0	25.0
Category 4	BBB- and Ba1 or BB+ and Baa3	150.0	50.0
Category 5	BB+ and Ba1	175.0	75.0
Category 6	Anything lower	225.0	125.0

Sources and Uses of Funds  
(in millions of dollars)  
(all figures are approximate)

Sources of Funds		Uses of Funds	
-----		-----	
Combined Facilities 1/	up to \$1,658.0	Purchase of Equity	up to \$2,523.0
Excess Cash/Option Proceeds	187.0	Retire Misc. Existing Debt & Preferred	131.0
144A Notes	1,000.0	Litton Change-In Control	141.0
	-----	Fees & Expenses	50.0
			-----
Total Sources	up to \$2,845.0	Total Uses	up to \$2,845.0
	=====		=====

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1/ Represents an estimate of the amount to be drawn under the Facilities  
on the Closing Date.