

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): September 15, 2009**

**NORTHROP GRUMMAN CORPORATION**

(Exact name of registrant as specified in charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**1-16411**

(Commission File Number)

**95-4840775**

(IRS Employer Identification No.)

**1840 Century Park East, Los Angeles, CA 90067**

(Address of principal executive offices) (Zip Code)

**(310) 553-6262**

Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On September 15, 2009, Ronald D. Sugar, Chief Executive Officer and Chairman of the Board of Northrop Grumman Corporation (the “Company”), notified the Board of Directors (the “Board”) of his intention to retire from the Company on June 30, 2010, and resign from his positions as Chairman of the Board and Chief Executive Officer and as a director of the Company on December 31, 2009. On January 1, 2010, Dr. Sugar will assume the title Chairman Emeritus of the Company. Dr. Sugar will remain as an employee of the Company and assist with transitional issues in an officer role until June 30, 2010.

From now through the end of Dr. Sugar’s employment with the Company on June 30, 2010, the Company will continue to pay Dr. Sugar a regular salary at his current base salary rate, he will be eligible for a bonus with respect to 2009 in accordance with the Company’s 2002 Incentive Compensation Plan and he will continue to participate in the normal benefits and perquisites provided by the Company to corporate policy council officers. Dr. Sugar will not be eligible for a bonus with respect to 2010 or any additional equity-based awards. Upon Dr. Sugar’s June 30, 2010 retirement, all of his stock options that are otherwise unvested will vest. Additionally, upon Dr. Sugar’s June 30, 2010 retirement, or, if the Company terminates his employment earlier without cause, he will be deemed to have retired for purposes of his then-outstanding equity awards to the extent that the terms of such awards provide more favorable terms upon retirement (including early retirement) than termination of employment rules that would otherwise apply. The treatment of Dr. Sugar’s equity compensation awards upon termination without cause is consistent with the current provisions of such awards. Dr. Sugar will continue to be provided with an office and secretarial and IT support through December 31, 2014. The Company will also continue to provide Dr. Sugar with a home security system through December 31, 2010. Consistent with the Company’s retirement policy, there will be no severance paid to Dr. Sugar.

On September 16, 2009, the Board elected Wesley G. Bush, the Company’s current President and Chief Operating Officer, as Chief Executive Officer and President of the Company to succeed Dr. Sugar, effective January 1, 2010. Upon succeeding as Chief Executive Officer, Mr. Bush will no longer serve as Chief Operating Officer, but he will continue to perform the functions of that office. The Board also elected Mr. Bush to the Board effective immediately.

Mr. Bush has been an officer of the Company since 2003 when he was appointed Space Technology Sector President. In 2005, Mr. Bush was appointed Corporate Vice President and Chief Financial Officer. Mr. Bush has been President since May 2006 and Chief Operating Officer since March 2007. Prior to the Company’s acquisition of TRW, Mr. Bush had served as President and Chief Executive Officer for TRW’s UK-based global Aeronautical Systems since 2001. Mr. Bush joined TRW in 1987 as a systems engineer and held a series of increasingly responsible roles, including in 1999 when Mr. Bush was named Vice President and General Manager of the Telecommunication Programs Division. Mr. Bush holds a bachelor’s degree and a master’s degree in electrical engineering from the Massachusetts Institute of Technology. He also is a graduate of UCLA’s Executive Management Program.

**Item 7.01. Regulation FD Disclosure.**

The Company issued a press release on September 16, 2009 announcing the resignation of Dr. Sugar as Chief Executive Officer and Chairman of the Board effective December 31, 2009, the election of Mr. Bush as Chief Executive Officer and President effective January 1, 2010 and to the Board effective immediately and the election of Lewis W. Coleman as non-executive Chairman of the Board effective January 1, 2010. A copy of the press release is attached hereto as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any

filing under the Securities Act of 1933, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 8.01**

On September 16, 2009, the Board elected Lewis W. Coleman, a current member of the Company's Board and the Lead Independent Director, as non-executive Chairman of the Board to succeed Dr. Sugar, effective January 1, 2010. Upon succeeding as non-executive Chairman of the Board, Mr. Coleman will continue to fulfill the duties and responsibilities of the Lead Independent Director.

Mr. Coleman has been the President of DreamWorks Animation since December 2005 and Chief Financial Officer since March 2007. Previously he was the President of the Gordon and Betty Moore Foundation from its founding in November 2000 to December 2004. Prior to that, Mr. Coleman was employed by Banc of America Securities, formerly known as Montgomery Securities where he was a Senior Managing Director from 1995 to 1998 and Chairman from 1998 to 2000. Before he joined Montgomery Securities, Mr. Coleman spent ten years at the Bank of America and Bank of America Corporation where he was successively the Senior Credit Officer in The World Banking Group, Head of Global Capital Markets, Head of the World Banking Group, and Vice Chairman of the Board and Chief Financial Officer. He spent the previous thirteen years at Wells Fargo Bank where his positions included Head of International Banking, Chief Personnel Officer and Chairman of the Credit Policy Committee. Mr. Coleman currently serves as a director of DreamWorks Animation. He also serves on several private company and civic boards.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 Retirement and Transition Letter with Dr. Ronald D. Sugar

99.2 Press release dated September 16, 2009

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 16, 2009

**NORTHROP GRUMMAN CORPORATION**

By: /s/ Joseph F. Coyne, Jr.

Joseph F. Coyne, Jr.

Corporate Vice President, Deputy General Counsel and  
Secretary

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## INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Retirement and Transition Letter with Dr. Ronald D. Sugar
99.2	Press release dated September 16, 2009

The logo for Northrop Grumman, featuring the company name in a bold, blue, sans-serif font with a blue swoosh underneath.

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

September 16, 2009

Dr. Ronald D. Sugar  
Chairman and Chief Executive Officer  
Northrop Grumman Corporation  
1840 Century Park East  
Los Angeles, CA 90067

Re: **Retirement and Transition**

Dear Ron:

You have advised the Board of Directors of your plans to retire from Northrop Grumman Corporation ("Northrop") effective June 30, 2010. Consistent with those plans, you have advised that your resignation as a member of Northrop's Board of Directors, as Chief Executive Officer of Northrop and from any and all other positions you currently hold with Northrop and its affiliates will be effective December 31, 2009. On behalf of Northrop's Board of Directors, I accept your retirement and thank you for your commitment and contribution to Northrop. Your new title will be Chairman Emeritus. During the period from January 1, 2010 through June 30, 2010 (the "transition period"), you will perform transition duties as requested by the Board and by your successor as Chief Executive Officer. Your retirement as an officer and employee with Northrop will be effective June 30, 2010. You will continue to have the honorary title of Chairman Emeritus following your June 30, 2010 retirement date. The Board appreciates your efforts to assure a smooth transition.

From now through the end of your employment, Northrop will continue to pay you a regular base salary at your current Northrop base salary rate. You will continue to be eligible for a bonus with respect to 2009 in accordance with Northrop's 2002 Incentive Compensation Plan. Reflecting your transition, you will not be eligible for a bonus with respect to 2010 or any additional equity-based awards.

Upon your June 30, 2010 retirement, all of the stock options that Northrop has granted to you that are otherwise unvested will vest and will be eligible for the more favorable terms (including the period to exercise the options) that apply upon retirement (including early retirement). Additionally, upon your June 30, 2010 retirement, or, if Northrop terminates your employment without Cause (as such term is defined in your equity grant certificates) before June 21, 2010 (the date upon which you will have attained ten years of service with Northrop for purposes of your then-outstanding Northrop equity compensation awards), you will be deemed to have retired for purposes of your then-outstanding Northrop equity awards to the extent that the terms of such awards (including under this paragraph) provide you with more favorable terms upon a retirement (including early retirement) than the termination of employment rules that would otherwise apply. For purposes of clarity, you are already fully vested in, and you will continue to participate through June 30, 2010 in, your Northrop pension and supplemental retirement benefits, and in the Northrop Special Officer Retiree Medical Plan, and the termination without Cause benefits described above are consistent with the protections already provided to you.

While you are employed by Northrop during the transition period, you will continue to participate in the normal benefits and perquisites provided by Northrop to CPC officers, as those

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arrangements are in effect from time to time (including executive medical and life insurance benefits), to the same extent as if you were to continue service on the CPC. Your January 2009 Special Agreement with Northrop will continue in effect should your employment terminate earlier than January 1, 2010 in circumstances that trigger benefits under that agreement. Northrop will also continue to cover you under its directors and officers liability insurance policy during the transition period. After your June 30, 2010 retirement, you will have the same coverage under this policy (or successor policies) as other former officers and directors. Your Indemnification Agreement with Northrop and the supplemental personal liability insurance policy provided to you by Northrop will continue in effect in accordance with their terms. You will be provided with an office, secretarial and IT support through December 31, 2014. Northrop will continue to provide you with your home security system through December 31, 2010. Consistent with Northrop policy, there will be no reimbursement for any imputed income.

This letter sets forth our entire agreement regarding these matters, and supersedes all of our prior agreements regarding your separation and compensation/benefits.

On behalf of the Board of Directors, I want to thank you for your many contributions to Northrop. If this letter accurately sets forth your agreement with Northrop with respect to the foregoing matters, please sign and date this letter below and return it to me.

/s/ Lewis. W. Coleman

Lewis W. Coleman  
Chairman, Compensation Committee  
and Lead Independent Director

Agreed and Acknowledged:

/s/ Ronald D. Sugar

Ronald D. Sugar

Dated: 9/16/2009

Contacts: Dan McClain  
(310) 201-3335  
dan.mcclain@ngc.com

**Northrop Grumman's Chairman and CEO Ronald D. Sugar Announces Plan to Retire; Board Elects Wesley G. Bush CEO and President**

LOS ANGELES — Sept. 16, 2009 — Ronald D. Sugar, chairman and chief executive officer of Northrop Grumman Corporation (NYSE: NOC) since 2003, has announced his plan to retire from the company in June 2010, following 29 years of service to Northrop Grumman and its predecessor companies. To facilitate an orderly transition process, Sugar will step down from the chairman and CEO positions and the company's Board of Directors effective December 31, 2009. He will continue as an employee officer advising the company until his June 30, 2010 retirement date. Sugar will assume the title of chairman emeritus effective January 1, 2010.

The Northrop Grumman Board of Directors has elected Wesley G. Bush, currently president and chief operating officer, to the position of chief executive officer and president, effective January 1, 2010. Bush was also elected to the Northrop Grumman Board of Directors, effective immediately.

The Board of Directors elected Lewis W. Coleman, currently lead independent director, to the role of non-executive chairman, effective January 1, 2010.

Photos accompanying this release are available at: <http://media.globenewswire.com/noc/>

“On behalf of the Board of Directors, I want to thank Ron Sugar for his many outstanding contributions both to Northrop Grumman and to the security of our nation,” said Coleman. “Wes Bush brings extraordinary management talent and industry knowledge to his new position and his selection reflects the effectiveness of the company's leadership succession process.”

“It has been a privilege to serve at the helm of this great company,” Sugar said, “and I am extremely proud of the 120,000 men and women who have contributed significantly to our nation's defense, building Northrop Grumman into a leader in global security. I have worked closely with Wes Bush for many years. Wes is an outstanding executive who is ready to provide a new generation of leadership for Northrop Grumman.”

“I look forward to leading Northrop Grumman and continuing to drive improvements in our performance and shareholder value,” said Bush.

Sugar, 61, joined Northrop Grumman following its acquisition of Litton Industries and previously held executive positions at TRW Inc. During his tenure as CEO, Northrop Grumman

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

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## Northrop Grumman's Chairman and CEO Ronald D. Sugar Announces Plan to Retire; Board Elects Wesley G. Bush CEO and President

effectively integrated multiple acquired companies as it developed systems and technologies critical to the nation's security. Northrop Grumman expanded sales from \$26 billion to nearly \$35 billion to become the nation's second largest defense company by revenue. During this time, Northrop Grumman also strengthened its balance sheet to achieve the highest credit rating in the company's history.

Bush, 48, joined the company in 1987, and rose to positions of increasing responsibility, including serving as sector president, chief financial officer, and most recently president and chief operating officer. Bush earned bachelor's and master's degrees in electrical engineering from the Massachusetts Institute of Technology. He also is a graduate of UCLA's Executive Management Program.

Coleman, 67, was elected to the Northrop Grumman Board of Directors in 2001. He is president and chief financial officer of DreamWorks Animation SKG. He was formerly chairman of Banc of America Securities L.L.C., a subsidiary of Bank of America Corporation.

Northrop Grumman Corporation is a leading global security company whose 120,000 employees provide innovative systems, products, and solutions in aerospace, electronics, information systems, shipbuilding and technical services to government and commercial customers worldwide.

Statements in this release, other than statements of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks and uncertainties. Actual results could differ materially due to factors such as: the effect of economic conditions in the United States and globally; access to capital; future sales and cash flows; timing of cash receipts; effective tax rates and timing and amounts of tax payments; returns on pension plan assets, interest and discount rates and other changes that may impact pension plan assumptions; the outcome of litigation, claims, audits, appeals, bid protests and investigations; hurricane-related insurance recoveries; costs of environmental remediation; our relationships with labor unions; availability and retention of qualified personnel; costs of capital investments; changes in organizational structure and reporting segments; risks associated with acquisitions, dispositions, joint ventures and other business arrangements; possible impairments of goodwill or other intangible assets; effects of legislation, rulemaking, and changes in accounting, tax or defense procurement; changes in government and customer priorities and requirements (including, government budgetary constraints, shifts in defense spending, changes in import and export policies, changes in customer short-range and long-range plans); acquisition or termination of contracts; technical, operational or quality setbacks in contract performance; issues with, and financial viability of, key suppliers and subcontractors; availability of materials and supplies; controlling costs of fixed-price development programs; contractual performance relief and the application of cost sharing terms; allowability and allocability of costs under U.S. Government contracts; progress and acceptance of new products and technology; domestic and international competition; legal, financial and governmental risks related to international transactions; potential security threats, natural disasters and other disruptions not under our control; and other risk factors disclosed in our filings with the Securities and Exchange Commission.

These forward-looking statements speak only as of the date of this release and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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