FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 29549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1999

or

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ----------------------to------------------

Commission File Number 1-3229

NORTHROP GRUMMAN CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	No. 95-1055798
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1840 Century Park East, Los Angeles, California 90067
(address of principal executive offices)

(310) 553-6262

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock outstanding as of July 26, 1999 69,429,095 shares

Northrop Grumman Corporation and Subsidiaries

Part I. Financial Information
Item 1. Financial Statements
CONSOLIDATED CONDENSED STATEMENTS
OF FINANCIAL POSITION

Dollars in millions	June 30, 1999	December 31, 1998
Assets:		
Cash and cash equivalents	$ 87	$ 44
Accounts receivable, net of progress payments of $1,829 in 1999 and $1,388 in 1998	1,505	1,507
Inventoried costs, net of progress payments of $592 in 1999 and $521 in 1998	1,336	1,373
Deferred income taxes	23	24
Prepaid expenses	88	85
Total current assets	3,039	3,033

Property, plant and equipment	3,044	3,058
Accumulated depreciation	(1,802)	(1,784)
	1,242	1,274
Goodwill, net of accumulated amortization of $387 in 1999 and $338 in 1998	3,454	3,381
Other purchased intangibles, net of accumulated amortization of $340 in 1999 and $295 in 1998	750	795
Prepaid pension cost, intangible pension asset and benefit trust fund	989	787
Deferred income taxes	99	166
Assets available for sale	30	37
Investments in and advances to affiliates and sundry assets	54	63
	5,376	5,229
	$ 9,657	$ 9,536

Dollars in millions	June 30, 1999	December 31, 1998
Liabilities and Shareholders' Equity:		
Notes payable to banks	$	$ 69
Current portion of long-term debt	200	200
Trade accounts payable	440	416
Accrued employees' compensation	357	337
Advances on contracts	294	354
Income taxes payable including deferred income taxes of $572 in 1999 and $527 in 1998	578	527
Other current liabilities	492	464
Total current liabilities	2,361	2,367
Long-term debt	2,500	2,562
Accrued retiree benefits	1,723	1,704
Other long-term liabilities	42	53
Paid-in capital		
Preferred stock, 10,000,000 shares authorized; none issued		
Common stock, 200,000,000 shares authorized; issued and outstanding: 1999 - 69,410,539; 1998 - 68,836,810	1,024	989
Retained earnings	2,038	1,892
Accumulated other comprehensive loss	(31)	(31)
	3,031	2,850
	$9,657	$9,536

The accompanying notes are an integral part of these consolidated financial statements.

Northrop Grumman Corporation and Subsidiaries

CONSOLIDATED CONDENSED STATEMENTS
OF OPERATIONS

Dollars in millions, except per share	Three months ended June 30, 1999	Three months ended June 30, 1998	Six months ended June 30, 1999	Six months ended June 30, 1998
Net sales	$2,274	$2,139	$4,367	$4,153
Cost of sales				
Operating costs	1,777	1,631	3,386	3,167
Administrative and general expenses	259	300	527	571
Operating margin	238	208	454	415
Merger costs		(6)		(186)
Interest expense	(54)	(59)	(109)	(114)
Other, net	(4)	4	(1)	13
Income before income taxes and cumulative effect of accounting change	180	147	344	128
Federal and foreign income taxes	67	54	127	47
Income before cumulative effect of accounting change	113	93	217	81
Cumulative effect of change in accounting for start-up costs, net of income tax benefit of $11			(16)	
Net income	$ 113	$ 93	$ 201	$ 81
Weighted average shares outstanding, in millions	68.6	68.6	68.7	68.2
Basic earnings per share:				
Before cumulative effect of accounting change	$ 1.65	$ 1.36	$ 3.16	$ 1.19
Accounting change			(.24)	
Basic earnings per share	$ 1.65	$ 1.36	$ 2.92	$ 1.19
Diluted earnings per share:				
Before cumulative effect of accounting change	$ 1.64	$ 1.34	$ 3.13	$ 1.17
Accounting change			(.24)	
Diluted earnings per share	$ 1.64	$ 1.34	$ 2.89	$ 1.17
Dividends per share	$ .40	$ .40	$ .80	$ .80

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED CONDENSED STATEMENTS
OF CHANGES IN SHAREHOLDERS' EQUITY

Dollars in millions	Six months ended June 30, 1999	1998
Paid-in Capital		
At beginning of year	$ 989	$ 838
Stock issued in purchase of affiliate	30	
Employee stock awards and options exercised	5	121
	1,024	959
Retained Earnings		
At beginning of year	1,892	1,807
Net income	201	81
Cash dividends	(55)	(54)
	2,038	1,834
Accumulated Other Comprehensive Loss	(31)	(22)
Total shareholders' equity	$3,031	$2,771

The accompanying notes are an integral part of these consolidated financial statements.

Northrop Grumman Corporation and Subsidiaries

CONSOLIDATED CONDENSED STATEMENTS
OF CASH FLOWS

Dollars in millions	Six months ended June 30, 1999	1998
Operating Activities		
Sources of Cash		
Cash received from customers		
Progress payments	$ 947	$ 861
Other collections	3,475	3,354
Income tax refunds received	23	8
Interest received	1	1
Other cash receipts	5	4
Cash provided by operating activities	4,451	4,228
Uses of Cash		
Cash paid to suppliers and employees	3,900	4,092
Interest paid	106	106
Income taxes paid	59	29
Other cash disbursements	8	29
Cash used in operating activities	4,073	4,256
Net cash provided by (used in) operating activities	378	(28)
Investing Activities		
Additions to property, plant and equipment	(72)	(86)
Payment for businesses purchased, net of cash acquired	(97)	
Proceeds from sale of property, plant and equipment	16	13
Other investing activities		(1)
Net cash used in investing activities	(153)	(74)
Financing Activities		
Borrowings under lines of credit	23	251
Repayment of borrowings under lines of credit	(53)	
Principal payments of long-term debt	(100)	(150)
Proceeds from issuance of stock	3	32
Dividends paid	(55)	(54)
Net cash provided by (used in) financing activities	(182)	79
Increase(decrease) in cash and cash equivalents	43	(23)
Cash and cash equivalents balance at beginning of period	44	63
Cash and cash equivalents balance at end of period	$ 87	$ 40

Dollars in millions	Six months ended June 30, 1999	1998
Reconciliation of Net Income to Net Cash Provided by(Used in) Operating Activities		
Net income	$ 201	$ 81
Adjustments to reconcile net income to net cash provided(used)		
Depreciation	98	95
Amortization of intangible assets	95	92
Common stock issued to employees		88
Loss on disposals of property, plant and equipment	1	4
Retiree benefits income	(114)	(97)
Decrease(increase) in		
Accounts receivable	(82)	(261)
Inventoried costs	(57)	(354)
Prepaid expenses	12	(16)
Increase(decrease) in		
Progress payments	206	310
Accounts payable and accruals	(27)	42
Provisions for contract losses	11	24
Deferred income taxes	112	16
Income taxes payable	6	32
Retiree benefits	(91)	(88)
Other transactions	7	4
Net cash provided by (used in) operating activities	$ 378	$ (28)
Noncash Investing Activities:		
Purchase of businesses		
Assets acquired	$ 156	
Cash paid	(97)	
Stock issued	(30)	
Liabilities assumed	$ 29	

The accompanying notes are an integral part of these consolidated financial statements.

Northrop Grumman Corporation and Subsidiaries

SELECTED INDUSTRY SEGMENT INFORMATION

Dollars in millions	Three months ended June 30, 1999	1998	Six months ended June 30, 1999	1998
Net Sales				
Integrated Systems & Aerostructures	$ 1,293	$ 1,210	$ 2,466	$ 2,415
Electronic Sensors & Systems	659	695	1,274	1,314
Information Technology (Logicon)	365	288	718	523
Intersegment sales	(43)	(54)	(91)	(99)
	$ 2,274	$ 2,139	$ 4,367	$ 4,153
Operating Margin				
Integrated Systems & Aerostructures	$ 91	$ 84	$ 173	$ 169
Electronic Sensors & Systems	54	56	99	114
Information Technology (Logicon)	21	21	40	35
Total	166	161	312	318
Other items included in operating margin:				
Corporate expenses	(8)	(14)	(16)	(22)
Deferred state tax provision	(4)	(7)	(9)	(14)
Pension income	84	68	167	133
Operating margin	$ 238	$ 208	$ 454	$ 415
Contract Acquisitions				
Integrated Systems & Aerostructures	$ 782	$ 1,013	$ 2,211	$ 1,977
Electronic Sensors & Systems	954	453	1,529	939
Information Technology (Logicon)	317	260	726	510
Intersegment acquisitions	(24)	(60)	(53)	(81)
	$ 2,029	$ 1,666	$ 4,413	$ 3,345
Funded Order Backlog				
Integrated Systems & Aerostructures			$ 6,678	$ 7,692
Electronic Sensors & Systems			3,374	3,153
Information Technology (Logicon)			574	434
Intersegment backlog			(131)	(225)
			$10,495	$11,054

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared by management in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission. They do not include all information and notes necessary for a complete presentation of financial position, results of operations, changes in shareholders' equity, and cash flows in conformity with generally accepted accounting principles. They do, however, in the opinion of management, include all adjustments necessary for a fair statement of the results for the periods presented. The financial statements should be read in conjunction with the Notes and Independent Auditors' Report contained in the company's 1998 annual report on Form 10-K report.

New Accounting Standards

In January 1999, the company adopted Statement of Position (SOP) 98-5 - Reporting on the Costs of Start-up Activities, which requires that certain costs, that previously had been deferred, be expensed and reported as a cumulative effect of a change in accounting principle, and all such future costs be expensed as incurred.

In the first quarter of 1999, the company recorded a $16 million after-tax charge, or $.24 per share, as the cumulative effect of a change in accounting principle.

Earnings per Share

Basic earnings per share are calculated using the weighted average number of shares of common stock outstanding during each period, after giving recognition to stock splits and stock dividends. Diluted earnings per share reflect the dilutive effect of stock options and other stock awards granted to employees under stock-based compensation plans.

Basic and diluted earnings per share are calculated as follows:

Three months ended June 30,	Net Income (millions)	Shares (millions)	Earnings per Share
1999			
Basic EPS before accounting change	$ 113	68.6	$ 1.65
Dilutive effect of stock options and awards		.5	
Diluted EPS before accounting change	$ 113	69.1	$ 1.64
1998			
Basic EPS before accounting change	$ 93	68.6	$ 1.36
Dilutive effect of stock options and awards		1.0	
Diluted EPS before accounting change	$ 93	69.6	$ 1.34
Six months ended June 30,			
1999			
Basic EPS before accounting change	$ 217	68.7	$ 3.16
Dilutive effect of stock options and awards		.7	
Diluted EPS before accounting change	$ 217	69.4	$ 3.13
1998			
Basic EPS before accounting change	$ 81	68.2	$ 1.19
Dilutive effect of stock options and awards		1.3	
Diluted EPS before accounting change	$ 81	69.5	$ 1.17

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND THE RESULTS OF ITS OPERATIONS

Sales were 6 percent higher in the second quarter and 5 percent higher in the first half of 1999 versus the same periods, respectively, of 1998, reflecting increases in both the Integrated Systems and Aerostructures (ISA) and Information Technology (Logicon) segments and a decrease in the Electronic Sensors and Systems (ESS) segment.

ISA sales in the second quarter increased 7 percent over the second quarter of 1998, primarily due to increased F/A-18E/F sales, as this program transitions from development to production. Sales on the EA-6B program, which is reported in the Airborne Early Warning and Electronics Warfare (AEW/EW) business area, increased in both the second quarter and first half of 1999 versus comparable periods of 1998. The Aerostructures sales increase for the first six months of 1999 over the same period a year ago was due to higher C-17 sales.

ESS sales for the second quarter and first six months of 1999 declined as compared to the same periods last year due to lower volume on combat electronic systems programs and surveillance sensors programs, which are included in the Aerospace Electronic Systems business area.

Logicon sales were 27 percent higher in the second quarter and 37 percent higher in the first half of 1999 versus the same periods, respectively, of 1998. The Joint Base Operations Support Contract (J-BOSC), which was won in the third quarter of 1998, accounted for most of the increase in the Technology Services business area. The increase for the first six months of 1999 in the Government Information Technology business area is attributable to Inter-National Research Institute Inc. (INRI), which was acquired in the third quarter of 1998, as well as increased orders on the Integrated Computer Aided Software Engineering (I-CASE) contract, on which Logicon is a value-added reseller of hardware and software.

Sales by business area and units delivered were:

$ in millions	Three months ended June 30, 1999	1998	Six months ended June 30, 1999	1998
Integrated Systems & Aerostructures				
Air Combat Systems (ACS)	$ 544	$ 509	$ 995	$1,049
Aerostructures	367	365	758	707
Airborne Early Warning and Electronic Warfare (AEW/EW)	218	176	410	332
Airborne Ground Surveillance and Battle Management (AGS/BM)	188	189	349	374
Intrasegment Eliminations	(24)	(29)	(46)	(47)
	1,293	1,210	2,466	2,415
Electronic Sensors & Systems				
Aerospace Electronic Systems	257	312	511	599
Command, Control, Communications, Intelligence and Naval Systems (C3I&N)	218	202	432	379
Defensive Electronic Systems	124	131	235	250
Other	60	50	96	86
	659	695	1,274	1,314
Information Technology (Logicon)				
Government Information Technology	248	218	489	391
Technology Services	85	40	168	74
Commercial Information Technology	32	30	61	58
	365	288	718	523
Intersegment eliminations	(43)	(54)	(91)	(99)
Total sales	$2,274	$2,139	$4,367	$4,153
Units				
B-2	1	1	2	2
F/A-18 C/D	7	8	16	17
F/A-18 E/F	3	0	3	0
747	8	13	20	26
C-17	4	0	6	2

In the ISA segment, the amount and rate of operating margin earned on sales increased in the second quarter and first six months of 1999 as compared with the same periods of 1998. The 1999 second quarter results reflect upward cumulative margin rate adjustments of $36 million on the B-2 contract and $11 million on the F/A-18E/F. These improvements were more than offset by downward cumulative margin rate adjustments on several Boeing aerostructures contracts totaling $40 million and lower overall margin rates on Boeing aerostructures work. Last year's second quarter results included downward cumulative margin rate adjustments totaling $25 million on the E-8 Joint STARS and E-2C programs.

In the second quarter of 1999, the company resolved its claims with Boeing regarding recovery of out-of-scope work and related delay and disruption costs associated with the Accurate Fuselage Assembly (AFA) program, which is now substantially complete. The settlement had no material effect on the company's financial results.

Since the beginning of the Joint STARS program, the company (and prior to 1994, the Grumman Corporation) has incurred over $100 million of costs in excess of revenues in the performance of the development and production phases of the program. In 1998, the company submitted Requests for Equitable Adjustment (REAs) to the U. S. Air Force seeking adjustment to production contracts for cost increases incurred during the refurbishment and conversion of used Boeing 707 aircraft to Joint STARS platforms. The company and the U. S. Air Force executed an Alternate Dispute Resolution Agreement(ADR) to attempt to resolve these REAs and, in April 1999, the company filed these REAs as certified claims. If the ADR process is unsuccessful, the company will pursue its claims pursuant to the Contracts Disputes Act. The company cannot predict the outcome of this claim process or the effect of the ultimate resolution on the company's results of operations, financial position, and cash flows.

The amount and rate of operating margin earned on sales decreased in the ESS segment in the second quarter and first six months of 1999 as compared with the same periods of 1998. The decrease reflects lower margins in the Defensive Electronic Systems business area, due in part to additional costs incurred in transitioning a development program to production.

Logicon reported a lower rate of operating margin earned on sales in both the second quarter and first half of 1999 as compared with the same periods of 1998, principally as a result of lower rates on new business and higher administrative costs.

The company has merged three of its retirement plans into one, to include the former Northrop Grumman Pension Plan, the Electronic Sensors and Systems Sector Employees Pension Plan (non-represented), and the Commercial Aircraft Employees Pension Plan (salaried). The pension plan merger will not result in any changes to any participant's existing pension benefits, nor will it alter individual plan designs.

The retirement plan merger, effective in July 1999, has no impact on the company's financial results for the first six months of this year. The plan merger is expected to result in a reduction to net income of approximately $20 million, or $.27 per share, and improved cash flow after taxes of approximately $25 million in the last six months of 1999. The merged plan has assets in excess of $2.5 billion over projected benefit obligations and the company does not anticipate the need for contributions to the plan in the foreseeable future.

Last year's first half results included a $186 million pretax charge ($1.73 per share after tax) for costs associated with the company's terminated merger with Lockheed Martin Corporation

Interest expense was $54 million for the second quarter 1999 and $109 million for the first half of 1999, down from the $59 million and $114 million, respectively, reported in the same periods last year. The decreases resulted principally from a lower average level of borrowings in the first half of 1999 compared with the first half of 1998.

The company's effective federal income tax rate was 37 percent for the first six months of 1999, unchanged from the same period in 1998.

Effective January 1, 1999, the company adopted the new accounting standard, SOP 98-5 - Reporting on the Costs of Start-Up Activities, which requires that certain costs that previously had been deferred be expensed and reported as a cumulative effect of a change in accounting principle. The company reported a $16 million after-tax charge, or $.24 per share, to write off the previously deferred start-up costs. All such costs incurred after January 1, 1999, are being expensed as incurred and are expected to be approximately $8 million, before tax, for all of 1999.

During the first half of 1999, $378 million of cash was generated by operations versus the $28 million that was used by operations in the first half of 1998. The increase reflects increased sales and improved cash collections in 1999. Last year's use of cash by operating activities was driven by merger related expenses as well as an increase in working capital for Boeing jetliners in support of increased production levels. Cash generated from operating activities for the remainder of 1999 is expected to be more than sufficient to finance capital expenditures and dividends and make required debt service payments. The company's liquidity and financial flexibility will continue to be provided by cash flow generated by operating activities, supplemented by the unused borrowing capacity available under the company's credit agreement and other short-term credit facilities.

Year 2000 Issues

The company continues to implement its program to address the Year 2000 issue. The program, which began in 1996, consists of the following four phases: assessing, planning, remediating, and testing-validating. The project encompasses the entire company and all aspects of Year 2000 compliance including software applications, mainframe environment, desktop equipment, networks, telecommunications, department supported systems, facilities systems, and embedded systems in product deliverables.

All four phases were substantially completed by the end of 1998. The company has surveyed all major suppliers to determine their state of readiness, reviewed major customers' Year 2000 status, reviewed contracts for any potential Year 2000 liabilities, and developed contingency plans and year end support plans where appropriate. Activities scheduled to be completed in the remainder of 1999 are largely comprised of low risk equipment upgrades, and various upgrades that suppliers have only recently made available. Additional focus has been placed on contingency plans, year-end plans, and follow-up assessments for critical suppliers and major customers.

Contingency plans have been developed to address potential computer failures that either 1) are of greatest risk for potential failure or 2) might impact mission critical systems. Assessment of Year 2000 progress is a critical input to the development of contingency plans. Follow-up assessments are being conducted for all critical suppliers and major customers. Year 2000 readiness letters were sent to all critical suppliers during the second quarter of 1999. All critical suppliers will be tracked until they are deemed Year 2000 ready or appropriate alternate sourcing strategies are in place. Major customers are also being reevaluated to assess their state of Year 2000 readiness. All business areas have reviewed their critical processes and systems and have completed Business Impact Assessments to identify potential risks, mitigation strategies, and critical resources. These are reflected in Year 2000 contingency plans that have been developed for each Northrop Grumman sector. Year-end support plans and site staffing requirements have been developed and are being refined.

The company has a formal planning, measurement and reporting process for the Year 2000 project. This process includes regular progress briefings to senior management and to the audit committee of the Board of Directors.

The company separately identifies the costs of Year 2000 remedial efforts only for internal information services personnel, principally as a planning and control tool. The total costs of these efforts incurred during the years 1996 through 1999 are expected to be approximately $42 million, of which approximately $39 million was expended through June 30, 1999. Year 2000 costs are allowable costs under applicable government contracting regulations. Accordingly, the portion of Year 2000 costs allocable to contracts is being so charged as part of normal overhead pursuant to approved methods established for this purpose. Based on information available to date, management does not anticipate that future expenditures for required modifications and conversions will have a material adverse effect on the company's financial position, results of operations, or cash flows.

Northrop Grumman cannot predict the eventual outcome associated with the innumerable possible situations that could result from whatever computer failures might occur, internally or among its customers and suppliers, and the impact that such failures might have on Northrop Grumman's ability to perform its day to day operations. If required modifications and conversions are not made as planned, serious adverse impact to the operations of the company could result. In addition, Year 2000 problems could adversely affect the ability of customers and critical suppliers to meet their contractual commitments to the company. Some of these developments, should they occur, could have a material adverse impact on the financial position, results of operations, or cash flows of Northrop Grumman.

Forward-Looking Information

There are statements in this quarterly report on Form 10-Q, and, not by way of limitation, in Management's Discussion and Analysis, that we believe are "forward-looking" statements and information within the meaning of Private Securities Litigation Reform Act of 1995 that involve risk and uncertainties, including statements and assumptions that reflect the company's views with respect to future revenues, program performance and cash flows, the outcome of contingencies including litigation and environmental remediation, and anticipated costs of capital investments and planned dispositions. The company's operations are necessarily subject to various risks and uncertainties; actual outcomes are dependent upon many factors, including, without limitation, the company's successful performance of internal plans; government customers' budgetary restraints; customer changes in short-range and long-range plans; domestic and international competition in both the defense and commercial areas; product performance; the ability of the company, its customers and suppliers to become Year 2000 compliant; continued development and acceptance of new products; performance issues with key suppliers and subcontractors; government import and export policies; termination of government contracts; the outcome of political and legal processes; legal, financial, and governmental risks related to international transactions and global needs for military and commercial aircraft and electronic systems and support as well as other economic, political and technological risks and uncertainties, including risks detailed in the company's filings with the Securities and Exchange Commission, including, not by way of limitation, any Form 10-K, Form 10-Q and proxy statements, among others.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

The company has fixed-rate long-term debt obligations, most of which are not callable until maturity. The company also has financial instruments that are subject to interest rate risk, principally variable-rate short-term debt outstanding under the Credit Agreement. The company may enter into interest rate swap agreements to offset the variable-rate characteristics of these loans. At June 30, 1999, no interest rate swap agreements were in effect.

Only a small portion of the company's transactions are contracted in foreign currencies. The company does not consider the market risk exposure relating to foreign currency exchange to be material.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

General

The company, as a government contractor, is from time to time subject to U.S. Government investigations relating to its operations. Government contractors that are found to have violated the False Claims Act, or are indicted or convicted for violations of other Federal laws, or are considered not to be responsible contractors may be suspended or debarred from government contracting for some period of time. Such convictions could also result in fines. Given the company's dependence on government contracting, suspension or debarment could have a material adverse effect on the company. The company is involved in certain other legal proceedings arising in the ordinary course of business, none of which the company's management believes will have a material adverse effect on the company's financial condition.

Walsh, et al. v. Northrop Grumman Corporation

In November 1994, a class action complaint was filed against Northrop Grumman Corporation, Grumman Corporation and four named individuals in the U.S. District Court of the Eastern District of New York, Case No. CV94-5105 (Platt C.J.).

On March 25, 1999, the District Court entered an order approving a settlement and dismissing the class action case with prejudice. On July 6, 1999, after time to appeal the District Court's order had lapsed with no appeal having been filed, Northrop Grumman Corporation paid six million dollars to the settlement administrator for distribution to the class members. This matter is now closed.

Item 2. Changes in Securities and Use of Proceeds

(c) Sale of Unregistered Securities.

On June 29, 1999 the Company issued 457,926 shares of Common Stock, par value $1 per share, to six individuals and/or trusts in exchange for all outstanding shares of Data Procurement Corporation, Inc., a Maryland corporation ("DPC"). DPC is engaged in providing information technology services to U.S. Federal agencies. The transaction was in the form of a statutory merger of a transitory acquisition subsidiary into DPC. In connection with the issuance, the Company claimed exemption from registration under Section 4(2) of the Act. The shares were issued to the six employee-owners and/or their related trusts pursuant to investor undertakings restricting distribution in violation of the Securities Act of 1933. The recipients obtained registration rights in the transaction. The shares bear restrictive legends. The recipients have the right to request that the Company file a registration statement under the Act with respect to resale of such securities. The transaction also involved a cash payment by the Company to or for the benefit of the individuals and/or trusts and aggregate value of the consideration received was commensurate with the value of the shares and cash exchanged.

Item 4. Submission of Matters to a Vote of Security Holders

(a) Annual Meeting --

The annual meeting of stockholders of Northrop Grumman Corporation was held on May 19, 1999.

(b) Election of Directors --

The following Class II Director nominees were elected at the annual meeting:

Phillip Frost
Robert A. Lutz
John E. Robson
John Brooks Slaughter

The Directors whose terms of office continue are:

Jack R. Borsting
John T. Chain, Jr.
Jack Edwards
Kent Kresa
Aulana L. Peters
Richard M. Rosenberg
Richard J. Stegemeier

(c) The matters voted upon at the meeting and the results of each vote are as follows:

For Directors:	Votes For	Votes Withheld
Phillip Frost	54,814,475	3,911,721
Robert A. Lutz	54,786,048	3,940,148
John E. Robson	54,794,420	3,931,776
John Brooks Slaughter	54,790,406	3,935,790

	Votes For	Votes Against	Shares Abstaining	Broker Non-Votes
Ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors	57,961,484	459,399	305,313	
Proposal to approve Incentive Compensation Plan of Northrop Grumman Corporation, as amended and restated	55,592,083	2,608,876	524,337	900
Shareholder Proposal regarding military contracts	2,433,402	48,747,467	2,388,600	5,156,727
Shareholder Proposal regarding super majority vote	33,314,214	19,596,676	666,529	5,148,777
Shareholder Proposal regarding classified board	26,105,267	26,869,880	602,270	5,148,779
Shareholder Proposal regarding				

Shareholder Rights Plan	34,232,862	18,609,933	644,625	5,238,776

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended June 30, 1999.

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 thereunto duly authorized.

Northrop Grumman Corporation (Registrant)

Date: July 30, 1999 by/s/N. F. Gibbs
N. F. Gibbs.
Corporate Vice President and Controller

Date: July 30, 1999 by/s/J. H. Mullan
John H. Mullan
Corporate Vice President and Secretary

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6-MOS
DEC-31-1999
JUN-30-1999
87
0
1,622
117
1,336
3,039
3,044
(1,802)
9,657
2,361
2,700
0
0
1,024
2,007
9,657
4,367
4,367
3,913
3,913
1
0
109
344
127
217
0
0
(16)
201
2.92
2.89