As filed with the Securities and Exchange Commission on April 19, 1996

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

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

DELAWARE	3721	95-1055798
State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1840 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
(310) 553-6262

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

JAMES C. JOHNSON, CORPORATE VICE PRESIDENT AND SECRETARY
NORTHROP GRUMMAN CORPORATION
1840 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
(310) 553-6262
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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copies to:

John D. Hussey, Esq.
Sheppard, Mullin, Richter & Hampton LLP
333 South Hope Street, 48th Floor
Los Angeles, California 90071-1448
(213) 620-1780

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC:
AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT

If the securities registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
7% NOTES DUE 2006	$400,000,000	100%		
7 3/4% DEBENTURES DUE 2016	$300,000,000	100%	$1,000,000,000	$344,827
7 7/8% DEBENTURES DUE 2026	$300,000,000	100%		

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

CROSS-REFERENCE SHEET

LOCATION IN PROSPECTUS
OF INFORMATION REQUIRED BY
ITEMS IN FORM S-4

Item No.	Caption	Location In Prospectus
Item 1	Forepart of the Registration Statement and Outside Front Cover Page of Prospectus	Facing Page of Registration Statement; Cross-Reference Sheet; Outside Front and Inside Front Cover Page of Prospectus
Item 2	Inside Front and Outside Back Cover Pages of Prospectus.	Inside Front and Outside Back Cover Pages of Prospectus
Item 3	Risk Factors, Ratio of Earnings to Fixed Charges, and Other Information.	Summary; The Company
Item 4	Terms of the Transaction	The Exchange Offer; Description of New Securities; Certain Federal Tax Considerations
Item 5	Pro Forma Financial Information.	Summary Historical and Pro Forma Financial Data; Unaudited Pro Forma Condensed Combined Financial Data
Item 6	Material Contacts With the Company Being Acquired.	Not Applicable
Item 7	Additional Information Required for Reoffering by Persons and Parties Deemed to be Underwriters.	Plan of Distribution
Item 8	Interests of Named Experts and Counsel	Not Applicable
Item 9	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	Not Applicable
Item 10	Information with Respect to S-3 Registrants.	Incorporation of Certain Documents by Reference; Summary; Capitalization; Selected Consolidated Financial Data; Unaudited Pro Forma Condensed Combined Financial Data; The Company; Description of New Securities; Description of Other Senior Debt
Item 11	Incorporation of Certain Information by Reference.	Incorporation of Certain Documents by Reference
Item 12	Information With Respect to S-2 or S-3 Registrants	Not Applicable
Item 13	Incorporation of Certain Information by Reference.	Not Applicable
Item 14	Information With Respect to Registrants Other than S-3 or S-2 Registrants.	Not Applicable
Item 15	Information With Respect to S-3 Companies.	Not Applicable
Item 16	Information With Respect to S-2 or S-3 Companies	Not Applicable
Item 17	Information With Respect to Companies Other than S-2 or S-3 Companies.	Not Applicable
Item 18	Information if Proxies, Consents or Authorizations Are to be Solicited	Not Applicable
Item 19	Information if Proxies, Consents or Authorizations are Not to be Solicited, or in an Exchange Offer	Incorporation of Certain Documents by Reference; Summary; The Exchange Offer; Description of New Securities; Certain Federal Tax Considerations

Subject to Completion, Dated April __, 1996

NORTHROP GRUMMAN CORPORATION

Offer to Exchange All Outstanding

7% Notes Due 2006
($400,000,000 principal amount outstanding)
For 7% Notes Due 2006

7 3/4% Debentures Due 2016
($300,000,000 principal amount outstanding)
For 7 3/4% Debentures Due 2016

7 7/8% Debentures Due 2026
($300,000,000 principal amount outstanding)
For 7 7/8% Debentures Due 2026

The Exchange Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on _____, 1996, unless extended.

Northrop Grumman Corporation (the "Company") hereby offers (the "Exchange Offer"), upon the terms and subject to the conditions set forth in this Prospectus and the accompanying letter of transmittal (the "Letter of Transmittal"), to exchange $1,000 in principal amount of its (i) 7% Notes Due 2006 (the "New Notes") for each $1,000 in principal amount of its outstanding 7% Notes Due 2006 (the "Old Notes"), (ii) 7 3/4% Debentures Due 2016 (the "New 2016 Debentures") for each $1,000 in principal amount of its outstanding 7 3/4% Debentures Due 2016 (the "Old 2016 Debentures"), and (iii) 7 7/8% Debentures Due 2026 (the "New 2026 Debentures") for each $1,000 in principal amount of its outstanding 7 7/8% Debentures Due 2026 (the "Old 2026 Debentures") (the Old Notes, the Old 2016 Debentures and the Old 2026 Debentures are collectively referred to herein as the "Old Securities"; the New Notes, the New 2016 Debentures and the New 2026 Debentures are collectively referred to herein as the "New Securities"; and the Old Securities and the New Securities are collectively referred to herein as the "Securities"). An aggregate principal amount of $400,000,000 of Old Notes is outstanding, an aggregate principal amount of $300,000,000 of Old 2016 Debentures is outstanding, and an aggregate principal amount of $300,000,000 of Old 2026 Debentures is outstanding. See "The Exchange Offer." For purposes of the Exchange Offer, "Eligible Holder" shall mean the registered owner of any Old Security as reflected on the records of The Chase Manhattan Bank (National Association), as registrar of the Old Securities (in such capacity, the "Registrar"), or any person whose Old Security is held of record by the depository of the Old Securities.

The Company will accept for exchange any and all Old Securities that are validly tendered prior to 5:00 p.m., New York City time, on _____, 1996 (as such date may be extended, the "Expiration Date"). Tenders of Old Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. The Exchange Offer is not conditioned upon any minimum principal amount of the Old Securities being tendered for exchange. However, the Exchange Offer is subject to certain customary conditions, which may be waived by the Company, and to the terms and provisions of the Registration Rights Agreement dated as of March 1, 1996 (the "Registration Rights Agreement") among the Company, CS First Boston Corporation, J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc (collectively, the "Initial Purchasers"). The Old Securities may be tendered only in multiples of $1,000. See "The Exchange Offer."

(continued on following page)

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OF ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is _____, 1996

The Old Securities were issued in a transaction (the "Debt Offering") pursuant to which the Company issued an aggregate of $1,000,000,000 principal amount of the Old Securities to the Initial Purchasers on March 1, 1996 (the "Closing Date") pursuant to a Purchase Agreement dated February 27, 1996 (the "Purchase Agreement") among the Company and the Initial Purchasers. The Initial Purchasers subsequently resold the Old Securities in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The Company and the Initial Purchasers also entered into the Registration Rights Agreement pursuant to which the Company granted certain registration rights for the benefit of the holders of the Old Securities. The Exchange Offer is intended to satisfy certain of the Company's obligations under the Registration Rights Agreement with respect to the Old Securities. See "The Exchange Offer -- Purpose and Effect."

The Old Securities were issued under the Indenture, dated as of October 15, 1994 (the "Indenture"), among the Company and The Chase Manhattan Bank (National Association), as trustee (in such capacity, the "Trustee"). The New Securities will be issued under the Indenture. The New Notes, the New 2016 Debentures and the New 2026 Debentures shall constitute the same series of Securities (as defined in the Indenture) as the Old Notes, the Old 2016 Debentures and the Old 2026 Debentures, respectively, under the Indenture and, accordingly, will vote together, respectively, as a single class for purposes of determining whether holders of the requisite percentage in outstanding principal amount thereof have taken certain actions or exercised certain rights under the Indenture. The form and terms of the New Securities will be identical in all material respects to the form and terms of the Old Securities, except that (i) the New Securities have been registered under the Securities Act and, therefore, will not bear legends restricting the transfer thereof, (ii) holders of New Securities will not be entitled to Additional Interest (as defined) otherwise payable under the terms of the Registration Rights Agreement in respect of Old Securities held by such holders during any period in which a Registration Default (as defined) is continuing and (iii) holders of New Securities will not be, and upon the consummation of the Exchange Offer, Eligible Holders of Old Securities will no longer be, entitled to certain rights under the Registration Rights Agreement intended for the holders of unregistered securities. The Exchange Offer shall be deemed consummated upon the delivery by the Company to the Registrar under the Indenture of New Securities in the same aggregate principal amount as the aggregate principal amount of Old Securities of the corresponding series that are validly tendered by holders thereof pursuant to the Exchange Offer. See "The Exchange Offer -- Termination of Certain Rights" and "-- Book-Entry Procedures for Tendering Old Securities" and "Description of New Securities."

The New Securities will bear interest from March 1, 1996. Eligible Holders of Old Securities whose Old Securities are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the Old Securities accrued from March 1, 1996 to the date of the issuance of the New Securities. Interest on the New Securities is payable semiannually on March 1 and September 1 of each year, commencing September 1, 1996 (each, an "Interest Payment Date"), accruing from March 1, 1996 (i) with respect to the New Notes, at a rate of 7% per annum, (ii) with respect to the New 2016 Debentures, at a rate of 7 3/4% per annum, and (iii) with respect to the New 2026 Debentures, at a rate of 7 7/8% per annum, to each person in whose name such New Security shall have been registered at the close of business on the February 15 or August 15 (each, a "Regular Record Date") next preceding such Interest Payment Date. The New Notes will mature on March 1, 2006, the New 2016 Debentures will mature on March 1, 2016 and the New 2026 Debentures will mature on March 1, 2026. See "Description of New Securities."

The New Securities will be unsecured and unsubordinated obligations of the Company and will rank equally and ratably with all other unsecured and unsubordinated indebtedness of the Company. The New Securities will not be redeemable.

Based on interpretations by the staff of the Securities and Exchange Commission (the "Commission") set forth in no-action letters issued to third parties, the Company believes that New Securities issued pursuant to the Exchange Offer to an Eligible Holder in exchange for Old Securities of the corresponding series may be offered for resale, resold and otherwise transferred by such Eligible Holder (other than a broker-dealer who purchased Old Securities directly from the Company for resale pursuant to Rule 144A under the Securities Act or any other available exemption under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the Eligible Holder is not an affiliate of the Company, is acquiring the New Securities in the ordinary course of business and is not participating, and has no arrangement or understanding with any person to participate, in the distribution of the New Securities. Eligible Holders wishing to accept the Exchange Offer must represent to the Company, as required by the Registration Rights Agreement, that such conditions have been met. Each broker-dealer that receives New Securities for its own account pursuant to the Exchange Offer must acknowledge that it

will deliver a prospectus in connection with any resale of such New Securities. "The Exchange Offer-Resales of the New Securities." This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Securities received in exchange for Old Securities where such Old Securities were acquired by such broker-dealer as a result of market-making or other trading activities.

As of March 1, 1996, Cede & Co. ("Cede"), as nominee for The Depository Trust Company, New York, New York ("DTC"), was the sole registered holder of the Old Securities. The Company believes that none of DTC's participants is an affiliate (as such term is defined in Rule 405 of the Securities Act) of the Company. There has previously been only a limited secondary market, and no public market, for the Old Securities. In addition, the Initial Purchasers have advised the Company that they currently intend to make a market in the New Securities; however, the Initial Purchasers are not obligated to do so and any market making activities may be discontinued by any of the Initial Purchasers at any time. Therefore, there can be no assurance that an active market for the New Securities will develop. If such a trading market develops for the New Securities, future trading prices will depend on many factors, including, among other things, prevailing interest rates, the Company's results of operations and the market for similar securities. Depending on such factors, the New Securities may trade at a discount from their face value.

The Old Securities were issued originally in global form (the "Global Old Securities"). The Global Old Securities were deposited with, or on behalf of, DTC, as the initial depository with respect to the Old Securities (in such capacity, the "Depository"). The Global Old Securities are registered in the name of Cede, as nominee of DTC, and beneficial interests in the Global Old Securities are shown on, and transfers thereof are effected only through, records maintained by the Depository and its participants. The use of the Global Old Securities to represent certain of the Old Securities permits the Depository's participants, and anyone holding a beneficial interest in an Old Security registered in the name of such participant, to transfer interests in the Old Securities electronically in accordance with the Depository's established procedures without the need to transfer a physical certificate. The New Securities will also be issued initially as notes in global form (the "Global New Securities," and together with the Global Old Securities, the "Global Securities") and deposited with, or on behalf of, the Depository. After the initial issuance of the Global New Securities, New Securities in certificated form will be issued in exchange for a holder's proportionate interest in the Global New Securities only as set forth in the Indenture.

The Company will not receive any proceeds from this Exchange Offer. Pursuant to the Registration Rights Agreement, the Company will bear certain registration expenses.

THE EXCHANGE OFFER IS NOT BEING MADE TO, NOR WILL THE COMPANY ACCEPT SURRENDERS FOR EXCHANGE FROM, HOLDERS OF OLD SECURITIES IN ANY JURISDICTION IN WHICH THE EXCHANGE OFFER OR THE ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE SECURITIES OR BLUE SKY LAWS OF SUCH JURISDICTION.

THIS PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. THESE DOCUMENTS ARE AVAILABLE WITHOUT CHARGE UPON WRITTEN OR ORAL REQUEST FROM JAMES C. JOHNSON, CORPORATE VICE PRESIDENT AND SECRETARY. IN ORDER TO ENSURE TIMELY DELIVERY OF SUCH DOCUMENTS, ANY REQUEST SHOULD BE MADE BY [5 DAYS PRIOR TO EXPIRATION DATE], 1996.

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FORWARD LOOKING STATEMENTS

THE FORWARD LOOKING STATEMENTS CONTAINED IN THIS PROSPECTUS, CONCERNING, AMONG OTHER THINGS, FUTURE RESULTS OF OPERATIONS, DELIVERIES, TRENDS, CASH FLOWS, MARKETS AND PROGRAMS ARE PROJECTIONS AND ARE NECESSARILY SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES. ACTUAL OUTCOMES ARE DEPENDENT UPON 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, CONTINUED DEVELOPMENT AND ACCEPTANCE OF NEW PRODUCTS, PERFORMANCE ISSUES WITH KEY SUPPLIERS AND SUBCONTRACTORS, GOVERNMENT IMPORT AND EXPORT POLICIES, TERMINATION OF GOVERNMENT CONTRACTS, POLITICAL 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.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company hereby incorporates by reference into this Prospectus the following documents or information filed with the Commission:

(a) An Annual Report on Form 10-K for the year ended December 31, 1995;

(b) A Current Report on Form 8-K dated March 18, 1996; and

(c) All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended (the "Exchange Act") on or after the date of this Prospectus and prior to the termination of the offering made hereby.

Any statement contained herein or in any documents incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a subsequent statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

AVAILABLE INFORMATION

The Company has filed a registration statement on Form S-4 (together with any amendments thereto, the "Registration Statement") with the Commission under the Securities Act with respect to the New Securities. This Prospectus, which constitutes a part of the Registration Statement, omits certain information contained in the Registration Statement and reference is made to the Registration Statement and the exhibits and schedules thereto for further information with respect to the Company and the New Securities offered hereby. This Prospectus contains summaries of the material terms and provisions of certain documents and in each instance reference is made to the copy of such document filed as an exhibit to the Registration Statement. Each such summary is qualified in its entirety by such reference.

The Company is subject to the reporting requirements of the Exchange Act, and in accordance therewith is required to file reports and other information with the Commission.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the transactions to which this

Prospectus relates shall be deemed to be incorporated by reference herein and to be a part hereof from the date of the filing of such reports and documents. See "Incorporation of Certain Documents by Reference." The Company will provide a copy of any and all of such documents (exclusive of exhibits unless such exhibits are specifically incorporated by reference therein) without charge to each person to whom a copy of this Prospectus is delivered, upon written or oral request to James C. Johnson, Corporate Vice President and Secretary, Northrop Grumman Corporation, 1840 Century Park East, Los Angeles, California 90067, (310) 553-6262.

The Registration Statement (including the exhibits and schedules thereto) and the periodic reports and other information filed by the Company with the Commission may be inspected without charge at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the regional offices of the Commission located at 7 World Trade Center, 13th Floor, New York, New York 10048, and Northwest Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such materials may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and its public reference facilities in New York, New York and Chicago, Illinois, at prescribed rates. The Common Stock of the Company is traded under the symbol "NOC" on the New York Stock Exchange. Proxy statements, reports and other information filed by the Company with the Commission and other information can be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005; and the Pacific Stock Exchange, Inc., 233 South Beaudry Avenue, Los Angeles, California 90012, and 301 Pine Street, San Francisco, California 94104.

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial data (including financial statements, pro forma financial data and the notes thereto) included elsewhere in this Prospectus or incorporated herein by reference.

THE COMPANY

Northrop Grumman Corporation (the "Company") is an advanced technology aerospace and defense company operating primarily in two business segments: electronics and systems integration and military and commercial aircraft. Within the electronics and systems integration segment, the Company is engaged in the design, development and manufacture of a wide variety of complex electronic products such as airborne radar, surveillance and battle management systems, electronic countermeasures, precision weapons, antisubmarine warfare systems and air traffic control systems. Within the military and commercial aircraft segment, the Company is engaged in the design, development, manufacture and modification of military aircraft and commercial aerostructures. The Company is also engaged in the design, development, and manufacture of information systems, marine propulsion and power generation systems and a variety of other products and services. Approximately three-fourths of the Company's revenues in 1996 are expected to be generated from the U.S. Department of Defense (the "DOD"), with the balance provided by contracts with commercial aerospace manufacturers, other U.S. government agencies and various foreign customers.

The Company has a balance of programs in both the production and development phases. While production programs generally involve less risk and generate greater cash flow than development programs, development programs are essential for future growth opportunities. Based on its backlog and business mix, the Company believes that its cash flow from operations as compared to its investment requirements will result in significant cash flow available for debt reduction, dividends and other uses over the next several years.

Many of the Company's programs are among the principal programs for the various branches of the U.S. military. The Company is the prime contractor on the B-2 Stealth Bomber, the only strategic bomber currently in production; the principal subcontractor on the F/A-18C/D Hornet, the U.S. Navy's primary strike/attack aircraft, as well as on the next generation F/A-18E/F Super Hornet; the prime contractor on the E-2C Hawkeye, the U.S. Navy's principal early warning, command and control aircraft; the prime contractor for the E-8 Joint STARS aircraft radar system, which will be the primary airborne ground surveillance and battle management system for the U.S. Air Force and Army; the prime contractor on the BAT "Brilliant" self-guided submunition under development for the U.S. Army; the supplier of the APG-68 Fire Control Radar used on the F-16, one of the most widely used fighter aircraft in the world; the supplier of the ARSR-4 Long Range Radar, a three-dimensional air traffic control radar system used by the U.S. Air Force and the U.S. Federal Aviation Administration; and the supplier of the AN/APY-1, 2 surveillance radar which provides real-time, all-altitude and beyond-the-horizon target detection, identification and tracking for the E-3 AWACS surveillance aircraft.

The Company is also one of the world's leading manufacturers of commercial aerostructures and components. The Company manufactures major portions of the Boeing 747, 757 and 767 jetliners as well as significant subassemblies and components for other commercial aircraft, including the Boeing 777 jetliner.

STRATEGY

The Company intends to strengthen its position as a leader in the aerospace and defense industry by pursuing the following strategies: (i) focusing on segments of defense markets that are growing and where the Company has premier technological capabilities, particularly in electronics and electronics systems integration; and (ii) leveraging its airframe design expertise and manufacturing strengths to remain a key competitor in military aircraft and commercial aerostructures. The Company has been pursuing these strategies since 1992 through both internal initiatives and acquisitions and, as a result, enjoys leading positions

in those market segments in which it chooses to compete. The Company's primary objective in pursuit of these strategies is to maximize total return on investment.

The Company is transforming itself from primarily an aircraft designer/manufacturer to an electronics and systems integration company with a leading airframe and aerostructures business. In early 1994, the Company significantly expanded its electronics business with the acquisition of Grumman Corporation ("Grumman"), a leading electronic systems integration company. In March of 1996, the Company acquired the Electronics Systems Group of Westinghouse Electric Corporation ("ESG"). ESG is a leading producer of sophisticated electronics for defense, government and commercial applications. As a result of these acquisitions, the Company expects that its electronics and systems integration revenues will approximate 50% of total revenues in 1996 and that this percentage will continue to increase in the future.

This strategic transformation positions the Company to meet the growing needs of the DOD for more sophisticated electronics and integrated electronics systems. Since the end of the Cold War, the DOD has recognized the necessity of maintaining an effective fighting force with fewer defense dollars, thereby placing a premium on sophisticated systems that provide long-range surveillance, battle management and precision-strike capabilities. As military systems have become more complex, integration of the electronic functions of the various platforms, weapons and support systems has become increasingly important. Budget constraints have also encouraged spending on program modifications, upgrades and extensions rather than on new development programs, further increasing demand for sophisticated electronics systems. As a technological leader in designing, manufacturing and integrating the sophisticated electronics systems that provide long-range surveillance, battle management and precision-strike capabilities, the Company believes that it is well positioned to serve the electronic systems market.

The Company has also strengthened its military and commercial aircraft segment. In 1992, the Company acquired 49% of Vought Aircraft Company ("Vought"), a leading manufacturer of commercial and military aerostructures, and in 1994 acquired the remaining 51% of Vought and the military aircraft business of Grumman. These acquisitions and the Company's internal initiatives have enabled the Company to establish a leading position in military aircraft and commercial aerostructures. The Company believes that it will maintain this leadership position as a result of its airframe design experience, including stealth technology, as well as its cost-competitive manufacturing capabilities.

ACQUISITION OF ESG

On March 1, 1996, the Company completed the acquisition of ESG for approximately $3 billion in cash (the "Acquisition"). For the year ended December 31, 1995, ESG generated revenue of $2.6 billion. The Acquisition was financed with a combination of bank borrowings and intermediate and long-term notes and debentures. The business of ESG is now operated as the Company's new Electronic Sensors and Systems Division ("ESSD").

ESSD is a leading supplier of electronic systems for defense, government and commercial applications. It employs nearly 12,000 people worldwide at 15 operating locations, primarily in the United States. ESSD has a diversified portfolio of programs with no single program accounting for more than 10% of revenues in 1995. Approximately one-half of ESSD's 1995 revenues were attributable to radar technology applied to surveillance, fire control, air traffic control and other purposes. ESSD also designs and manufactures other avionics products, electro-optical systems, undersea and marine products and material handling systems.

The Acquisition represents a substantial step in the Company's continuing transformation from an aircraft designer/manufacturer to a defense electronics and systems integration company with a leading aircraft and aerostructures business. The Acquisition enables the Company to serve a larger customer base, domestically and internationally, and is expected to provide the opportunity to achieve revenue growth and greater cash flow stability. The Acquisition will also enable the Company to enhance its role on important programs such as E-8 Joint STARS and BAT, and to expand its business into the areas of air traffic control and anti-submarine warfare systems.

PROPOSED COMMON STOCK OFFERING

On April 12, 1996, the Company filed with the Commission a registration statement on Form S-3 relating to the proposed offering of 7,000,000 shares of Common Stock of the Company (the "Common Stock Offering"). As of the date hereof, the Common Stock Offering is pending.

ISSUANCE OF THE OLD SECURITIES

The outstanding $400,000,000 principal amount of 7% Notes Due 2006 (the "Old Notes"), $300,000,000 principal amount of 7 3/4% Debentures Due 2016 (the "Old 2016 Debentures"), and $300,000,000 principal amount of 7 7/8% Debentures Due 2026 (the "Old 2026 Debentures" and together with the Old Notes and Old 2016 Debentures, the "Old Securities") were sold by the Company to CS First Boston Corporation, J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc (the "Initial Purchasers"), on March 1, 1996 (the "Closing Date") pursuant to a Purchase Agreement, dated February 27, 1996 (the "Purchase Agreement"), among the Company and the Initial Purchasers. The Initial Purchasers subsequently resold the Securities in reliance on Rule 144A under the Securities Act and other available exemptions under the Securities Act (the "Debt Offering"). The Company and the Initial Purchasers also entered into the Registration Rights Agreement, dated as of March 1, 1996 (the "Registration Rights Agreement"), pursuant to which the Company granted certain registration rights for the benefit of the holders of the Old Securities. The Exchange Offer is intended to satisfy certain of the Company's obligations under the Registration Rights Agreement with respect to the Old Securities. See "-- The Exchange Offer" and "The Exchange Offer--Purpose and Effect."

THE EXCHANGE OFFER

The Exchange Offer	The Company is offering, upon the terms and subject to the conditions set forth herein and in the accompanying letter of transmittal (the "Letter of Transmittal"), to exchange (the "Exchange Offer") $1,000 principal amount of (i) New Notes for each $1,000 in principal amount of Old Notes, (ii) New 2016 Debentures for each $1,000 in principal amount of Old 2016 Debentures, and (iii) New 2026 Debentures for each $1,000 in principal amount of Old 2026 Debentures. As of the date of this Prospectus, $1,000,000,000 in aggregate principal amount of the Old Securities is outstanding. Cede is the sole registered holder of the Old Securities. The New Notes, the New 2016 Debentures and the New 2026 Debentures shall constitute the same series of Securities (as defined in the Indenture) as the Old Notes, the Old 2016 Debentures and the Old 2026 Debentures, respectively. See "The Exchange Offer -- Terms of the Exchange Offer" and "Description of New Securities -- General".
Expiration Date.	5:00 p.m., New York City time, on _____, 1996, as the same may be extended. See "The Exchange Offer -- Expiration Date; Extensions; Amendments."
Conditions of the Exchange Offer	The Exchange Offer is not conditioned upon any minimum principal amount of Old Securities being tendered for exchange. However, the Exchange Offer is subject to certain customary conditions, including (i) no legal or governmental action is

	pending or threatened with respect to the Exchange Offer which, in the judgment of the Company, would make it inadvisable to proceed with the Exchange Offer, (ii) no statute, rule or regulation with respect to the Exchange Offer has been enacted which, in the judgment of the Company, would make it inadvisable to proceed with the Exchange Offer, (iii) no banking moratorium or similar event or international calamity involving the United States has occurred, and (iv) no governmental approval deemed necessary by the Company to the Exchange Offer has been denied. The Company expects that the foregoing conditions will be satisfied. All such conditions may be waived by the Company. See "The Exchange Offer -- Conditions of the Exchange Offer."
Termination of Certain Rights	Pursuant to the Registration Rights Agreement, Eligible Holders of Old Securities (i) have rights to receive Additional Interest during any period in which a Registration Default is continuing and (ii) have certain rights intended for the holders of unregistered securities. "Additional Interest" means, during the period in which a Registration Default is continuing pursuant to the terms of the Registration Rights Agreement, an increase in the annual percentage rate which the Old Securities bear equal to 0.50%. Holders of New Securities generally will not be and, upon consummation of the Exchange Offer, Eligible Holders of Old Securities will no longer be, entitled to (i) the right to receive Additional Interest or (ii) certain other rights under the Registration Rights Agreement intended for holders of unregistered securities. See "The Exchange Offer -- Termination of Certain Rights" and "Book-Entry Procedures for Tendering Old Securities."
Accrued Interest	The New Notes will bear interest at a rate equal to 7% per annum from March 1, 1996, the New 2016 Debentures will bear interest at a rate equal to 7 3/4% per annum from March 1, 1996, and the New 2026 Debentures will bear interest at a rate equal to 7 7/8% per annum from March 1, 1996. Eligible Holders whose Old Securities are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the Old Securities accrued from March 1, 1996 to the date of issuance of the New Securities.
Book-Entry Procedures for Tendering Old Securities	Each Eligible Holder of Old Securities wishing to accept the Exchange Offer must comply with the book-entry transfer procedures as provided for herein for effecting a tender of Old Securities and complete, sign and date the Letter of Transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein, and mail or otherwise deliver such Letter of Transmittal, or such facsimile, together with any other required documentation, to The Chase Manhattan Bank (National Association), as Exchange Agent, at the address set forth herein and therein. See "The Exchange Offer -- Book-Entry Procedures for Tendering Old Securities."

	By executing the Letter of Transmittal, each Eligible Holder will represent to the Company that, among other things, (i) the New Securities to be acquired in connection with the Exchange Offer by the Eligible Holder of the Old Securities are being acquired by the Eligible Holder in the ordinary course of business of the Eligible Holder, (ii) the Eligible Holder is not participating, does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of the New Securities, and (iii) the Eligible Holder is not an "affiliate", as defined under Rule 405 of the Securities Act, of the Company except as otherwise disclosed to the Company in writing. See "The Exchange Offer -- Book-Entry Procedures for Tendering Old Securities."
Special Procedures for Beneficial Owners.	Any beneficial owner whose Old Securities are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender such Old Securities in the Exchange Offer should contact such registered holder promptly and instruct such registered holder to tender on such beneficial owner's behalf. If such beneficial owner wishes to tender on such owner's own behalf, such owner must, prior to completing and executing the Letter of Transmittal and delivering his Old Securities, either make appropriate arrangements to register ownership of the Old Securities in such owner's name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the Expiration Date.
Guaranteed Delivery Procedures	Eligible Holders of Old Securities who cannot deliver a Letter of Transmittal or any documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date (or complete the procedure for book-entry transfer on a timely basis), may undertake the foregoing according to the guaranteed delivery procedures set forth in the Letter of Transmittal. See "The Exchange Offer -- Guaranteed Delivery Procedures."
Acceptance of Old Securities and Delivery of New Securities.	Upon satisfaction or waiver of all conditions of the Exchange Offer, the Company will accept any and all Old Securities that are properly tendered in the Exchange Offer prior to 5:00 p.m., New York City time, on the Expiration Date. The New Securities issued pursuant to the Exchange Offer will be delivered promptly after acceptance of the Old Securities of the corresponding series. See "The Exchange Offer -- Acceptance of Old Securities for Exchange; Delivery of New Securities."
Withdrawal Rights.	Tenders of Old Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. See "The Exchange Offer -- Withdrawal Rights."

The Exchange Agent	The Chase Manhattan Bank (National Association) is the exchange agent (in such capacity, the "Exchange Agent"). The address and telephone number of the Exchange Agent are set forth in "The Exchange Offer -- The Exchange Agent; Assistance."
Fees and Expenses.	All expenses incident to the Company's consummation of the Exchange Offer and compliance with the Registration Rights Agreement will be borne by the Company. See "The Exchange Offer -- Fees and Expenses."
Resale of the New Securities	Based on interpretations by the staff of the Commission set forth in no-action letters issued to third parties, the Company believes that New Securities issued pursuant to the Exchange Offer to an Eligible Holder in exchange for Old Securities of the corresponding series may be offered for resale, resold and otherwise transferred by such Eligible Holder (other than (i) a broker-dealer who purchased the Old Securities directly from the Company for resale pursuant to Rule 144A under the Securities Act or any other available exemption under the Securities Act, or (ii) a person that is an affiliate of the Company within the meaning of Rule 405 under the Securities Act), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the Eligible Holder is acquiring the New Securities in the ordinary course of business and is not participating, and has no arrangement or understanding with any person to participate, in a distribution of the New Securities. Each broker-dealer that receives New Securities for its own account in exchange for Old Securities, where such Old Securities were acquired by such broker-dealer as a result of market making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. See "The Exchange Offer -- Resale of the New Securities" and "Plan of Distribution."
Certain Federal Tax Considerations	The exchange pursuant to the Exchange Offer will generally not be a taxable event for federal income tax purposes. See "Certain Federal Tax Considerations."
Use of Proceeds.	There will be no cash proceeds payable to the Company from the issuance of the New Securities pursuant to the Exchange Offer. The net proceeds to the Company from the sale of the Old Securities were approximately $982.8 million. Such proceeds were used to pay a portion of the cash purchase price for the Acquisition.
Rights of Dissenting Holders of Old Securities	Holders of Old Securities do not have any appraisal or dissenters' rights under the Delaware General Corporation Law in connection with the Exchange Offer.

Federal and State Regulatory Requirements	Other than compliance with state securities or "blue sky" laws, there are no federal or state regulatory requirements that must be met prior to consummation of the Exchange Offer.
Certain Consequences of Failure to Exchange Old Securities	Upon consummation of the Exchange Offer, holders of Old Securities which remain outstanding will not be entitled to any rights to have such Old Securities registered under the Securities Act or to any similar rights under the Registration Rights Agreement (subject to certain limited exceptions). The Company currently does not intend to register under the Securities Act any Old Securities which remain outstanding after consummation of the Exchange Offer (subject to such limited exceptions, if applicable). The New Notes, the New 2016 Debentures and the New 2026 Debentures shall constitute the same series of securities as the Old Notes, the Old 2016 Debentures and the Old 2026 Debentures, respectively, under the Indenture and, accordingly, will vote together, respectively, as a single class for purposes of determining whether holders of the requisite percentage in outstanding principal amount thereof have taken certain actions or exercised certain rights under the Indenture. See "Description of the New Securities -- General." The Registration Rights Agreement provides, among other things, that if the Exchange Offer is not consummated within 30 business days after a registration statement with respect to the Exchange Offer is first declared effective by the Commission, the interest rate borne by the Old Securities will increase by 0.50% per annum until the Exchange Offer is consummated. See "The Exchange Offer -- Termination of Certain Rights". Following consummation of the Exchange Offer, the Old Securities will not be entitled to any increase in the interest rate thereon. The New Securities will not be entitled to any such increase in the interest rate thereon.

DESCRIPTION OF NEW SECURITIES

The form and terms of each series of the New Securities will be identical in all material respects to the form and terms of the Old Securities of the corresponding series, except that (i) the New Securities have been registered under the Securities Act and, therefore, will not bear legends restricting the transfer thereof, (ii) holders of the New Securities will not be entitled to Additional Interest and (iii) holders of the New Securities will not be, and upon consummation of the Exchange Offer, Eligible Holders of the Old Securities will no longer be, entitled to certain rights under the Registration Rights Agreement intended for the holders of unregistered securities, except in limited circumstances. See "Exchange Offer -- Termination of Certain Rights." The Exchange Offer shall be deemed consummated upon the occurrence of the delivery by the Company to the Registrar under the Indenture of the New Securities in the same aggregate principal amount as the aggregate principal amount of Old Securities of the corresponding series that are tendered by holders thereof pursuant to the Exchange Offer. See "The Exchange Offer -- Termination of Certain Rights" and "Procedures for Tendering Old Securities," and "Description of New Securities."

Maturity	New Notes - March 1, 2006 New 2016 Debentures - March 1, 2016 New 2026 Debentures - March 1, 2026
Interest	7% Notes Due 2006 - 7% per annum 7 3/4% Debentures Due 2016 - 7 3/4% per annum 7 7/8% Debentures Due 2026 - 7 7/8% per annum Interest on the New Securities is payable semi-annually in arrears, calculated on the basis of a 360-day year consisting of twelve 30-day months
Interest Payment Dates	March 1 and September 1, commencing on September 1, 1996.
Redemption	The New Securities are not redeemable.
Ranking.	The New Securities will be unsecured and unsubordinated obligations of the Company and will rank equally and ratably with all other unsecured and unsubordinated indebtedness of the Company.
Certain Covenants.	The Indenture under which the New Securities will be issued will contain certain covenants with respect to the Company and its subsidiaries, including, among other things, limitations on liens, sale and leaseback arrangements and debt of the Company's subsidiaries.
Absence of a Public Market for the New Securities	The New Securities are new issues of securities with no established market. Accordingly, there can be no assurance as to the development or liquidity of any market for the New Securities. The Initial Purchasers have advised the Company that they currently intend to make a market in the New Securities. However, none of the Initial Purchasers is obligated to do so, and any market making with respect to the New Securities may be discontinued at any time without notice. The Company does not intend to apply for listing of the New Securities on a securities exchange.

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The following summary historical financial data insofar as it relates to the five years ended December 31, 1995, have been derived from and are qualified by reference to the audited consolidated financial statements and notes thereto filed by the Company with the Commission which are incorporated herein by reference and should be read in conjunction with "Selected Consolidated Financial Data" included or incorporated by reference herein. The summary pro forma data for December 31, 1995 and the year then ended have been derived from the "Unaudited Pro Forma Condensed Combined Financial Data" included herein which are based upon the historical consolidated financial statements of the Company and the historical combined financial statements of ESG which are also incorporated herein by reference, adjusted to give effect to the Acquisition using the purchase method of accounting. The pro forma Operating Data gives effect to the Acquisition as if it had occurred as of January 1, 1995. The pro forma Balance Sheet Data information gives effect to the Acquisition as if it had occurred on December 31, 1995. See also "Available Information," "Incorporation of Certain Documents by Reference" and "Unaudited Pro Forma Condensed Combined Financial Data."

	PRO FORMA	FOR FISCAL YEAR ENDED DECEMBER 31,				
	1995	1995	1994	1993	1992	1991
		($ IN MILLIONS, EXCEPT PER SHARE DATA)				
Operating Data:						
Net sales	$9,158	$6,818	$6,711	$5,063	$5,550	$5,694
Cost of Sales						
Operating costs	7,230	5,319	5,477	4,385	4,877	4,817
Administrative and general expenses	1,283	963	753	485	455	531
Special termination benefits			282			
Restructuring charges	51					
Operating margin	594	536	199	193	218	346
Other, net	(5)	9	(31)	13	5	
Interest expense, net	(346)	(136)	(103)	(36)	(43)	(69)
Income before income taxes and cumulative effect of accounting principle changes	243	409	65	170	180	277
Federal and foreign income taxes	107	157	30	74	59	9
Income before accounting principle changes	136	252	35	96	121	268
Cumulative effect of accounting principle changes						(67)
Net income	$ 136	$ 252	$ 35	$ 96	$ 121	$ 201
Earnings per share before cumulative effect of accounting principle changes	$2.75	$5.11	$.72	$1.99	$2.56	$5.69
Cumulative effect of accounting principle changes, per share						(1.43)
Earnings per share	$ 2.75	$ 5.11	$ .72	$ 1.99	$ 2.56	$ 4.26
Balance Sheet Data:						
Total assets	$9,646	$5,455	$6,047	$2,939	$3,162	$3,128
Net working capital	321	357	467	481	354	611
Total debt	4,344	1,372	1,934	160	510	550
Shareholders' equity	1,459	1,459	1,290	1,322	1,254	1,182
Other Data:						
Capital expenditures	$188	$133	$134	$135	$123	$118
Depreciation and amortization	471	283	269	214	160	171
Funded order backlog	13,433	9,947	12,173	6,919	7,175	8,561
Ratio of Earnings to Fixed Charges	1.6	3.5	1.5	4.2	3.8	3.8
Dividends per share	$1.60	$1.60	$1.60	$1.60	$1.20	$1.20
Weighted average shares outstanding (in millions)	49.4	49.4	49.2	48.1	47.2	47.1

THE EXCHANGE OFFER

PURPOSE AND EFFECT

The Old Securities were sold by the Company to the Initial Purchasers on March 1, 1996, pursuant to the Purchase Agreement. The Initial Purchasers subsequently resold the Old Securities in reliance on Rule 144A and other available exemptions under the Securities Act. The Company and the Initial Purchasers also entered into the Registration Rights Agreement, pursuant to which the Company agreed, with respect to the Old Securities and subject to the Company's determination that the Exchange Offer is permitted under applicable law, to (i) cause to be filed, on or prior to May 15, 1996, a registration statement with the Commission under the Securities Act concerning the Exchange Offer, and (ii) use all reasonable efforts (a) to cause such registration statement to be declared effective by the Commission as soon as practicable and (b) to cause the Exchange Offer to remain open for a period of not less than the minimum period required under applicable federal and state securities laws, but in no event less than 20 Business Days (as defined). This Exchange Offer is intended to satisfy the Company's exchange offer obligations under the Registration Rights Agreement.

TERMS OF THE EXCHANGE OFFER

The Company hereby offers, upon the terms and subject to the conditions set forth herein and in the accompanying Letter of Transmittal, to exchange $1,000 in principal amount of (i) New Notes for each $1,000 in principal amount of Old Notes, (ii) New 2016 Debentures for each $1,000 in principal amount of Old 2016 Debentures, and (iii) New 2026 Debentures for each $1,000 in principal amount of Old 2026 Debentures. The Company will accept for exchange any and all Old Securities that are validly tendered on or prior to 5:00 p.m. New York City time, on the Expiration Date. The Exchange Offer is not conditioned upon any minimum principal amount of Old Securities being tendered for exchange. However, the Exchange Offer is subject to certain customary conditions which may be waived by the Company, and to the terms and provisions of the Registration Rights Agreement. See "-- Conditions of the Exchange Offer."

Old Securities may be tendered only in multiples of $1,000. Subject to the foregoing, Eligible Holders may tender less than the aggregate principal amount represented by the Old Securities held by them, provided that they appropriately indicate this fact pursuant to the procedures for book-entry transfer.

As of the date of this Prospectus, $1,000,000,000 in aggregate principal amount of the Old Securities is outstanding. Cede is the sole registered holder of the Old Securities. The Company has fixed the close of business on _____, 1996, as the record date (the "Record Date") for purposes of determining the persons to whom this Prospectus and the Letter of Transmittal will be mailed initially. Only an Eligible Holder of the Old Securities (or such Eligible Holder's legal representative or attorney-in-fact) may participate in the Exchange Offer. There will be no fixed record date for determining Eligible Holders of the Old Securities entitled to participate in the Exchange Offer. The Company believes that, as of the date of this Prospectus, no such Eligible Holder is an affiliate (as defined in Rule 405 under the Securities Act) of the Company.

The Company shall be deemed to have accepted validly tendered Old Securities when, as and if the Company has given oral or written notice thereof to the Exchange Agent. The Exchange Agent will act as agent for the tendering Eligible Holders of Old Securities and for the purposes of receiving the New Securities from the Company.

EXPIRATION DATE; EXTENSIONS; AMENDMENTS

The Expiration Date shall be _____, 1996 at 5:00 p.m., New York City time, unless the Company, in its sole discretion, extends the Exchange Offer, in which case the Expiration Date shall be the latest date and time to which the Exchange Offer is extended.

In order to extend the Exchange Offer, the Company will notify the Exchange Agent of any extension by oral or written notice and will make a public announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

The Company reserves the right, in its sole discretion, (i) to delay accepting any Old Securities, (ii) to extend the Exchange Offer, (iii) if any of the conditions set forth below under "Conditions of the Exchange Offer" shall not have been satisfied, to terminate the Exchange Offer, by giving oral or written notice of such delay, extension, or termination to the Exchange Agent, and (iv) to amend the terms of the Exchange Offer in any manner. If the Exchange Offer is amended in a manner determined by the Company to constitute a material change, the Company will promptly disclose such amendments by means of a prospectus supplement that will be distributed to the registered holders of the Old Securities.

CONDITIONS OF THE EXCHANGE OFFER

The Exchange Offer is not conditioned upon any minimum principal amount of the Old Securities being tendered for exchange. However, notwithstanding any other provisions of the Exchange Offer, the Company shall not be required to accept for exchange, or to issue the New Securities in exchange for, any Old Securities, if any of the following events shall occur, which occurrence, in the sole judgment of the Company and regardless of the circumstances (including any action by the Company) giving rise to any such events, makes it inadvisable to proceed with the Exchange Offer:

(i) there shall be threatened, instituted or pending any action or proceeding before, or any injunction, order or decree shall have been issued by, any court or governmental agency or other governmental regulatory or administrative agency or commission (a) seeking to restrain or prohibit the making or consummation of the Exchange Offer or any other transaction contemplated by the Exchange Offer, or assessing or seeking any damages as a result thereof or (b) resulting in a material delay in the ability of the Company to accept for exchange or exchange some or all of the Old Securities pursuant to the Exchange Offer or which, in the judgment of the Company, might result in the holders of the New Securities having obligations with respect to resales and transfers of New Securities that are greater than those described in "-- Resales of the New Securities" or which would otherwise in the judgment of the Company make it inadvisable to proceed with the Exchange Offer; provided, however, that the Company will use reasonable efforts to modify or amend the Exchange Offer or to take such other reasonable steps in order to effectuate the Exchange Offer;

(ii) any statute, rule, regulation, order or injunction shall be sought, proposed, introduced, enacted, promulgated or deemed applicable to the Exchange Offer or any of the transactions contemplated by the Exchange Offer by any domestic or foreign government or governmental authority, or any action shall have been taken, proposed or threatened by any domestic or foregoing government or governmental authority that, in the judgment of the Company, might directly or indirectly result in any of the consequences referred to in clauses (i)(a) or (i)(b) above or which, in the judgment of the Company, might result in the holders of the New Securities having obligations with respect to resales and transfers of New Securities that are greater than those described in "-- Resales of the New Securities" or which would otherwise in the judgment of the Company make it inadvisable to proceed with the Exchange Offer, provided, however, that the Company will use reasonable efforts to modify or amend the Exchange Offer or to take such other reasonable steps in order to effectuate the Exchange Offer;

(iii) there shall have occurred (a) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation by any governmental agency or authority which adversely affects the extension of credit or (b) a commencement of wars, armed hostilities or other similar international calamity directly or indirectly involving the United States, or, in the event any of the foregoing exist at the time of the commencement of the Exchange Offer, a material acceleration or worsening thereof; or

(iv) any governmental approval has not been obtained, which approval the Company shall, in its sole discretion, deem necessary for the consummation of the Exchange Offer as contemplated hereby.

If the Company determines in its sole discretion that any of the conditions set forth above are not satisfied, the Company may (i) refuse to accept any Old Securities theretofore or thereafter tendered by the tendering holders, (ii) extend the Exchange Offer and retain all Old Securities tendered prior to the Expiration Date, subject however, to the rights of Eligible Holders to withdraw such Old Securities as described in "--Withdrawal Rights", or (iii) waive such unsatisfied conditions with respect to the Exchange

Offer and accept all validly tendered Old Securities which have not been withdrawn. If such waiver constitutes a material change to the Exchange Offer, the Company will promptly disclose such waiver by means of a public announcement and a prospectus supplement that will be distributed to the registered holders.

The Company expects that the foregoing conditions will be satisfied. The foregoing conditions are for the sole benefit of the Company and may be waived by the Company in whole or in part at any time and from time to time in its sole discretion. The failure by the Company at any time to exercise any of the foregoing rights shall not be deemed a waiver of such rights and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by the Company concerning the events described above will be final and binding upon all parties.

TERMINATION OF CERTAIN RIGHTS

The Registration Rights Agreement provides that in the event of Registration Default (as defined below), Eligible Holders of Old Securities are entitled to receive Additional Interest (as defined below). A "Registration Default" with respect to the Exchange Offer shall occur if (i) a registration statement with respect to the Exchange Offer has not been filed with the Commission by May 15, 1996 or any shelf registration statement required by the Registration Rights Agreement is not filed with the Commission on or prior to the date specified in the Registration Rights Agreement, (ii) a registration statement with respect to the Exchange Offer is not declared effective by the Commission by July 1, 1996 or any shelf registration statement required by the Registration Rights Agreement is not declared effective by the Commission on or prior to the date specified in the Registration Rights Agreement, (iii) the Company has not consummated the Exchange Offer within 30 Business Days after the registration statement with respect thereto is first declared effective by the Commission, or (iv) a shelf registration statement or registration statement with respect to the Exchange Offer, as specified in the Registration Rights Agreement, is declared effective but thereafter ceases to be effective or usable for its intended purpose during the periods specified in the Registration Rights Agreement without being succeeded immediately by a post-effective amendment to such registration statement that cures such failure and that is itself declared effective immediately. "Additional Interest" means an increase in the annual percentage rate which the Old Securities bear equal to 0.50%. The Exchange Offer shall be deemed consummated upon the delivery by the Company to the Registrar under the Indenture of New Securities in the same aggregate principal amount as the aggregate principal amount of Old Securities of the corresponding series that are validly tendered by holders thereof pursuant to the Exchange Offer.

ACCRUED INTEREST ON THE OLD SECURITIES

The New Securities will bear interest from March 1, 1996. Eligible Holders of Old Securities whose Old Securities are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the Old Securities accrued from March 1, 1996 to the date of the issuance of the New Securities. Interest on the New Securities is payable semiannually on each Interest Payment Date, commencing September 1, 1996, accruing from March 1, 1996 (i) with respect to the New Notes, at a rate of 7% per annum, (ii) with respect to the New 2016 Debentures, at a rate of 7 3/4% per annum, and (iii) with respect to the New 2026 Debentures, at a rate of 7 7/8% per annum, to each person in whose name such New Security shall have been registered at the close of business on the each Regular Record Date next preceding such Interest Payment Date.

BOOK-ENTRY PROCEDURES FOR TENDERING OLD SECURITIES

The tender of an Eligible Holder's Old Securities as set forth below and the acceptance thereof by the Company will constitute a binding agreement between the tendering Eligible Holder and the Company upon the terms and subject to the conditions set forth in this Prospectus and in the accompanying Letter of Transmittal. The Exchange Agent will establish an account with respect to the Old Securities at The Depository Trust Company ("Book-Entry Transfer Facility") for purposes of the Exchange Offer within two business days after the date of this Prospectus. Any financial institution that is a participant in the Book-Entry Transfer Facility's system may make book-entry delivery of the Old Securities by causing such facility to transfer Old Securities into the Exchange Agent's account in accordance with such facility's procedure for such transfer. Even though delivery of Old Securities may be effected through book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with any required signature guarantees, or an Agent's Message (as defined below) in connection with a book-entry transfer, and other documents required by the Letter of Transmittal, must, in any case, be transmitted to and received by the Exchange Agent at the address set forth on the back cover of this Prospectus before the Expiration Date, or the guaranteed delivery

procedure set forth below must be followed. Delivery of the Letter of Transmittal and any other required documents to the Book-Entry Transfer Facility does not constitute delivery to the Exchange Agent. The term "Agent's Message" means a message transmitted by the Book-Entry Transfer Facility to, and received by, the Exchange Agent and forming a part of a book-entry confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Old Securities that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against such participant.

THE METHOD OF DELIVERY OF OLD SECURITIES, LETTERS OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS IS AT THE ELECTION AND RISK OF THE ELIGIBLE HOLDER. IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED, BE USED. INSTEAD OF DELIVERY BY MAIL, IT IS RECOMMENDED THAT THE ELIGIBLE HOLDER USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE TIMELY DELIVERY.

In the event that a signature on a Letter of Transmittal or a notice of withdrawal, as the case may be, is required to be guaranteed, such guarantee must be by a firm which is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or otherwise be an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act (collectively, "Eligible Institutions").

If any Letter of Transmittal, endorsement, bond power, power of attorney or any other document required by the Letter of Transmittal is signed by a trustee, executor, corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and unless waived by the Company, proper evidence satisfactory to the Company, in its sole discretion, of such person's authority to so act must be submitted.

Any beneficial owner of the Old Securities (a "Beneficial Owner") whose Old Securities are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Old Securities in the Exchange Offer should contact such registered holder promptly and instruct such registered holder to tender on such Beneficial Owner's behalf. If such Beneficial Owner wishes to tender directly, such Beneficial Owner must, prior to completing and executing the Letter of Transmittal and tendering Old Securities, make appropriate arrangements to register ownership of the Old Securities in such Beneficial Owner's name. Beneficial Owners should be aware that the transfer of registered ownership may take considerable time.

In connection with each book-entry transfer, each participant will represent to the Company that, among other things (i) the New Securities to be acquired in connection with the Exchange Offer by such participant are being acquired by such participant in the ordinary course of business of such participant (ii) such participant is not participating, does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of the New Securities, (iii) such participant acknowledges and agrees that any person participating in the Exchange Offer for the purpose of distributing the New Securities must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction of the New Securities acquired by such person and cannot rely on the position of the staff of the Commission set forth in no-action letters that are discussed herein under "-- Resales of New Securities," (iv) that if such participant is a broker-dealer that acquired Old Securities as a result of market making or other trading activities, it will deliver a prospectus in connection with any resale of New Securities acquired in the Exchange Offer, (v) such participant understands that a secondary resale transaction described in clause (iii) above should be covered by an effective registration statement containing the selling security holder information required by Item 507 of Regulation S-K of the Commission, and (vi) such participant is not an "affiliate", as defined under Rule 405 of the Securities Act, of the Company except as otherwise disclosed to the Company in writing.

GUARANTEED DELIVERY PROCEDURES

Eligible Holders who cannot deliver Letters of Transmittal or any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date (or complete the procedure for book-entry transfer on a timely basis), may undertake the foregoing according to the guaranteed delivery

procedures set forth in the Letter of Transmittal. Pursuant to such procedures: (i) such delivery must be made by or through an Eligible Institution and a Notice of Guaranteed Delivery (as defined in the Letter of Transmittal) must be signed by such Eligible Holder, (ii) on or prior to the Expiration Date, the Exchange Agent must have received from the Eligible Holder and the Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the Eligible Holder, stating that the delivery is being made thereby and guaranteeing that, within three (3) business days after the date of delivery of the Notice of Guaranteed Delivery, the duly executed Letter of Transmittal and any other required documents will be deposited by the Eligible Institution with the Exchange Agent, and (iii) such properly completed and executed documents required by the Letter of Transmittal in proper form for transfer (or confirmation of a book-entry transfer of such Old Securities into the Exchange Agent's account at DTC) must be received by the Exchange Agent within three (3) business days after the Expiration Date. Any Eligible Holder who wishes to comply with the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery and Letter of Transmittal prior to 5:00 p.m., New York City time, on the Expiration Date.

ACCEPTANCE OF OLD SECURITIES FOR EXCHANGE; DELIVERY OF NEW SECURITIES

Upon satisfaction or waiver of all the conditions to the Exchange Offer, the Company will accept any and all Old Securities that are properly tendered in the Exchange Offer prior to 5:00 p.m., New York City time, on the Expiration Date. The New Securities issued pursuant to the Exchange Offer will be delivered promptly after acceptance of the Old Securities of the corresponding series. For purposes of the Exchange Offer, the Company shall be deemed to have accepted validly tendered Old Securities, when, as, and if the Company has given oral or written notice thereof to the Exchange Agent.

In all cases, issuances of New Securities for Old Securities that are accepted for exchange pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of confirmation of a book-entry transfer of such Old Securities into the Exchange Agent's account at the Depository, a properly completed and duly executed Letter of Transmittal and all other required documents; provided, however, that the Company reserves the absolute right to waive any defects or irregularities or conditions of the Exchange Offer.

WITHDRAWAL RIGHTS

Tenders of the Old Securities may be withdrawn by delivery of a written notice to the Exchange Agent, at its address set forth on the back cover page of this Prospectus, at any time prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) identify the Old Securities to be withdrawn, and (ii) specify the name and number of the account at the Depository to be credited with the withdrawn Old Securities and otherwise comply with the procedures of the Depository. Any questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company, in its sole discretion. The Old Securities so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Old Securities which have been tendered by book-entry transfer into the Exchange Agent's account at the Depository pursuant to the book-entry transfer procedures described above will be credited to an account maintained with the Depository for the Old Securities as soon as practicable after such withdrawal. Properly withdrawn Old Securities may be retendered by following one of the procedures described under "The Exchange Offer -- Book-Entry Procedures for Tendering Old Securities" at any time on or prior to the Expiration Date.

THE EXCHANGE AGENT; ASSISTANCE

The Chase Manhattan Bank (National Association) is the Exchange Agent. All executed Letters of Transmittal and other related documents should be directed to the Exchange Agent. Questions and requests for assistance and requests for additional copies of the Prospectus, the Letter of Transmittal and other related documents should be addressed to the Exchange Agent as follows:

BY HAND, REGISTERED OR CERTIFIED MAIL OR OVERNIGHT COURIER:

The Chase Manhattan Bank (National Association)
Institutional Trust Group
Chase MetroTech Center
3rd Floor
Brooklyn, New York 11245

BY FACSIMILE:

(718) 242-5885

BY TELEPHONE:

(718) 242-7287

FEES AND EXPENSES

All expenses incident to the Company's consummation of the Exchange Offer and compliance with the Registration Rights Agreement will be borne by the Company, including, without limitation: (i) all registration and filing fees (including, without limitation, fees and expenses of compliance with state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for the New Securities in a form eligible for deposit with DTC and of printing Prospectuses), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) reasonable fees and disbursements of not more than one counsel for the Eligible Holders of a majority in principal amount of Old Securities, (vi) fees and disbursements of independent certified public accountants and (vii) internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees of the Company performing legal or accounting duties).

The Company has not retained any dealer-manager in connection with the Exchange Offer and will not make any payments to brokers, dealers or others soliciting acceptance of the Exchange Offer. The Company, however, will pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith.

ACCOUNTING TREATMENT

The New Securities will be recorded at the same carrying value as the Old Securities, as reflected in the Company's accounting records on the date of the exchange. Accordingly, no gain or loss will be recognized by the Company for accounting purposes. The expenses of the Exchange Offer will be amortized over the term of the New Securities.

RESALES OF THE NEW SECURITIES

Based on interpretations by the staff of the Commission set forth in no-action letters issued to third parties, the Company believes that the New Securities issued pursuant to the Exchange Offer to an Eligible Holder in exchange for Old Securities may be offered for resale, resold and otherwise transferred by such Eligible Holder (other than (i) a broker-dealer who purchased Old Securities directly from the Company for resale pursuant to Rule 144A under the Securities Act or any other available exemption under the Securities Act, or (ii) a person that is an affiliate of the Company (within the meaning of Rule 405 under the Securities Act)) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the Eligible Holder is acquiring the New Securities in the ordinary course of business and is not participating, and has no arrangement or understanding with any person to participate, in the distribution of the New Securities. The Company has not requested or obtained an interpretive letter from the Commission staff with respect to this Exchange Offer, and the Company and the Eligible Holders are not entitled to rely on interpretive advice provided by the staff to other persons, which advice was based on the facts and conditions represented in such letters. However, the Exchange Offer is being conducted in a manner intended to be consistent with the facts and conditions represented in such letters. If any Eligible Holder acquires New Securities in the Exchange Offer for the purpose of distributing or participating in a distribution of the New Securities, such Eligible Holder cannot rely on the position of the staff of the Commission enunciated in MORGAN STANLEY & CO., INCORPORATED (available June 5, 1991) and EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), or interpreted in the Commission's letter to SHEARMAN AND STERLING (available July 2, 1993), or similar no-action or interpretive letters and must comply with the

registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction, unless an exemption from registration is otherwise available. Each broker-dealer that receives New Securities for its own account in exchange for Old Securities, where such Old Securities were acquired by such broker-dealer as a result of market making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Securities. See "Plan of Distribution."

CAPITALIZATION

The following table sets forth (i) the capitalization of the Company as at December 31, 1995 and (ii) the capitalization as adjusted to reflect the Acquisition, the Debt Offering and the amended bank credit facilities.

	As of December 31, 1995	
	Actual	As Adjusted
	($ in millions)	
Notes payable to banks	$ 65	$ 0
Current portion of long-term debt (a)	144	332
Long term debt:		
Bank term loans and revolving credit facility (b)	563	2,412(b)
8 5/8% Notes due 2004	350	350
7% Notes due 2006		400
7 3/4% Debentures due 2016		300
9 3/8% Debentures due 2024	250	250
7 7/8% Debentures due 2026		300
Total long-term debt	1,163	4,012
Total debt	1,372	4,344
Shareholders' equity:		
Preferred stock, 10,000,000 shares authorized; none issued		
Common stock (c), 200,000,000 shares authorized; 49,462,615 shares issued; 56,462,615 shares issued as further adjusted (d)	272	272
Retained earnings	1,199	1,199
Unfunded pension losses, net of taxes	(12)	(12)
Total shareholders' equity	1,459	1,459
Total capitalization	$2,831	$5,803

(a) Includes $143 million of notes due 1999 redeemed in January 1996.

(b) The bank term loan at December 31, 1995, was refinanced by an amended bank credit facility consisting of a $1.8 billion revolving credit facility expiring in March 2002 and two term loan facilities aggregating $2 billion ($500 million due March 1998 and $1.5 billion due in quarterly installments of $62.5 million through March 2002), the proceeds of which, together with $1 billion of institutionally placed notes and debentures, were utilized to finance the Acquisition.

(c) Includes an equal number of Common Stock Purchase Rights.

(d) Excludes 3,989,907 shares of Common Stock reserved for issuance pursuant to outstanding options and rights granted under the Company's stock plans.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth certain selected consolidated financial data for the Company for each of the periods indicated which have been derived from, and are qualified by reference to, the audited consolidated financial statements and notes thereto filed by the Company with the Commission which are incorporated herein by reference. This data does not give effect to the Acquisition. See also "Available Information," "Incorporation of Certain Documents by Reference" and "Unaudited Pro Forma Condensed Combined Financial Data."

	For Fiscal Year Ended December 31,				
	1995	1994(a)	1993	1992	1991
	($ in millions, except per share data)				
Operating Data:					
Net sales	$6,818	$ 6,711	$5,063	$5,550	$5,694
Cost of Sales					
Operating costs	5,319	5,477	4,385	4,877	4,817
Administrative and general expenses	963	753	485	455	531
Special termination benefits		282			
Operating margin	536	199	193	218	346
Other, net	9	(31)	13	5	
Interest expense, net	(136)	(103)	(36)	(43)	(69)
Income before income taxes and cumulative effect of accounting principle changes	409	65(b)	170	180	277
Federal and foreign taxes	157	30	74	59	9
Income before accounting principal changes	252	35	96	121	268
Cumulative effect of accounting principle changes					(67)(b)
Net Income	$ 252	$ 35	$ 96	$ 121	$ 201
Earnings per share before cumulative effect of accounting principle changes	$ 5.11	$ .72	$ 1.99	$ 2.56	$ 5.69
Cumulative effect of accounting principle changes, per share					(1.43)(b)
Earnings per share	$ 5.11	$ .72	$ 1.99	$ 2.56	$ 4.26
Balance Sheet Data:					
Total assets	$5,455	$ 6,047	$2,939	$3,162	$3,128
Net working capital	357	467	481	354	611
Total debt (c)	1,372	1,934	160	510	550
Shareholders' equity	1,459	1,290	1,322	1,254	1,182
Other Data:					
Net cash provided by operating activities	$ 744	$ 441	$380	$284	$609
Capital expenditures	133	134	135	123	118
Depreciation and amortization	283	269	214	160	171
Funded order backlog	9,947	12,173	6,919	7,175	8,561
Ratio of Earnings to Fixed Charges (d)	3.5	1.5	4.2	3.8	3.8
Dividends per share	$ 1.60	$ 1.60	$ 1.60	$ 1.20	$ 1.20
Weighted average shares outstanding (in millions)	49.4	49.2	48.1	47.2	47.1

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(a) Includes Grumman Corporation data from April 1994 and Vought Aircraft Company data from August 1994.

(b) The Financial Accounting Standards Board's (FASB) accounting standard No. 106 EMPLOYER'S ACCOUNTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS was adopted by the Company in 1991. The liability representing previously unrecognized costs of $145 million for all years prior to 1991 was recorded as of January 1, 1991, with an after-tax effect on earnings of $88 million. In 1991 the Company adopted the FASB standard No. 109 ACCOUNTING FOR INCOME TAXES and recorded, as of January 1, 1991, a benefit of $21 million.

(c) Total debt includes long-term, short-term and current portion of long-term debt.

(d) The ratio of earnings to fixed charges has been computed by dividing earnings by fixed charges. Earnings consist of income before income taxes, and in 1991, the net cumulative effect of changes in accounting principles, plus fixed charges. Fixed charges consist of interest on all indebtedness, amortization of debt issuance costs and other fees and the portion of rental expense deemed to be representative of interest.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following unaudited pro forma condensed combined financial statements reflect the ESG acquisition and are based upon the historical financial statements of the Company and ESG for the period indicated, combined and adjusted to give effect to the ESG acquisition using the purchase method of accounting. The unaudited pro forma condensed combined statement of financial position gives effect to the ESG acquisition as if it had occurred on December 31, 1995. The unaudited pro forma condensed combined statement of income gives effect to the ESG acquisition as if it had occurred on January 1, 1995. The pro forma adjustments are described in the accompanying notes.

The purchase price has been allocated to the assets and liabilities acquired based upon preliminary estimates of their respective fair values. The unaudited pro forma financial information does not give effect to any synergies or cost savings that the Company may realize as a result of the ESG acquisition. The Company is compiling data to determine those business areas and facilities that do not fit in its long-term strategy and intends to complete this process by December 31, 1996. During the remainder of 1996, the estimates of fair value for other assets and liabilities will be refined and changes, if any, will be reflected in the Company's periodic Exchange Act filings for 1996.

The unaudited pro forma condensed combined financial statements are not necessarily indicative of the results of operations or financial position of the combined company that would have occurred had the ESG acquisition occurred on the dates indicated above, nor are they necessarily indicative of future operating results or financial position.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the audited consolidated financial statements, including the notes thereto, of the Company in its Annual Report on Form 10-K for the year ended December 31, 1995 and of ESG contained in the Company's Current Report on Form 8-K filed March 18, 1996, both of which are incorporated herein by reference. See "Available Information" and "Incorporation of Certain Documents by Reference."

PRO FORMA CONDENSED COMBINED
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

DECEMBER 31, 1995

ASSETS

	Northrop Grumman	ESG	Pro Forma Adjustments	Pro Forma Combined
			($ in millions)	
Cash and cash equivalents	$18	$4	$	$22
Accounts receivable	1,197	462	66 (c)	1,725
Inventoried costs	771	182	(85)(a)(c)	868
Deferred income taxes	25	136	(121)(a)	40
Prepaid expenses	61	14		75
Total current assets	2,072	798	(140)	2,730
Property, plant and equipment, net	1,176	404	112 (a)	1,692
Goodwill	1,403	119	1,946 (a)	3,468
Other purchased intangibles	356		646 (a)	1,002
Prepaid pension cost, intangible pension asset and benefit trust fund	99	19	(19)(b)	99
Deferred income taxes	255	173	76 (a)(b)	504
Investments in and advances to affiliates and sundry assets	94	12	45 (a)	151
	$5,455	$1,525	$2,666	$9,646

LIABILITIES AND SHAREHOLDERS' EQUITY

Notes payable	$65	$	$ (65)(a)	$0
Current portion of long-term debt	144		188 (a)	332
Trade accounts payable	360	105		465
Accrued employees' compensation	203			203
Income taxes	528			528
Other current liabilities	415	443	23 (a)	881
Total current liabilities	1,715	548	146	2,409
Long-term debt	1,163		2,849 (a)	4,012
Accrued retiree benefits	1,048	648	(40)(b)	1,656
Deferred income taxes	31			31
Other liabilities and deferred gain	39	15	25 (a)	79
Shareholders' equity				
Common stock	272			272
Retained earnings	1,187	314	(314)(a)	1,187
	1,459	314	(314)	1,459
	$5,455	$1,525	$2,666	$9,646

PRO FORMA CONDENSED COMBINED
STATEMENT OF INCOME
(UNAUDITED)

YEAR ENDED DECEMBER 31, 1995

	Northrop Grumman	ESG	Pro Forma Adjustments	Pro Forma Combined
	($ in millions, except per share data)			
Net sales	$6,818	$2,554	$(214)(c)	$9,158
Cost of Sales				
Operating costs	5,319	1,997	(86)(c)(d)	7,230
Administrative and general expenses	963	320		1,283
Restructuring charges		51		51
Operating margin	536	186	(128)	594
Interest expense, net	(136)		(210)(e)	(346)
Other, net	9	(14)		(5)
Income before income taxes	409	172	(338)	243
Federal and foreign income taxes	157	65	(115)(f)	107
Net Income	$252	$107	$(223)	$136
Earnings per share	$5.11			$2.75
Weighted average shares outstanding (in millions)	49.4			49.4

NOTES TO PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(UNAUDITED)

(a) Adjustments to record $3 billion in loans obtained to finance the acquisition of ESG, and to assign the purchase price to assets acquired and liabilities assumed. The allocation of the purchase price to assets and liabilities is based upon preliminary estimates of their respective fair values. The Company is compiling data to determine the final allocation of the purchase price, which process will be completed by December 31, 1996.

(b) Adjustment to record the preliminary estimate of ESG retiree benefits liabilities in excess of the market value of related assets at December 31, 1995. The Company is reviewing the actuarial data relative to the ESG retiree benefit plans and based on the results of the review the liability may be adjusted.

(c) Adjustment to reflect change in method of recognizing revenue on certain long-term contracts applied by ESG to conform with the Company's revenue recognition policy and to eliminate ESG's intercompany sales.

(d) Adjustment to amortize goodwill over a 40-year period on a straight-line basis and other purchased intangibles on a straight-line basis over periods ranging from 1 to 10 years, with a combined weighted average life of 33 years which results in a first-year amortization of $121 million.

(e) Adjustment to record interest expense on $3 billion of borrowings incurred in connection with the acquisition of ESG at an average annual effective interest rate of 7%. A change of 1/8% in the assumed annual interest rate on the variable rate debt of approximately $2 billion would change the annual interest expense by approximately $2.5 million.

(f) Adjustment to record the income tax effects of pretax pro forma adjustments.

THE COMPANY

GENERAL

Northrop Grumman Corporation (the "Company") is an advanced technology aerospace and defense company operating primarily in two business segments: electronics and systems integration and military and commercial aircraft. Within the electronics and systems integration segment, the Company is engaged in the design, development and manufacture of a wide variety of complex electronic products such as airborne radar, surveillance and battle management systems, electronic countermeasures, precision weapons, antisubmarine warfare systems and air traffic control systems. Within the military and commercial aircraft segment, the Company is engaged in the design, development, manufacture and modification of military aircraft and commercial aerostructures. The Company is also engaged in the design, development and manufacture of information systems, marine propulsion and power generation systems and a variety of other products and services. Approximately three-fourths of the Company's revenues in 1996 are expected to be generated from the U.S. Department of Defense (the "DOD"), with the balance provided by contracts with commercial aerospace manufacturers, other U.S. government agencies and various foreign customers.

On March 1, 1996, the Company completed the acquisition of the Electronic Systems Group of Westinghouse Electric Corporation which is now the Company's Electronic Sensors and Systems Division ("ESSD"). ESSD is a leading supplier of electronics systems for defense, government and commercial applications. This acquisition further enhances the Company's electronics and systems integration capabilities, broadens the Company's product offerings and provides growth opportunities in key defense and commercial markets. See "-- Acquisition of ESG" and "-- Divisions -- Electronic Sensors and Systems Division."

In 1992 the Company acquired a 49% interest in Vought Aircraft Company ("Vought"), a leading manufacturer of commercial and military aerostructures. In 1994 the Company acquired Grumman Corporation ("Grumman") and the remaining portion of Vought. With Grumman, the Company acquired a premier supplier of electronic surveillance and electronic systems integration products as well as military aircraft.

The Company has a balance of programs in both the production and development phases. While production programs generally involve less risk and generate greater cash flow than development programs, development programs are essential for future growth opportunities. Based on its backlog and business mix, the Company believes that its cash flow from operations as compared to its investment requirements will result in significant cash flow available for debt reduction, dividends and other uses over the next several years.

Many of the Company's programs are among the principal programs for the various branches of the U.S. military. The Company is the prime contractor on the B-2 Stealth Bomber, the only strategic bomber currently in production; the principal subcontractor on the F/A-18C/D Hornet, the U.S. Navy's primary strike/attack aircraft, as well as on the next generation F/A-18E/F Super Hornet; the prime contractor on the E-2C Hawkeye, the U.S. Navy's principal early warning, command and control aircraft; the prime contractor for the E-8 Joint STARS aircraft radar system, which will be the primary airborne ground surveillance and battle management system for the U.S. Air Force and Army; the prime contractor on the BAT "Brilliant" self-guided submunition under development for the U.S. Army; the supplier of the APG-68 Fire Control Radar used on the F-16, one of the most widely used fighter aircraft in the world; the supplier of the ARSR-4 Long Range Radar, a three- dimensional air traffic control radar system used by the U.S. Air Force and the U.S. Federal Aviation Administration; and the supplier of the AN/APY-1, 2 surveillance radar which provides real-time, all-altitude and beyond-the-horizon target detection, identification and tracking for the E-3 AWACS surveillance aircraft.

The Company is also one of the world's leading manufacturers of commercial aerostructures and components. The Company manufactures major portions of the Boeing 747, 757 and 767 jetliners, as well as significant subassemblies and components for other commercial aircraft, including the Boeing 777 jetliner.

The Company was founded in 1939 and reincorporated in 1985 in Delaware. The Company's executive offices are located at 1840 Century Park East, Los Angeles, California 90067 and its telephone number is (310) 553-6262.

STRATEGY

The Company intends to strengthen its position as a leader in the aerospace and defense industry by pursuing the following strategies: (i) focusing on segments of defense markets that are growing and where the Company has premier technological capabilities, particularly in electronics and electronics systems integration; and (ii) leveraging its airframe design expertise and manufacturing strengths to remain a key competitor in military aircraft and commercial aerostructures. The Company has been pursuing these strategies since 1992 through both internal initiatives and acquisitions and, as a result, enjoys leading positions in those market segments in which it chooses to compete. The Company's primary objective in pursuit of these strategies is to maximize total return on investment.

The Company is transforming itself from being primarily an aircraft designer/manufacturer to an electronics and systems integration company with a leading airframe and aerostructures business. In early 1994, the Company significantly expanded its electronics business with the acquisition of Grumman. In March of 1996, the Company acquired ESG, a leading producer of sophisticated electronics for defense, government and commercial applications. As a result of these acquisitions, the Company expects that its electronics and systems integration revenues will approximate nearly 50% of total revenues in 1996 and that this percentage will continue to increase in the future.

This strategic transformation positions the Company to meet the growing needs of the DOD for more sophisticated electronics and integrated electronics systems. Since the end of the Cold War, the DOD has recognized the necessity of maintaining an effective fighting force with fewer defense dollars, thereby placing a premium on sophisticated systems that provide long-range surveillance, battle management and precision-strike capabilities. As military systems have become more complex, integration of the electronic functions of the various platforms, weapons and support systems has become increasingly important. Budget constraints have also encouraged spending on program modifications, upgrades and extensions rather than on new development programs, further increasing demand for sophisticated electronics systems. As a technological leader in designing, manufacturing and integrating the sophisticated electronics systems that provide long-range surveillance, battle management and precision-strike capabilities, the Company believes that it is well positioned to serve the electronic systems market.

The Company has also strengthened its military and commercial aircraft segment. In 1992, the Company acquired 49% of Vought and in 1994 acquired Grumman and the remaining 51% of Vought. These acquisitions and the Company's internal initiatives have enabled the Company to establish a leading position in military aircraft and commercial aerostructures. The Company believes that it will maintain this leadership position as a result of its airframe design experience, including stealth technology, as well as its cost-competitive manufacturing capabilities.

ACQUISITION OF ESG

On March 1, 1996, the Company completed the acquisition of ESG for approximately $3 billion in cash (the "Acquisition"). For the year ended December 31, 1995, ESG generated revenue of $2.6 billion. The Acquisition was financed with a combination of bank borrowings and intermediate and long-term notes and debentures. The business of ESG is now operated as the Company's new Electronic Sensors and Systems Division ("ESSD").

ESSD is a leading supplier of electronic systems for defense, government and commercial applications. It employs nearly 12,000 people worldwide at 15 operating locations, primarily in the United States. ESSD has a diversified portfolio of programs with no single program accounting for more than 10% of revenues in 1995. Approximately one-half of ESSD's 1995 revenues were attributable to radar technology applied to surveillance, fire control, air traffic control and other purposes. ESSD also designs and manufactures other avionics products, electro-optical systems, undersea and marine products and material handling systems.

The Acquisition represents a substantial step in the Company's continuing transformation from an aircraft designer/manufacturer to an electronics and systems integration company with a leading aircraft and aerostructures business. The Acquisition enables the Company to serve a larger customer base, domestically and internationally, and is expected to provide the opportunity to achieve revenue growth and greater cash flow stability. The Acquisition will also enable the Company to enhance its role on important programs such

as E-8 Joint STARS and BAT, and to expand its business into the areas of air traffic control and anti-submarine warfare systems.

DIVISIONS

The Company is organized into five operating divisions: Military Aircraft Systems Division; Electronic Sensors and Systems Division; Electronics and Systems Integration Division; Commercial Aircraft Division; and Data Systems and Services Division. In addition, the Company's Advanced Technology and Development Center provides product development and technology functions for all of the operating divisions, drawing on technologies and skills in each of the divisions.

MILITARY AIRCRAFT SYSTEMS DIVISION

The Military Aircraft Systems Division is responsible for the development and manufacture of several types of military aircraft. The Company is the prime contractor for the B-2, a strategic, long-range, large payload bomber with advanced stealth technology that is capable of operating at both high and low altitudes. The B-2 is able to penetrate the most sophisticated air-defenses and is capable of responding more quickly, from greater distances and with more accurate firepower than any other U.S. aircraft.

The Company is currently under contract to provide 20 operational and one test B-2 aircraft. All 21 aircraft are fully funded. To date, the Company has delivered six test aircraft and 11 of 15 production aircraft. At least five out of the six test aircraft will be refurbished to an operational configuration and delivered to the U.S. Air Force. The Clinton Administration has announced its intent, and the Company has been asked to provide a proposal, to refurbish the remaining test aircraft for subsequent delivery to the U.S. Air Force as an operational vehicle. The U.S. Air Force currently operates a squadron of 10 B-2s at Whiteman Air Force Base in Missouri. In addition, the B-2 program is expected to generate maintenance and support revenues upon completion of production. While the Company continues to seek funding for additional B-2s, there is no assurance that such funding will be available.

The Company is the prime or principal subcontractor on all of the U.S. Navy's carrier-based fighter, attack and early warning aircraft, including the F/A-18. For more than two decades the Company has been teamed with prime contractor McDonnell Douglas on the F/A-18 program. The F/A-18C/D Hornet is the U.S. Navy's primary strike/attack aircraft and is deployed by the Navy from aircraft carriers and by the Marines from air bases. In total, more than 1,300 F/A-18 Hornets have been delivered to the U.S. and to certain foreign governments. The Company produces approximately 40% of each F/A-18C/D Hornet, including the center and aft fuselage, twin vertical tails and all associated subsystems. The Company is also the principal subcontractor on the U.S. Navy's newest combat aircraft, the F/A-18E/F Super Hornet, which successfully completed its first test flight in November 1995. The F/A-18E/F Super Hornet has greater range and payload, more powerful engines and more advanced avionics and weapon systems than the F/A-18C/D Hornet. The Company will also produce approximately 40% of each F/A-18E/F Super Hornet. The first production deliveries are scheduled to begin in 1999, with initial operating capability expected in 2001.

Modification and enhancement of existing airborne platforms has become an important part of the military aircraft market. With U.S. and foreign defense planners seeking modern systems at affordable costs, upgrading existing aircraft can be an attractive alternative to the purchase of new aircraft. The Company provides a broad array of aircraft upgrade, modification, overhaul and support services for several operational aircraft, including the F-5, T-38, F-14, C-2 and A-10. The Company is also responsible for remanufacturing Boeing 707 aircraft as the platform for the Company's E-8 Joint STARS program, for structural enhancements of the EA-6B Prowler and for airframe upgrades of the E-2C Hawkeye.

ELECTRONIC SENSORS AND SYSTEMS DIVISION

The Electronic Sensors and Systems Division ("ESSD") represents the acquired business of ESG. ESSD has a diversified portfolio of programs with no single program accounting for more than 10% of revenues in 1995. Approximately one-half of ESSD's 1995 revenues were attributable to radar technology applied to surveillance, fire control, air traffic control and other purposes. ESSD also designs and manufactures other avionics products, electro-optical systems, underseas and marine products and material handling systems.

With its state-of-the-art surveillance and imaging technologies, ESSD has gained significant positions on a wide variety of high priority platforms for the DOD and certain foreign governments. ESSD produces radars and electronics for military aircraft and battlespace management systems, including those for the F-16 fighter, Apache Longbow helicopter, B-1B bomber, C-130 transport and E-3 AWACS and E-8 Joint STARS surveillance aircraft.

ESSD's products are also present on numerous development programs such as the F-22 fighter and the Comanche helicopter. Should budget pressures force the stretch-out of these next generation programs, ESSD is expected to benefit from an increased demand for electronic upgrades and retrofits to existing aircraft. For example, ESSD is currently providing mid-life fire control radar upgrades for the F-16.

ESSD is also a leading supplier of air traffic control radars to the U.S. Federal Aviation Administration and to countries in Europe, the Middle East, Africa, Asia and South America. ESSD is the prime contractor on the ASR-9 terminal radar system which detects and displays aircraft and weather conditions simultaneously, helping air traffic controllers guide aircraft through traffic-dense regions surrounding airports. The international air traffic control market is expected to increase significantly, due in large part to the growth of international air traffic and infrastructure development in Asia and Eastern Europe. The Company believes that ESSD is well positioned to benefit from this anticipated growth in the international air traffic control market. ESSD also develops electronic countermeasures, tactical communication equipment, space products and underseas and marine technologies, including anti-submarine combat systems, surface ship propulsion and power generation equipment.

International sales are also an increasingly important component of ESSD's military electronics business. The F-16 radar system, ESSD's longest running program, is installed in the F-16s of 23 countries. In addition to the F-16, many other DOD weapon systems with ESSD subsystems, such as the E-3 AWACS surveillance aircraft and the AH-64 Apache helicopter, have been sold internationally.

ELECTRONICS AND SYSTEMS INTEGRATION DIVISION

The Electronics and Systems Integration Division manages major electronics systems programs. The Company is the overall systems integrator and prime contractor for the E-8 Joint STARS, the U.S. military's primary airborne radar system which is designed to provide real-time detection, location, classification and tracking of hostile moving and stationary ground targets. The surveillance capabilities of the E-8 Joint STARS will enable it to be a critical part of future battle management systems. The E-8 Joint STARS program is in limited production and funding has been approved for the first six E-8 Joint STARS production aircraft (designated the E-8C). One aircraft has been delivered, a second is expected to be delivered in 1996 and the remaining four aircraft are scheduled to be delivered in 1997 and 1998. The Company believes that U.S. government support for the E-8 Joint STARS program is strong, due in part to successful tests and operational activity of prototype aircraft in combat conditions in the Persian Gulf and Bosnia. The U.S. government has approved the sale of E-8 Joint STARS aircraft to NATO, although no such purchases have been committed to or funded.

The Company is the prime contractor for the E-2C Hawkeye, the U.S. Navy's principal early warning, command and control aircraft. The E-2C Hawkeye is designed for missions such as air defense, strike control, air traffic control and search and rescue. The U.S. Navy recently received approval for a program of 36 E-2C aircraft, of which seven are under contract for delivery during 1997 and 1998. The Company is also involved with the Navy's upgrade program for existing E-2C aircraft. In response to upgraded threat capabilities, the U.S. Navy continues to plan additional E-2C avionics improvements including data processing and capacity increases, passive detection systems, radar anti-jamming improvements, tactical program updates and jam resistant communication systems.

The Company is the prime contractor on the BAT "Brilliant" self-guided submunition program under development for the U.S. Army. This weapon may be carried by a variety of air vehicles and is designed to autonomously locate, attack and destroy tanks, armored vehicles and other mobile targets by using acoustic and infrared sensors working in combination with a high speed onboard computer. Prototype manufacture began in 1992, and the BAT is now in a testing phase to verify that the system meets all established requirements.

COMMERCIAL AIRCRAFT DIVISION

The Commercial Aircraft Division is one of the world's leading suppliers of aerostructures, as well as a major supplier of aircraft components for commercial and military use. The Company manufactures the fuselage and the tail section for the Boeing 747, the tail section for the Boeing 757 and 767, various other components for the Boeing 757, 767 and 777 and major subassemblies (including the tail section) for the McDonnell Douglas C-17 military transport. In April 1995, the Company entered into an agreement with Boeing to continue production of the major sections of the 747, 757 and 767 aircraft into the next century. The Company also produces wings for the new Gulfstream V ("G-V") business jet program and components for other aircraft. The G-V's first flight was in November 1995, and aircraft deliveries to customers are expected to begin in January 1997.

While the Company's commercial aircraft deliveries declined in 1995 compared to 1994, the three leading jet-airliner manufacturers collectively recorded substantially increased orders for new aircraft in 1995 compared to 1994. Boeing, the Company's largest customer for commercial aerostructures, announced in December 1995 and March 1996, planned increases in production rates for 1996 and 1997 for its 747, 767 and 777 models and a return to current levels of production in the second quarter of 1997 for its 757 model following a reduction in the fourth quarter of 1996. The Boeing labor strike, settled in January 1996, will cause some deliveries scheduled for 1996 to be made in 1997. The Company has made substantial investments in productivity improvements and capital equipment to further improve its competitive position in the growing commercial aerostructure marketplace.

DATA SYSTEMS AND SERVICES DIVISION

The Data Systems and Services Division provides data processing system services for external customers as well as the Company's various divisions. Included among these services are space station program support services, flight simulator maintenance services and the development of data processing systems for a wide variety of U.S. Government entities and applications. The Division also provides operational and support services to U.S. Air Force bases, an area of potential growth if the U.S. Government increases the outsourcing of maintenance and support activities.

RECENT DEVELOPMENT

In the first quarter of 1996, a jury trial commenced with respect to the remaining issues in the litigation described in the Company's Annual Report on Form 10-K for 1995 entitled U.S. EX REL DAVID PETERSON AND JEFF KNOLL V. NORTHROP CORPORATION. The government has asserted three separate claims totalling approximately $13.5 million, including a claim for alleged mischarging of approximately $12 million in violation of the False Claims Act. Damages awarded under the False Claims Act are subject to doubling or trebling and possible additional penalties including disallowance of attorneys' fees. The Company denies the material allegations of the claims and is vigorously defending the action.

DESCRIPTION OF NEW SECURITIES

The Old Securities were issued and the New Securities will be issued under the Indenture, dated as of October 15, 1994 (the "Indenture"), between the Company and The Chase Manhattan Bank (National Association), as trustee (the "Trustee"), a copy of which will be made available to prospective purchasers of the New Securities upon request. Upon the issuance of the New Securities, the Indenture will be subject to and governed by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The following summary of the material provisions of the Indenture does not purport to be complete and is subject to, and qualified in its entirety by, reference to the provisions of the Indenture, including the definitions of certain terms contained therein and those terms made part of the Indenture by reference to the Trust Indenture Act.

GENERAL

The New Securities will be issued pursuant to the Indenture and will be limited to an aggregate principal amount of $1,000,000,000, consisting of $400,000,000 principal amount of New Notes, $300,000,000 principal amount of New 2016 Debentures and $300,000,000 principal amount of New 2026 Debentures. The New Notes, the New 2016 Debentures and the New 2026 Debentures shall constitute the same series of Securities (as defined in the Indenture) as the Old Notes, the Old 2016 Debentures and the Old 2026 Debentures, respectively, under the Indenture and, accordingly, will vote together, respectively, as a single class for purposes of determining whether holders of the requisite percentage in outstanding principal amount thereof have taken certain actions or exercised certain rights under the Indenture. The New Securities will bear interest from March 1, 1996. Eligible Holders of Old Securities whose Old Securities are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the Old Notes accrued from March 1, 1996 to the date of the issuance of the New Securities. Interest on the New Securities is payable semiannually on each Interest Payment Date, commencing September 1, 1996, accruing from March 1, 1996 (i) with respect to the New Notes, at a rate of 7% per annum, (ii) with respect to the New 2016 Debentures, at a rate of 7 3/4% per annum, and (iii) with respect to the New 2026 Debentures, at a rate of 7 7/8% per annum, to each person in whose name such New Security shall have been registered at the close of business on the each Regular Record Date next preceding such Interest Payment Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The New Notes will mature on March 1, 2006, the New 2016 Debentures will mature on March 1, 2016 and the New 2026 Debentures will mature on March 1, 2026. The New Securities will be issued in fully registered form, without coupons, in denominations of $1,000 and any integral multiple of $1,000 in excess thereof.

The Indenture does not limit the aggregate principal amount of debt securities that may be issued thereunder, and the Indenture provides that debt securities, including the New Securities, may be issued thereunder from time to time in one or more series. The Indenture does not contain any provisions that would limit the ability of the Company to incur indebtedness or require the maintenance of financial ratios or specified levels of net worth or liquidity. However, the provisions of the Indenture do (i) provide that neither the Company nor any Restricted Subsidiary (as defined) will subject certain of its property or assets to any mortgage or other encumbrance unless the debt securities, including the New Securities, issued under the Indenture are secured equally and ratably with such other indebtedness thereby secured, (ii) contain certain limitations on the entry into certain sale and leaseback arrangements and (iii) contain certain limitations on the issuance of certain indebtedness by Restricted Subsidiaries. In addition, the Indenture does not contain any provisions which would require the Company to repurchase or redeem or otherwise modify the terms of any of the New Securities upon a change in control or other events involving the Company which may adversely affect the creditworthiness of the New Securities. See "-- Certain Covenants."

SINKING FUND

The New Securities will not be entitled to the benefit of any sinking fund.

REDEMPTION

The New Securities may not be redeemed prior to maturity.

BOOK-ENTRY, DELIVERY AND FORM

Each series of New Securities will be issued in the form of a Global Security (a "Global Security"). Each Global Security will be deposited with, or on behalf of, The Depository Trust Company (the "Depositary") and registered in the name of the Depositary or its nominee. Except as set forth below, each Global Security may be transferred, in whole or in part, only to the Depositary or another nominee of the Depositary. Investors may hold their beneficial interest in a Global Security directly through the Depositary if they are participants in such system or indirectly through organizations which are participants in such system.

The Depositary has advised the Company as follows: the Depositary is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. The Depositary was created to hold securities of its participating organizations ("participants") and to facilitate the clearance and settlement of securities transactions, such as transfers and pledges, among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depositary's participants include securities brokers and dealers (which may include the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representative) own the Depositary. Access to the Depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a participant, either directly or indirectly. The Depositary agrees with and represents to its participants that it will administer its book-entry system in accordance with its rules and by-laws and requirements of law.

Upon issuance of a Global Security in respect of each series of New Securities, the Depositary will credit, on its book-entry registration and transfer system, the respective principal amounts of the New Securities represented by such Global Security to the accounts of participants. The accounts to be credited shall be designated by any dealers, underwriters or agents participating in the distribution of the New Securities. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by the Depositary for such Global Security (with respect to interests of participants) and on the records of participants (with respect to interests of persons holding through participants). The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer or pledge beneficial interests in Global Securities.

So long as the Depositary, or its nominee, is the registered holder and owner of a Global Security, the Depositary or such nominee, as the case may be, will be considered the sole owner and holder of such New Securities for all purposes of such New Securities. Except as set forth below, owners of beneficial interests in a Global Security will not be entitled to have such Global Security registered in their names, will not receive or be entitled to receive physical delivery of certificated New Securities represented by such Global Security in definitive form and will not be considered the owners or holders of New Securities represented by such Global Security. Accordingly, each person owning a beneficial interest in a Global Security must rely on the procedures of the Depositary and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder of New Securities under such Global Security. The Company understands that under existing industry practice, in the event an owner of a beneficial interest in a Global Security desires to take any action under the Indenture, the Depositary would authorize the participants to take such action and that the participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Payment of principal of and interest on the New Securities represented by Global Securities registered in the name of and held by the Depositary or its nominee will be made to the Depositary or its nominee, as the case may be, as the registered owner and holder of the Global Securities. The Company expects that the Depositary or its nominee, upon receipt of any of principal or interest in respect of a Global Security, will credit participants' accounts with payments in amount proportionate to their respective beneficial interest in the principal amount of such Global Security as shown on the records of the Depositary or its nominee. The Company also expects that payments by participants to owners of beneficial interests in such

Global Securities held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participants. The Company will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Securities for any New Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between the Depositary and its participants or the relationship between such participants and the owners of beneficial interests in the Global Securities owning through such participants.

CERTIFICATED SECURITIES

The New Securities represented by the Global Securities are exchangeable for certificated New Securities in definitive form of like tenor as such Global Securities in denominations of U.S. $1,000 and integral multiples thereof if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security or if at any time the Depositary ceases to be a clearing agency registered under the Exchange Act, (ii) the Company in its discretion at any time determines not to have all of the New Securities represented by the Global Securities or (iii) a default entitling the holders of the New Securities to accelerate the maturity thereof has occurred and is continuing. Any New Security that is exchangeable pursuant to the preceding sentence is exchangeable for certificated New Securities issuable in authorized denominations and registered in such names as the Depositary shall direct. Subject to the foregoing, the Global Securities are not exchangeable, except for a Global Security or Global Securities of the same aggregate denomination to be registered in the name of the Depositary or its nominee.

EVENTS OF DEFAULT

The following events constitute Events of Default under the Indenture: (a) failure to pay principal of or any premium on any Security of that series when due, whether at maturity or otherwise; (b) failure to pay any interest on any Security of that series when due, and such failure continues for 30 days; (c) failure to perform any other covenant or agreement of the Company in the Indenture or in such Security (other than a covenant or agreement included in the Indenture solely for the benefit of a series other than that series), continued for 90 days after written notice has been given by the Trustee, or by the Holders of at least 10% in principal amount of the Outstanding Securities of that series, as provided in the Indenture; and (d) certain events in bankruptcy, insolvency or reorganization. (Section 501)

If an Event of Default (other than an Event of Default described in clause (d) above) with respect to the Securities of any series at the time Outstanding shall occur and be continuing, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series by notice as provided in the Indenture may declare the principal amount of the Securities of that series to be due and payable immediately. If an Event of Default described in clause (d) above with respect to the Securities of any series at the time Outstanding shall occur, the principal amount of all the Securities of that series will automatically, and without any action by the Trustee or any Holder, become immediately due and payable. After any such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of the Outstanding Securities of that series may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the non-payment of accelerated principal (or other specified amount), have been cured or waived as provided in the Indenture. (Section 502) For information as to waiver of defaults, see "-- Modification and Waiver."

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee reasonable indemnity. (Section 603) Subject to such provisions for the indemnification of the Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Securities of that series. (Section 512)

No Holder of a Security of any series will have any right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or a trustee, or for any other remedy thereunder, unless (i) such Holder had previously given to the Trustee written notice of a continuing Event of Default with

respect to the Securities of that series, (ii) the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series have made written request, and such Holder or Holders have offered reasonable indemnity to the Trustee to institute such proceeding as trustee, and (iii) the Trustee has failed to institute such proceeding, and has not received from the Holders of a majority in aggregate principal amount of the Outstanding Securities of that series a direction inconsistent with such request, within 60 days after such notice, request and offer. (Section 507) However, such limitations do not apply to a suit instituted by a Holder of a Security for the enforcement of payment of the principal of or any premium or interest on such Security on or after the applicable due date specified in such Security. (Section 508)

The Company is required to furnish to the Trustee annually a statement by certain of its officers as to whether or not the Company, to their knowledge, is in default in the performance or observance of any of the terms, provisions and conditions of the Indenture and, if so, specifying all such known defaults. (Section 1004)

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Company, without the consent of the Holders of any of the Securities under the Indenture, may consolidate with or merge into, or convey, transfer or lease its properties and assets substantially as an entirety to, any Person, and may permit any Person to merge into, or convey, transfer or lease its properties and assets substantially as an entirety to, the Company, PROVIDED (i) that any successor Person must be a corporation, partnership, trust or other entity organized and validly existing under the laws of any domestic jurisdiction and must assume the Company's obligations on the Securities and under the Indenture, (ii) that after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing and (iii) that certain other conditions are met. Upon any consolidation or merger into any other Person or any conveyance, transfer or lease of the Company's assets substantially as an entirety to any Person, the successor Person will succeed to, and be substituted for, the Company under the Indenture, and the Company, except in the case of a lease, will be relieved of all obligations and covenants under the Indenture and the Securities to the extent it was the predecessor Person. (Article Eight)

CERTAIN COVENANTS

LIMITATIONS ON LIENS. The Company covenants in the Indenture that it will not create, incur, assume or guarantee, and will not permit any Restricted Subsidiary to create, incur, assume or guarantee, any indebtedness for borrowed money ("Debt") secured by a mortgage, security interest, pledge, charge or similar encumbrance ("Mortgages") upon any Principal Property of the Company or any Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary without equally and ratably securing the Securities and other outstanding debt securities issued pursuant to the Indenture. The foregoing restriction, however, does not apply to (a) Mortgages on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary; (b) Mortgages on property existing at the time of acquisition of such property by the Company or a Restricted Subsidiary or Mortgages to secure the payment of all or any part of the purchase price of such property upon the acquisition of such property by the Company or any Restricted Subsidiary or to secure any Debt incurred prior to, at the time of, or within 180 days after, the acquisition, completion of construction (including improvements on an existing property) or commencement of full operation of such property for the purpose of financing all or any part of the purchase price thereof, or construction of improvements thereon; (c) Mortgages to secure Debt of a Restricted Subsidiary owed to the Company or another Restricted Subsidiary; (d) Mortgages existing at the date of the Indenture; (e) Mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with the Company or a Restricted Subsidiary or at the time of a sale, lease, or other disposition of the properties of a corporation as an entirety or substantially as an entirety to the Company or a Restricted Subsidiary; (f) Mortgages on property of the Company or a Restricted Subsidiary in favor of the United States of America or any State thereof, or any department, agency, instrumentality or political subdivision thereof, to secure any payments, including advance or progress payments, pursuant to any contract or statute or to secure any indebtedness incurred or guaranteed for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Mortgages (including, but not limited to, Mortgages incurred in connection with pollution control bonds, industrial revenue bonds or similar financings); or (g) extensions, renewals or replacements of any mortgage referred to in the foregoing clauses (a) through (f). (Section 1009)

Notwithstanding the restrictions outlined in the preceding paragraph, the Company or any Restricted Subsidiary is permitted to create, incur, assume or guarantee any Debt secured by a Mortgage without equally and ratably securing the Securities and the other outstanding debt securities issued pursuant to the Indenture, PROVIDED that after giving effect thereto, the aggregate amount of all debt (other than the Securities and the other outstanding debt securities issued pursuant to the Indenture) so secured by Mortgages (not including Mortgages permitted under clauses (a) through (g) above) does not exceed the greater of $300,000,000 or 10% of Consolidated Net Tangible Assets. (Section 1009)

SALE AND LEASEBACK ARRANGEMENTS. The Company covenants in the Indenture that it will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any person that provides for the leasing to the Company or any Restricted Subsidiary of Principal Property (other than any such transaction involving a lease for a term of not more than three years or any such transaction between the Company and a Restricted Subsidiary or between Restricted Subsidiaries) which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such person, unless either (a) the Company or such Restricted Subsidiary would be entitled to create, incur, assume or guarantee Debt secured by a Mortgage on such Principal Property at least equal in amount to the Attributable Debt with respect to such arrangement, without equally and ratably securing the Securities and the other outstanding debt securities issued pursuant to the Indenture, pursuant to the limitation in the Indenture on liens, PROVIDED that such Attributable Debt shall thereupon be deemed to be Debt subject to the provisions of the second paragraph under "-- Certain Covenants -- Limitations on Liens" above or (b) the Company shall apply an amount equal to the greater of the net proceeds of such sale or the Attributable Debt with respect to such arrangement to the retirement of Debt of the Company or any Restricted Subsidiary that by its terms matures at or is extinguishable or renewable at the option of the obliger to a date more than twelve months after the creation of such Debt. (Section 1010)

FUNDED DEBT OF RESTRICTED SUBSIDIARIES. The Company covenants in the Indenture that no Restricted Subsidiary may issue, assume or guarantee any Funded Debt unless the aggregate amount of all Funded Debt of all Restricted Subsidiaries (excluding Funded Debt permitted by clauses (i) through (v) below) does not exceed 10% of Consolidated Net Tangible Assets. Such limitation will not apply to (i) any Funded Debt owed to the Company or any other Restricted Subsidiary; (ii) Funded Debt existing on October 15, 1994, and extensions, renewals or replacements thereof; (iii) Funded Debt secured by a Mortgage permitted as described in clauses (a) through (g) under "-- Certain Covenants -- Limitations on Liens" above; (iv) any guaranty by a Restricted Subsidiary of Funded Debt of the Company incurred in connection with the acquisition of such Restricted Subsidiary; and (v) Funded Debt of a corporation outstanding at the time such corporation first becomes a Restricted Subsidiary. (Section 1011)

DEFINITIONS. The term "Consolidated Net Tangible Assets" shall mean, as of any particular time, the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities except for (i) notes and loans payable, (ii) current maturities of long-term debt, (iii) current maturities of obligations under capital leases and (iv) deferred income taxes and (b) all goodwill, tradenames, trademarks, patents, unamortized debt discount and expenses (to the extent included in said aggregate amount of assets) and other like intangibles, all as set forth on the most recent quarterly or annual consolidated balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles.

The term "Funded Debt" shall mean any Debt (indebtedness for money borrowed) or guaranty thereof, whether or not secured, maturing by its terms more than one year from the date of its creation, including any Debt or guaranty thereof renewable or extendable at the option of the obligor to a date more than one year from the date of original issuance thereof, but excluding any portion of such Debt or guarantee which is included in current liabilities.

The term "Restricted Subsidiary" shall mean any subsidiary of the Company except any subsidiary substantially all the assets of which are located, or substantially all of the business of which is carried on, outside of the United States of America, or any subsidiary substantially all of the assets of which consists of stock or other securities of such a subsidiary. (Section 101)

The term "Principal Property" shall mean any manufacturing plant or manufacturing facility which is (i) owned by the Company or any Restricted Subsidiary and (ii) located within the continental United States

of America, except any such plant which, in the opinion of the Board of Directors, is not of material importance to the total business conducted by the Company and the Restricted Subsidiaries taken as a whole.

The term "Attributable Debt" when used in connection with a sale and leaseback transaction referred to above shall mean, at the time of determination, the lesser of (a) the fair value of such property (as determined by the Board of Directors of the Company) or (b) the present value (discounted at the rate implicit in the terms of the relevant lease) of the obligation of the lessee for net rental payments during the remaining term of the lease (including any period for which such lease has been extended).

MODIFICATION AND WAIVER

Modifications and amendments of the Indenture may be made by the Company and the Trustee under the Indenture, only with the consent of the Holders of a majority in aggregate principal amount of each series of the outstanding Securities issued under the Indenture and affected by such modification or amendment; PROVIDED, HOWEVER, that no such modification or amendment may, without the consent of each Holder of such Security affected thereby, (a) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any such Security, (b) reduce the principal amount of, or any premium or interest on, any such Security, (c) reduce the amount of principal of a Security payable upon acceleration of the maturity thereof, (d) change the place or currency of payment of principal of, or any premium or interest on, any such Security, (e) impair the right to institute suit for the enforcement of any payment on or with respect to any such Security, (f) reduce the percentage in principal amount of Outstanding Securities of any series, the consent of whose Holders is required for modification or amendment of the Indenture, (g) reduce the percentage in principal amount of Outstanding Debt Securities of any series necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults or (h) modify such provisions with respect to modification and waiver. (Section 902)

The Holders of a majority in principal amount of the Outstanding Securities of any series may waive compliance by the Company with certain restrictive provisions of the Indenture and, if applicable, such Securities. (Section 1008) The Holders of a majority in principal amount of the Outstanding Securities of any series may waive any past default under the Indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the Indenture and, if applicable, such Securities which may not be amended without the consent of the Holder of each Outstanding Security of such series affected. (Section 513)

OUTSTANDING SECURITIES

The Indenture provides that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given or taken any direction, notice, consent, waiver or other action under the Indenture and, if applicable, such Securities, as of any date, Securities for whose payment or redemption money has been deposited or set aside in trust for the Holders and those that have been fully defeased, will not be deemed to be Outstanding. In addition, Securities owned by the Company or any of its Affiliates will not be deemed to be Outstanding. (Section 101)

DEFEASANCE AND COVENANT DEFEASANCE

The Indenture provides that the Company may elect either (A) to defease and be discharged from any and all its obligations with respect to such Securities and except for the obligations to exchange or register the transfer of such Securities, to replace temporary or mutilated, destroyed, lost or stolen Securities, to maintain an office or agency with respect to the Securities and to hold moneys for payment in trust) ("defeasance") or (B) to be released from its obligations with respect to such Securities concerning restrictive covenants which are subject to covenant defeasance ("covenant defeasance"), and the occurrence of certain Events of Default, which are described above in clause (d) (with respect to such restrictive covenants) and clause (e) under "-- Events of Default" shall no longer be an Event of Default, in each case, upon deposit with the Trustee (or other qualifying trustee), in trust for such purpose, money or U.S. Government Obligations, or both, which, through the payment of principal and interest in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of and interest on such Securities.

As a condition to defeasance or covenant defeasance, the Company must deliver to the Trustee an Opinion of Counsel (as specified in the Indenture) to the effect that Holders of such Securities will not recognize gain or loss for federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred. The Company may exercise its defeasance option with respect to such Securities notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its defeasance option, payment of such Securities may not be accelerated by reference to the covenants noted under clause (B) above. In the event the Company omits to comply with its remaining obligations with respect to such Securities under the Indenture after exercising its covenant defeasance option and such Securities are declared due and payable because of the occurrence of any Event of Default, the amount of money and U.S. Government Obligations on deposit in the defeasance trust may be insufficient to pay amounts due on the Securities of such series at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable in respect of such payments. (Article Thirteen)

DESCRIPTION OF OTHER SENIOR DEBT

In October 1994, the Company issued $350 million of 8.625% notes due 2004 (the "2004 Notes") and $250 million of 9.375% debentures due 2024 (the "2024 Debentures") pursuant to a public offering. The net proceeds of this offering were used to prepay $600 million of indebtedness under the Company's then-existing term loan facility. The 2004 Notes may not be redeemed by the Company prior to maturity. The 2024 Debentures may not be redeemed by the Company prior to October 15, 2004, and thereafter are subject to redemption at the Company's option. There is no provision for a sinking fund for the 2004 Notes or the 2024 Debentures.

In connection with the closing of the Acquisition, the Company entered into The Second Amended and Restated Credit Agreement with The Chase Manhattan Bank (National Association), Chemical Bank, Bank of America, NT & SA and a syndicate of other banks (collectively, the "Banks") which provides for borrowings of up to $3.8 billion (the "New Bank Credit Facilities") which replaced its prior credit agreement (the "Prior Credit Agreement"). The New Bank Credit Facilities consist of two term loan facilities and a revolving credit facility with aggregate commitments of $500 million, $1.5 billion and $1.8 billion, respectively (each referred to respectively as "Term Loan Facility I", "Term Loan Facility II" and the "Revolving Credit Facility"). Borrowings under the New Bank Credit Facilities along with the net proceeds of the offering of the Old Securities were used to finance the Acquisition and pay related expenses, to refinance outstanding debt under the Prior Credit Agreement and to finance the continuing operations of the Company. Term Loan Facility I will mature two years from the date on which the initial loans are made (the "Credit Facilities Closing Date"). Both Term Loan Facility II and the Revolving Credit Facility will mature six years from the Credit Facilities Closing Date. The New Bank Credit Facilities contain a covenant requiring the Company to issue for cash, prior to the maturity date of Term Loan Facility I, not less than $500 million of subordinated debt or equity. Borrowings under the New Bank Credit Facilities will bear interest, at the option of the Company, at various rates of interest, including a Base Rate Option and a LIBOR Option (equal to the London Interbank Offered Rate), plus in each case an incremental margin based on the Company's leverage ratio and credit rating level. The incremental margin for LIBOR borrowings under Term Loan Facility I and Term Loan Facility II varies from 0.50% to 0.625%, assuming the Company retains an investment grade credit rating. The incremental margin for LIBOR borrowings under the Revolving Credit Facility varies from 0.35% to 0.425%, assuming the Company retains an investment grade credit rating. The New Bank Credit Facilities also provide for a facility fee on the daily aggregate amount of commitments under the Revolving Credit Facility (whether or not utilized). The facility fee is also based on the Company's leverage ratio and credit rating level and varies from 0.15% to 0.20%, assuming the Company retains an investment grade credit rating.

CERTAIN FEDERAL TAX CONSIDERATIONS

The following is a general discussion of the material United States federal income tax consequences applicable to the exchange of Old Securities for New Securities, and the ownership and disposition of New Securities, by United States Holders (as defined below) who exchange Old Securities for New Securities

pursuant to the Exchange Offer, as well as the principal United States federal income and estate tax consequences of the ownership of New Securities by Foreign Holders (as defined below) who acquire New Securities pursuant to the Exchange Offer. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect or proposed on the date hereof and all of which are subject to change at any time, possibly with retroactive effect, and to different interpretations. In particular, the discussion is based in part on certain proposed regulations issued in December 1992 concerning the tax treatment of exchanges and modifications of debt instruments (the "1992 Proposed Regulations"). The 1992 Proposed Regulations are proposed to be effective for modifications made to debt instruments more than 30 days after such regulations are issued as final regulations. Until issued as final (or temporary) regulations, such regulations are not binding on the Internal Revenue Service ("IRS") and could be withdrawn, replaced or modified at any time, possibly with retroactive effect. This discussion does not address the tax consequences to subsequent purchasers of New Securities or to persons who purchased Old Securities from an initial holder at a price other than the face amount of such New Security, and is limited to holders that hold the New Securities as capital assets within the meaning of section 1221 of the Code. This discussion also does not address the tax consequences to nonresident aliens or foreign corporations that are subject to United States federal income tax on a net basis on income realized with respect to a New Security because such income is effectively connected with the conduct of a U.S. trade or business. Such holders are generally taxed in a similar manner to United States Holders; however, certain special rules apply. Moreover, this discussion does not address all of the tax consequences that may be relevant to particular purchasers in light of their personal circumstances, or to certain types of purchasers (such as certain financial institutions, insurance companies, tax-exempt entities, dealers in securities or persons who have hedged a risk of owning New Securities).

HOLDERS EXCHANGING OLD SECURITIES FOR NEW SECURITIES ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE EXCHANGE OF OLD SECURITIES FOR NEW SECURITIES AND THE CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF NEW SECURITIES, INCLUDING THE APPLICABILITY OF ANY FEDERAL TAX LAWS OR ANY STATE, LOCAL OR FOREIGN TAX LAWS, AS WELL AS WITH RESPECT TO THE POSSIBLE EFFECTS OF ANY CHANGES (OR PROPOSED CHANGES) IN APPLICABLE TAX LAWS OR INTERPRETATIONS THEREOF.

UNITED STATES FEDERAL INCOME TAXATION OF UNITED STATES HOLDERS

As used herein, the term "United States Holder" means a holder of an Old Security or a New Security, as appropriate, that is, for United States federal income tax purposes, (a) a citizen or resident of the United States, (b) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof or (c) an estate or trust the income of which is subject to United States federal income taxation regardless of source.

EXCHANGE OF OLD SECURITIES FOR NEW SECURITIES

The exchange by a United States Holder of an Old Security for a New Security will not constitute a taxable exchange of the Old Security if the terms of the New Security (including the interest rate) are identical to the terms of the Old Security. Under the 1992 Proposed Regulations, even if the terms of the New Security were not identical to the terms of the Old Security as a result of the exchange as described under "The Exchange Offer," the exchange of the Old Security for the New Security would not be treated as a taxable exchange, as such change would occur pursuant to the original terms of the Old Security. Accordingly, in the absence of any change in law or the modification or withdrawal of the 1992 Proposed Regulations, the Company intends to take the position that in the circumstances described in the preceding sentence, the exchange of an Old Security for a New Security pursuant to the Exchange Offer will not constitute a taxable exchange of the Old Security.

Assuming the exchange of an Old Security for a New Security pursuant to the Exchange Offer is not treated as a taxable exchange for federal income tax purposes, the New Security received by a United States Holder would be treated as a continuation of the Old Security in the hands of such holder. As a result, there should be no federal income tax consequences to United States Holders exchanging Old Securities for New Securities pursuant to the Exchange Offer, and a United States Holder should have the same adjusted basis

and holding period in the New Securities immediately after the exchange as it had in the Old Securities immediately before the exchange.

PAYMENT OF INTEREST ON NEW SECURITIES

Interest paid or payable on a New Security will be taxable to a United States Holder as ordinary interest income, generally as received or accrued, in accordance with such holder's method of accounting for federal income tax purposes.

SALE, EXCHANGE OR RETIREMENT OF NEW SECURITIES

Upon the sale, exchange, redemption, retirement at maturity or other disposition of a New Security, a United States Holder will generally recognize taxable gain or loss equal to the difference between the sum of cash plus the fair market value of all other property received on such disposition (except to the extent such cash or property is attributable to accrued but unpaid interest, which will be taxable as ordinary income) and such holder's adjusted tax basis in the New Security. A United States Holder's adjusted tax basis in a New Security generally will equal the cost to such holder of the Old Security exchanged for such New Security, reduced by any principal payments received by such holder on the New Security.

Gain or loss recognized on the disposition of a New Security generally will be capital gain or loss and will be long-term capital gain or loss if, at the time of such disposition, the United States Holder's holding period for the New Security (which would include such holder's holding period in the Old Security exchanged therefor) is more than one year.

BACKUP WITHHOLDING AND INFORMATION REPORTING

"Backup" withholding and information reporting requirements apply to certain payments of principal, premium, if any, and interest on a New Security, and to payments of the proceeds of the sale or redemption of New Securities before maturity, to certain non-corporate United States Holders. The Company, its agent, a broker, the Trustee or any paying agent, as the case may be, will be required to withhold from any payment that is subject to backup withholding a tax equal to 31% of such payment if a United States Holder fails to furnish its taxpayer identification number (social security or employer identification number), to certify that such number is correct, to certify that such holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Any amounts withheld under the backup withholding rules from a payment to a United States Holder will be allowed as a credit against such holder's United States federal income tax liability, and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

UNITED STATES TAXATION OF FOREIGN HOLDERS OF NEW SECURITIES

PAYMENT OF INTEREST ON NEW SECURITIES

In general, payments of interest received by any holder that is not a United States Holder (a "Foreign Holder") will not be subject to a United States federal withholding tax, provided that (a)(i) the holder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote, (ii) the holder is not a controlled foreign corporation that is related to the Company actually or constructively through stock ownership and (iii) either (x) the beneficial owner of the New Security, under penalties of perjury, provides the Company or its agent with the beneficial owner's name and address and certifies that it is not a United States Holder on IRS Form W-8 (or a suitable substitute form) or (y) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution") holds the New Security and certifies to the Company or its agent under penalties of perjury that such a Form W-8 (or a suitable substitute) has been received by it from the beneficial owner or qualifying intermediary and furnishes the Company a copy thereof or (b) the Foreign Holder is entitled to the benefits of an income tax treaty under which the interest on the New Securities is exempt from United States withholding tax and the Foreign Holder or such Holder's agent provides a properly executed IRS Form 1001 claiming the exemption. Payments of interest not exempt from U.S. federal withholding tax as described above will be subject to such withholding tax at a rate of 30% (subject to reduction under an applicable income tax treaty).

SALE, EXCHANGE OR RETIREMENT OF NEW SECURITIES

A Foreign Holder generally will not be subject to United States federal income tax (and generally no tax will be withheld) with respect to gain realized on the sale, exchange, redemption, retirement at maturity or other disposition of New Securities, unless the Foreign Holder is an individual who is present in the United States for a period or periods aggregating 183 or more days in the taxable year of the disposition and certain other conditions are met.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Under current Treasury regulations, backup withholding and information reporting on IRS Form 1099 do not apply to payments made by the Company or a paying agent to Foreign Holders if the certification described under "United States Taxation of Foreign Holders of New Securities--Payment of Interest on New Securities" is received, provided that the payor does not have actual knowledge that the holder is a United States Holder. If any payments of principal and interest are made to the beneficial owner of a New Security by or through the foreign office of a foreign custodian, foreign nominee or other foreign agent of such beneficial owner, of if the foreign office of a foreign "broker" (as defined in applicable United States Treasury Department regulations) pays the proceeds of the sale of a New Security or a coupon to the seller thereof, backup withholding and information reporting will not apply. Information reporting requirements (but not backup withholding) will apply, however, to payments by a foreign office of a broker that is a United States person, that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, or that is a "controlled foreign corporation" (generally, a foreign corporation controlled by certain United States shareholders) with respect to the United States, unless the broker has documentary evidence in its records that the holder is a Foreign Holder and certain other conditions are met, or the holder otherwise establishes an exemption. Payment by a United States office of a broker is subject to both backup withholding at a rate of 31% and information reporting unless the holder certifies under penalties of perjury that it is a Foreign Holder, or otherwise establishes an exemption. A Foreign Holder may obtain a refund of, or a credit against such holder's U.S. federal income tax liability for, any amounts withheld under the backup withholding rules, provided the required information is furnished to the IRS.

In addition, in certain circumstances interest on a New Security owned by a Foreign Holder will be required to be reported annually on IRS Form 1042-S, in which case such form will be filed with the IRS and furnished to the Foreign Holder.

The foregoing description of the procedures for withholding tax on interest payments and associated backup withholding and information reporting rules are subject to change by future regulations.

FEDERAL ESTATE TAXES

Subject to applicable estate tax treaty provisions, New Securities held at the time of death (or theretofore transferred subject to certain retained rights or powers) by an individual who at the time of death is a Foreign Holder will not be included in such holder's gross estate for United States federal estate tax purposes provided that the individual does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote.

PLAN OF DISTRIBUTION

Each broker-dealer that holds Old Securities that were acquired for its own account as a result of market making or other trading (other than Old Securities acquired directly from the Company), may exchange Old Securities for New Securities in the Exchange Offer. However, any such broker-dealer may be deemed to be an "underwriter" within the meaning of such term under the Securities Act and must, therefore, acknowledge that it will deliver a prospectus in connection with any resale of New Securities received in the Exchange Offer. This prospectus delivery requirement may be satisfied by the delivery by such broker-dealer of this Prospectus, as it may be amended or supplemented from time to time. The Company has agreed to make this Prospectus, as amended or supplemented, available to any broker-dealer who receives New Securities in the Exchange Offer for use in connection with any such sale promptly upon request. The Company will not receive any proceeds from any sales of New Securities by broker-dealers. Any resale of

New Securities by broker-dealers may be made directly to a purchaser or to or through brokers or dealers who may receive compensation in the form of commissions from any such broker-dealer and/or the purchasers of any such New Securities. Any broker-dealer that resells New Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such New Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of New Securities and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. Pursuant to the Registration Rights Agreement, the Company has agreed to pay all expenses incident to the Exchange Offer other than commissions or concessions of any brokers or dealers and will indemnify Eligible Holders (including any broker-dealer) against certain liabilities, including liabilities under the Securities Act.

EXPERTS

The consolidated financial statements of the Company as of December 31, 1995, 1994, 1993, 1992 and 1991, and for each of the five years in the period ended December 31, 1995 incorporated by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 1995, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The combined financial statements of Electronic Systems (a unit of Westinghouse Electric Corporation) incorporated in this Prospectus by reference to the Current Report on Form 8-K of the Company dated March 18, 1996 have been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given upon the authority of said firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the New Securities offered hereby will be passed upon for the Company by Sheppard, Mullin, Richter & Hampton LLP, Los Angeles, California.

All tendered Old Securities, executed Letters of Transmittal and other related documents should be directed to the Exchange Agent. Questions and requests for assistance and requests for additional copies of the Prospectus, the Letter of Transmittal and other related documents should be addressed to the Exchange Agent as follows:

BY HAND, REGISTERED OR CERTIFIED MAIL
OR OVERNIGHT CARRIER:

The Chase Manhattan Bank
(National Association)
Institutional Trust Group
Chase MetroTech Center
3rd Floor
Brooklyn, New York 11245

BY FACSIMILE:

(718) 242-5885

BY TELEPHONE:

(718) 242-7287

(Originals of all documents submitted by facsimile should be sent promptly by hand, overnight courier, or registered or certified mail)

No dealer, salesperson or other person is authorized in connection with any offering made hereby to give any information or to make any representation not contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or by the Initial Purchasers. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered hereby, nor does it constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby to any person in any jurisdiction in which it is unlawful to make such an offer or solicitation to such person. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstance create any implication that the information contained herein is correct as of any date subsequent to the date hereof.

Offer to Exchange All Outstanding

7% Notes Due 2006
($400,000,000 principal amount outstanding)
For 7% Notes Due 2006

7 3/4% Debentures Due 2016
($300,000,000 principal amount outstanding)
For 7 3/4% Debentures Due 2016

7 7/8% Debentures Due 2026
($300,000,000 principal amount outstanding)
For 7 7/8% Debentures Due 2026

NORTHROP GRUMMAN

CORPORATION

P R O S P E C T U S

_____, 1996

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

DELAWARE GENERAL CORPORATION LAW

Section 145 of the Delaware General Corporation Law (the "Act"), and Article V of the Company's Bylaws relate to the indemnification of the Company's directors and officers, among others, in a variety of circumstances against liabilities arising in connection with the performance of their duties.

The Act permits indemnification of directors and officers acting in good faith and in a manner they reasonably believe to be in or not opposed to the best interests of the Company or its shareholders (and, with respect to a criminal proceeding, if they have no reasonable cause to believe their conduct to be unlawful) against (i) expenses (including attorney's fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding (other than an action by or in the right of the Company) arising out of a position with the Company (or with some other entity at the Company's request) and (ii) expenses (including attorneys' fees) and amounts paid in settlement actually and reasonably incurred in connection with a threatened, pending, or completed action or suit by or in the right of the Company, unless the director or officer is found liable to the Company and an appropriate court does not determine that he or she is nevertheless fairly and reasonably entitled to indemnification.

The Act requires indemnification for expenses to the extent that a director or officer is successful on the merits in defending against any such action, suit or proceeding, and otherwise requires in general that the indemnification provided for in (i) and (ii) above be made only on a determination by a majority vote of a quorum of the Board of Directors who were not parties or threatened to be made parties to the action, suit or proceeding, or, if a quorum cannot be obtained, (a) by independent legal counsel, or (b) by the shareholders. In certain circumstances, the Act further permits advances to cover such expenses before a final determination that indemnification is permissible, upon receipt of a written undertaking by or on behalf of the director or officer to repay such amounts if it shall ultimately be determined that they are not entitled to indemnification.

Indemnification under the Act is not exclusive of other rights to indemnification to which a person may be entitled under the Company's Certificate of Incorporation, Bylaws, or a contractual agreement. The Act permits the Company to purchase insurance on behalf of its directors and officers against liabilities arising out of their positions with the Company whether or not such liabilities would be within the foregoing indemnification provisions.

BYLAWS

Under the Company's Bylaws, the Company is required to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company, a "derivative action") and any appeal thereof by reason of the fact that such person is, was or agreed to become a director or officer of the Company, against expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the fullest extent allowed under Delaware or other applicable state law. The Company shall indemnify an indemnitee in connection with a suit brought by such indemnitee only if the proceeding was authorized by the Company or is instituted to enforce the indemnification rights herein above mentioned. The Company may pay the expenses (including attorney's fees) incurred by any officer, director, employee or agent who is interviewed, subpoenaed or deposed as a witness, or otherwise incurs expenses, in connection with any action or proceeding, if it is determined that such payments will benefit the Company.

The Company's Bylaws provide that the Company shall pay for the expenses incurred by an indemnified director or officer in defending the proceedings specified above, in advance of their final disposition, provided that the person furnishes the Company with an undertaking to reimburse the Company

if it is ultimately determined that such person is not entitled to indemnification. The Company may provide indemnification at the discretion of the Board of Directors and on such terms and under such conditions as the Board shall deem appropriate to any person who is or was serving as an employee or agent. In addition, the Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company (or is serving or was serving at the request of an executive officer the Company in such a position at a related entity) against any liability asserted against and incurred by such person in such capacity, or arising out of the person's status as such whether or not the Company would have the power or the obligation to indemnify such person against such liability under the provisions of the Company's Bylaws.

The Company has entered into an agreement with each of its directors and certain of its officers indemnifying them to the fullest extent permitted by the foregoing. The Company has also purchased director and officer liability insurance.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

3-1 Certificate of Incorporation, as amended (incorporated by reference to Form S-3 Registration Statement filed August 18, 1994)

3-2 Bylaws, as amended (incorporated by reference to Form S-3 Registration Statement filed August 18, 1994)

4-1 Registration Rights Agreement dated as of March 1, 1996 among the Registrant, CS First Boston Corporation, J.P. Morgan Securities, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc.

4-2 Indenture dated as of October 15, 1994 (incorporated by reference to Form 8-K filed October 25, 1994)

4-3 Form of Officers' Certificate (without exhibits) establishing the terms of the New Notes, the New 2016 Debentures and the New 2026 Debentures

4-4 Form of New Note

4-5 Form of New 2016 Debenture

4-6 Form of New 2026 Debenture

4-7 Form of Letter of Transmittal

5-1 Opinion of Sheppard, Mullin, Richter & Hampton LLP

12-1 Computation of Ratio of Earnings to Fixed Charges

23-1 Consent of Deloitte & Touche LLP, independent auditors

23-2 Consent of Price Waterhouse LLP, independent accountants

23-3 Consent of Sheppard, Mullin, Richter & Hampton LLP (included in Exhibit 5-1)

24-1 Power of Attorney

25-1 Form T-1 Statement of Eligibility and Qualification of The Chase Manhattan Bank (National Association) as trustee

(b) Not Applicable

(c) Not Applicable

ITEM 22. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the Registration Statement is on Form S-3, or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 20 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in such Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b) or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of this Registration Statement through the date of responding to the request.

(e) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the Registration Statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, California on April 19, 1996.

NORTHROP GRUMMAN CORPORATION

By: /s/ NELSON F. GIBBS*
_____
Nelson F. Gibbs, Corporate Vice President and Controller

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ KENT KRESA* Kent Kresa	Chairman of the Board, President and Chief Executive Officer and Director (Principal Executive Officer)	April 19, 1996
/s/ RICHARD B. WAUGH, JR.* Richard B. Waugh, Jr.	Corporate Vice President and Chief Financial Officer	April 19, 1996
/s/ NELSON F. GIBBS* Nelson F. Gibbs	Corporate Vice President and Controller (Principal Accounting Officer)	April 19, 1996
/s/ JACK R. BORSTING* Jack R. Borsting	Director	April 19, 1996
/s/ JOHN T. CHAIN, JR.* John T. Chain, Jr.	Director	April 19, 1996
/s/ JACK EDWARDS* Jack Edwards	Director	April 19, 1996
/s/ PHILLIP FROST* Phillip Frost	Director	April 19, 1996
/s/ AULANA L. PETERS* Aulana L. Peters	Director	April 19, 1996

/s/ JOHN E. ROBSON* John E. Robson	Director	April 19, 1996
/s/ RICHARD M. ROSENBERG* Richard M. Rosenberg	Director	April 19, 1996
Brent Scowcroft	Director	
/s/ JOHN BROOKS SLAUGHTER* John Brooks Slaughter	Director	April 19, 1996
/s/ WALLACE C. SOLBERG* Wallace C. Solberg	Director	April 19, 1996
/s/ RICHARD J. STEGEMEIER* Richard J. Stegemeier	Director	April 19, 1996

*By: /s/ JAMES C. JOHNSON
James C. Johnson
Attorney-in-Fact**

** By authority of power of attorney filed with this registration statement.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	PAGE
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EXHIBIT 4.1

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REGISTRATION RIGHTS AGREEMENT
(relating to the 7% Notes Due 2006
7-3/4% Debentures Due 2016 and the
7-7/8% Debentures Due 2026)

Dated as of March 1, 1996

by and among

NORTHROP GRUMMAN CORPORATION

and

CS FIRST BOSTON CORPORATION
J.P. MORGAN SECURITIES INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
and
SALOMON BROTHERS INC

AS REPRESENTATIVES OF THE INITIAL PURCHASERS

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This Registration Rights Agreement (this "AGREEMENT") is made and entered into as of March 1, 1996, by and among NORTHROP GRUMMAN CORPORATION, a Delaware corporation (the "COMPANY"), and CS FIRST BOSTON CORPORATION, J.P. MORGAN SECURITIES INC., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and SALOMON BROTHERS INC, a representatives of the several initial purchasers (each an "INITIAL PURCHASER" and, collectively, the "INITIAL PURCHASERS") identified in the Purchase Agreement (as defined below), which have agreed pursuant to such agreement to purchase from the Company $400 million aggregate principal amount of 7% Notes Due 2006 (the "SERIES A NOTES"), $300 million aggregate principal amount of 7-3/4% Debentures Due 2016 (the SERIES A 2016 DEBENTURES"), and $300 million aggregate principal amount of 7-7/8% Debentures Due 2026 (the SERIES A 2026 DEBENTURES," and together with the Series A Notes and the Series A 2016 Debentures, the SERIES A SECURITIES").

This Agreement is made pursuant to the Purchase Agreement, dated as of February 27, 1996 (the "PURCHASE AGREEMENT"), by and among the Company and the Initial Purchasers. In order to induce the Initial Purchasers to purchase the Series A Securities, the Company has agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers set forth in Section 6(j) of the Purchase Agreement.

The parties hereby agree as follows:

SECTION 1. DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

ACT: The Securities Act of 1933, as amended.

ADDITIONAL INTEREST: As defined in Section 5 hereof.

ADDITIONAL INTEREST PAYMENT DATE: With respect to the Series A Securities, each Interest Payment Date.

BUSINESS DAY: Any day except a Saturday, Sunday or other day in the City of New York, or in the city of the corporate trust office of the Trustee, on which banks are authorized to close.

BROKER-DEALER: Any broker or dealer registered under the Exchange Act.

BROKER-DEALER TRANSFER RESTRICTED SECURITIES: Series B Securities of any tranche that are acquired by a Broker-Dealer in the Exchange Offer in exchange for applicable Series A Securities that such Broker-Dealer acquired for its own account as a result of market making activities or other trading activities (other than in exchange for Series A Securities acquired directly from the Company or any of its affiliates).

CERTIFICATED SECURITIES: Securities issued in definitive, certificated form under the Indenture other than the Securities issued in global form pursuant to the Indenture and any beneficial interest therein.

CLOSING DATE: The date hereof.

COMMISSION: The Securities and Exchange Commission.

CONSUMMATE: An Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (a) the filing and effectiveness under the Act of the Exchange Offer Registration Statement relating to the Series B Securities to be issued in the Exchange Offer, (b) the maintenance of such Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) hereof and (c) the delivery by the Company to the Trustee under the Indenture of Series B Securities of each respective tranche in the same aggregate principal amount as the aggregate principal amount of the respective tranche of Series A Securities tendered by Holders thereof pursuant to the Exchange Offer.

EXCHANGE ACT: The Securities Exchange Act of 1934, as amended.

EXCHANGE OFFER: The registration by the Company under the Act of the Series B Securities pursuant to the Exchange Offer Registration Statement pursuant to which the Company shall offer the Holders of all outstanding Transfer Restricted Securities the opportunity to exchange all such outstanding Transfer Restricted Securities of each tranche for Series B Securities of the respective tranche in an aggregate principal amount equal to the aggregate principal amount of the Transfer Restricted Securities tendered in such exchange offer by such Holders.

EXCHANGE OFFER REGISTRATION STATEMENT: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

EXEMPT RESALES: The transactions in which the Initial Purchasers propose to sell the Series A Securities to certain "qualified institutional buyers," as such term is defined in Rule 144A under the Act, to certain institutional "accredited investors," as such term is defined in Rule 501(a)(1), (2), (3) and (7) of Regulation D under the Act, and in accordance with Rule 903 of Regulation S under the Act.

GLOBAL SECURITYHOLDER: Any owner from time to time of a beneficial interest in any Security issued in global form pursuant to the Indenture.

HOLDERS: As defined in Section 2 hereof.

INDEMNIFIED HOLDER: As defined in Section 8(a) hereof.

INDENTURE: The Indenture, dated as of October 15, 1994, between the Company and the Trustee, pursuant to which the Securities are to be issued, as such Indenture is amended or further supplemented from time to time in accordance with the terms thereof including, without limitation, any amendment or supplement effected through an officer's certificate under Sections 201, 301 or 303 of the Indenture.

INTEREST PAYMENT DATE: As defined in the Indenture and the Securities.

NASD: National Association of Securities Dealers, Inc.

PERSON: An individual, partnership, limited liability company, corporation, trust, unincorporated organization, or a government or agency or political subdivision thereof.

PROSPECTUS: The prospectus included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other

amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

RECORD HOLDER: With respect to any Additional Interest Payment Date, each Person who is a Holder of Securities on the record date with respect to the Interest Payment Date on which such Additional Interest Payment Date shall occur.

REGISTRATION DEFAULT: As defined in Section 5 hereof.

REGISTRATION STATEMENT: Any registration statement of the Company relating to (a) an offering of Series B Securities pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, in each case, (i) which is filed pursuant to the provisions of this Agreement and (ii) including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

RESTRICTED BROKER-DEALER: Any Broker-Dealer which holds Broker-Dealer Transfer Restricted Securities.

SECURITIES: The Series A Securities and the Series B Securities.

SERIES B NOTES: The Company's 7% Series B Notes Due 2006 to be issued pursuant to the Indenture (i) in the Exchange Offer or (ii) upon the request of any Holder of Series A Notes covered by a Shelf Registration Statement in exchange for such Series A Notes.

SERIES B 2016 DEBENTURES: The Company's 7-3/4% Series B Debentures Due 2016 to be issued pursuant to the Indenture (i) in the Exchange Offer or (ii) upon the request of any Holder of Series A 2016 Debentures covered by a Shelf Registration Statement in exchange for such Series A 2016 Debentures.

SERIES B 2026 DEBENTURES: The Company's 7-7/8% Series B Debentures Due 2026 to be issued pursuant to the Indenture (i) in the Exchange Offer or (ii) upon the request of any Holder of Series A 2026 Debentures covered by a Shelf Registration Statement in exchange for such Series A 2026 Debentures.

SERIES B SECURITIES: The Series B Notes, Series B 2016 Debentures and Series B 2026 Debentures.

SHELF REGISTRATION STATEMENT: As defined in Section 4 hereof.

TIA: The Trust Indenture Act of 1939 (15 U.S.C. Section 77aaa-77bbbb) as in effect on the date of the Indenture.

TRANSFER RESTRICTED SECURITIES: Each Security, until the earliest to occur of (i) the date on which such Securities have been exchanged by a Person other than a Broker-Dealer for Series B Securities of the same tranche in the Exchange Offer, (ii) following the exchange by a Broker-Dealer in the Exchange Offer of Securities for Series B Securities of the same tranche, the date on which such Series B Securities are sold to a purchaser who receives from such Broker-Dealer on or prior to the date of such sale a copy of the Prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Series B

Securities have been effectively registered under the Act and disposed of in accordance with a Shelf Registration Statement or (iv) the date on which such Series B Securities are distributed to the public pursuant to Rule 144 under the Act.

TRUSTEE: The Chase Manhattan Bank, National Association, as trustee, under the Indenture and each successor trustee appointed pursuant to and in accordance with the terms thereof.

UNDERWRITTEN REGISTRATION or UNDERWRITTEN OFFERING: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

SECTION 2. HOLDERS

A Person is deemed to be a holder of Transfer Restricted Securities (each, a "HOLDER") whenever such Person owns Transfer Restricted Securities.

SECTION 3. REGISTERED EXCHANGE OFFER

(a) Unless the Exchange Offer shall not be permitted by applicable federal law (after the procedures set forth in Section 6(a)(i) below have been complied with), the Company shall (i) use its best efforts to cause to be filed with the Commission as soon as practicable after the Closing Date, but in no event later than 75 days after the Closing Date, the Exchange Offer Registration Statement, (ii) use its best efforts to cause such Exchange Offer Registration Statement to become effective as soon as practicable, but in no event later than 120 days after the Closing Date, (iii) in connection with the foregoing, (A) file all pre-effective amendments to such Exchange Offer Registration Statement as may be necessary in order to cause such Exchange Offer Registration Statement to become effective, (B) file, if applicable, a post-effective amendment to such Exchange Offer Registration Statement pursuant to Rule 430A under the Act and (C) cause all necessary filings, if any, in connection with the registration and qualification of each tranche of Series B Securities to be made under the Blue Sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer, and (iv) upon the effectiveness of such Exchange Offer Registration Statement, commence and Consummate the Exchange Offer. The Exchange Offer shall be on the appropriate form permitting registration of each tranche of Series B Securities to be offered in exchange for the respective tranche of Series A Securities that are Transfer Restricted Securities and to permit sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers as contemplated by Section 3(c) below.

(b) The Company shall use its best efforts to cause the Exchange Offer Registration Statement to be effective continuously, and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to Consummate the Exchange Offer; PROVIDED, HOWEVER, that in no event shall such period be less than 20 Business Days. The Company shall cause the Exchange Offer to comply with all applicable federal and state securities laws. No securities other than the Series B Securities shall be included in the Exchange Offer Registration Statement. The Company shall use its best efforts to cause the Exchange Offer to be Consummated as soon as practicable after the Exchange Offer Registration Statement has become effective, but in no event later than 30 Business Days thereafter.

(c) The Company shall include a "Plan of Distribution" section in the Prospectus contained in the Exchange Offer Registration Statement and indicate therein that any Restricted Broker-Dealer who holds Series A Securities that are Transfer Restricted Securities and that were acquired for the account of such Broker-Dealer as a result of market-making activities or other trading activities, may exchange such Series A Securities (other than Transfer Restricted Securities acquired directly from the Company or any Affiliate of the Company) pursuant to the Exchange Offer. The parties hereto acknowledge and agree that such a Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Act and, therefore, must deliver a prospectus meeting the requirements of the Act in connection with its initial sale of each Series B Security received by such Broker-Dealer in the Exchange Offer, which prospectus delivery requirement may be satisfied by the delivery by such Broker-Dealer of the Prospectus contained in the Exchange Offer Registration Statement. Accordingly, such "Plan of Distribution" section shall also contain all other information with respect to such sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers that the Commission may require in order to permit such sales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Securities held by any such Broker-Dealer, except to the extent expressly required by the Commission.

The Company shall use its best efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) below to the extent necessary to ensure that it is available for sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers, and to ensure that such Registration Statement conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of one year from the date on which the Exchange Offer is Consummated or for such shorter period terminating on the first date that (i) there are no longer outstanding any Transfer Restricted Securities or (ii) there is available and usable for such purpose an effective Shelf Registration Statement covering the relevant Broker-Dealer Transfer Restricted Securities.

The Company shall promptly provide sufficient copies of the latest version of such Prospectus to such Restricted Broker-Dealers promptly upon request, and in no event later than one day after such request, at any time during such period in order to facilitate such sales.

SECTION 4. SHELF REGISTRATION

(a) SHELF REGISTRATION. If (i) the Company is not required to file an Exchange Offer Registration Statement with respect to the Series B Securities because the Exchange Offer is not permitted by applicable law (after the procedures set forth in Section 6(a)(i) below have been complied with) or (ii) if any Holder of Transfer Restricted Securities shall notify the Company within 20 Business Days following the Consummation of the Exchange Offer that (A) such Holder was prohibited by law or Commission policy from participating in the Exchange Offer or (B) such Holder may not resell the Series B Securities acquired by it in the Exchange Offer to the public without delivering a prospectus and the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (C) such Holder is a Broker-Dealer and holds Series A Securities acquired directly from the Company or one of its affiliates, then the Company shall (x) use its best efforts to cause to be filed as soon as practicable, but in no event later than 30 days after the date on which the Company determines that it is not required to file the Exchange Offer Registration Statement pursuant to clause (i) above or 30 days after the date on which the Company receives the notice specified in clause (ii) above a shelf registration statement pursuant to Rule 415 under the Act (which may be an amendment to the Exchange Offer

Registration Statement (in either event, the "SHELF REGISTRATION STATEMENT")), relating to all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) hereof, and shall (y) use its best efforts to cause such Shelf Registration Statement to become effective as soon as practicable, but in no event later than 75 days after the date on which the Company becomes obligated to file such Shelf Registration Statement. If, after the Company has filed an Exchange Offer Registration Statement which satisfies the requirements of Section 3(a) above, the Company is required to file and make effective a Shelf Registration Statement solely because the Exchange Offer shall not be permitted under applicable federal law, then the filing of the Exchange Offer Registration Statement shall be deemed to satisfy the requirements of clause (x) above and the 75-day period contained in clause (y) above shall be deemed to have commenced on the date the Company became aware that the Exchange Offer was not permitted under applicable federal law. The Company shall use its best efforts to keep the Shelf Registration Statement discussed in this Section 4(a) continuously effective, supplemented and amended as required by and subject to the provisions of Sections 6(b) and (c) hereof to the extent necessary to ensure that it is available for sales of Transfer Restricted Securities by the Holders thereof entitled to the benefit of this Section 4(a), and to ensure that it conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of at least three years (as extended pursuant to Section 6(c)(i)) following the date on which such Shelf Registration Statement first becomes effective under the Act.

(b) PROVISION BY HOLDERS OF CERTAIN INFORMATION IN CONNECTION WITH THE SHELF REGISTRATION STATEMENT. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 10 Business Days after receipt of a request therefor, such information specified in item 507 of Regulation S-K under the Act for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. No Holder of Transfer Restricted Securities shall be entitled to Additional Interest pursuant to Section 5 hereof unless and until such Holder shall have provided all such information. Each Holder as to which any Shelf Registration Statement is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Holder not materially misleading.

SECTION 5. ADDITIONAL INTEREST

If (i) the Exchange Offer Registration Statement has not been filed with the Commission by May 15, 1996 or any Shelf Registration Statement required by this Agreement is not filed with the Commission on or prior to the date specified herein, (ii) the Exchange Offer Registration Statement is not declared effective by the Commission by July 1, 1996 or any Shelf Registration Statement required by this Agreement is not declared effective by the Commission on or prior to the date specified herein, (iii) the Company has not Consummated the Exchange Offer within 30 Business Days after the Exchange Offer Registration Statement is first declared effective by the Commission or (iv) a Shelf Registration Statement or Exchange Offer Registration Statement is declared effective but thereafter ceases to be effective or usable for its intended purpose in connection with resales of Transfer Restricted Securities during the periods specified in this Agreement without being succeeded immediately by a post-effective amendment to such Registration Statement that cures such failure and that is itself declared effective immediately (each such event referred to in clauses (i) through (iv) a "REGISTRATION DEFAULT"), interest will accrue on the Series A Notes at the rate of 7-1/2% per annum, on the Series A 2016 Debentures at the rate of 8-1/4% per

annum and on the Series A 2026 Debentures at the rate of 8-3/8% per annum, as the case may be, in each case from and including the date on which any such Registration Default shall occur with respect to a tranche of Series A Securities to but excluding the date on which all relevant Registration Defaults have been cured. At all other times, the Securities shall bear interest at the rates per annum specified in the respective Securities. Additional Interest with respect to each tranche of Transfer Restricted Securities shall be computed on the same basis as on the Securities (I.E., on the basis of a 360-day year of twelve 30-day months). Notwithstanding anything to the contrary set forth herein, (1) upon filing of the Exchange Offer Registration Statement (and/or, if applicable, any Shelf Registration Statement), in the case of (i) above, (2) upon the effectiveness of the Exchange Offer Registration Statement (and/or, if applicable, any Shelf Registration Statement), in the case of (ii) above, (3) upon Consummation of the Exchange Offer, in the case of (iii) above, or (4) upon the filing of a post-effective amendment to the Registration Statement or an additional Registration Statement that causes the Exchange Offer Registration Statement (and/or, if applicable, any Shelf Registration Statement) to again be declared effective or made usable in the case of (iv) above, the Additional Interest with respect to the Transfer Restricted Securities as a result of such clause (i), (ii), (iii) or (iv), as applicable, shall cease to accrue.

All accrued Additional Interest shall be paid to the Global Securityholder by wire transfer of immediately available funds or by federal funds check and to Holders of Certificated Securities by mailing checks to their registered addresses on each Additional Interest Payment Date. All obligations of the Company set forth in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such security shall have been satisfied in full.

SECTION 6. REGISTRATION PROCEDURES

(a) EXCHANGE OFFER REGISTRATION STATEMENT. In connection with the Exchange Offer, the Company shall comply with all applicable provisions of Section 6(c) below, shall use its best efforts to effect such exchange and to permit the sale of Broker-Dealer Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and shall comply with all of the following provisions:

(i) If, following the date hereof there has been published a change in Commission policy with respect to exchange offers such as the Exchange Offer, such that in the reasonable opinion of counsel to the Company there is a substantial question as to whether the Exchange Offer is permitted by applicable federal law, the Company hereby agrees to seek a no-action letter or other favorable decision from the Commission allowing the Company to Consummate an Exchange Offer for such Series A Securities. The Company hereby agrees to pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Company hereby agrees to take all such other actions as are requested by the Commission staff or otherwise required in connection with the issuance of such decision, including, without limitation (A) participating in telephonic conferences with the Commission staff, (B) delivering to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursuing a resolution (which need not be favorable) by the Commission staff of such submission.

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the Consummation of the Exchange Offer, a written representation to the Company (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an affiliate of the Company, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the Series B Securities to be issued in the Exchange Offer and (C) it is acquiring the Series B Securities in its ordinary course of business. Each Holder hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Exchange Offer to participate in a distribution of the securities to be acquired in the Exchange Offer (1) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in MORGAN STANLEY AND CO., INC. (available June 5, 1991) and EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-action letters (including, if applicable, any no-action letter obtained pursuant to clause (i) above), and (2) must comply with the registration and prospectus delivery requirements of the Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the resales are of Series B Securities obtained by such Holder in exchange for Series A Securities of the respective tranche acquired by such Holder directly from the Company or an affiliate thereof.

(iii) Prior to effectiveness of the Exchange Offer Registration Statement, the Company shall provide a supplemental letter to the Commission (A) stating that the Company is registering the Exchange Offer in reliance on the position of the Commission enunciated in EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), MORGAN STANLEY AND CO., INC. (available June 5, 1991) and, if applicable, any no-action letter obtained pursuant to clause (i) above, (B) including a representation that the Company has not entered into any arrangement or understanding with any Person to distribute the Series B Securities to be received in the Exchange Offer and that, to the best of the Company's information and belief, each Holder participating in the Exchange Offer is acquiring the Series B Securities in its ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the Series B Securities received in the Exchange Offer and (C) any other undertaking or representation required by the Commission as set forth in any no-action letter obtained pursuant to clause (i) above.

(b) SHELF REGISTRATION STATEMENT. In connection with the Shelf Registration Statement, the Company shall comply with all the provisions of Section 6(c) below and shall use its best efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof (as indicated in the information furnished to the Company pursuant to Section 4(b) hereof), and pursuant thereto the Company will prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof within the time periods and otherwise in accordance with the provisions hereof.

(c) GENERAL PROVISIONS. In connection with any Registration Statement and any related Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Exchange Offer Registration Statement and the related Prospectus, to

the extent that the same are required to be available to permit sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers), the Company shall:

(i) use its best efforts to keep such Registration Statement continuously effective and provide all requisite financial statements for the period specified in Section 3 or 4 of this Agreement, as applicable. Upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company shall file promptly an appropriate amendment to such Registration Statement, (1) in the case of clause (A), correcting any such misstatement or omission, and (2) in the case of clauses (A) and (B), use its best efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as practicable thereafter.

(ii) prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act, and to comply fully with Rules 424, 430A and 462, as applicable, under the Act in a timely manner; and comply with the provisions of the Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) advise the underwriter(s), if any, and selling Holders promptly and, if requested by such Persons, confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Act or of the suspension by any state securities commission of the qualification of any tranche of Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement in order to make the statements therein not misleading, or that requires the making of any additions to or changes in the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of any tranche of Transfer Restricted Securities under state securities or Blue Sky laws, the Company shall use its best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) upon the request of any such Person, furnish to any Initial Purchaser, any selling Holder expressly named in any Registration Statement or Prospectus as a selling securityholder and any underwriter(s) participating in any disposition pursuant to a Registration Statement, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement), which documents will be subject to the review and comment of such Holders and underwriter(s) in connection with such sale, if any, for a period of at least five Business Days, and the Company will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) to which the selling Holders of the Transfer Restricted Securities covered by such Registration Statement or the underwriter(s) in connection with such sale, if any, shall reasonably object within five Business Days after the receipt thereof. Any such review and comment shall be provided through the single counsel for all such Persons contemplated by Section 7(b) hereof and the five Business Day period shall terminate upon completion of such review and comment with that counsel. A selling Holder or underwriter, if any, shall be deemed to have reasonably objected to such filing if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains a material misstatement or omission or fails to comply with the applicable requirements of the Act;

(v) promptly after the filing of any document that is incorporated by reference into a Registration Statement or Prospectus and upon the request of any Initial Purchaser, selling Holder expressly named in such Registration Statement or underwriter participating in any disposition pursuant to such Registration Statement, make one or more responsible officials of the Company available, at reasonable times during normal business hours after appropriate advance notice, for discussion of such document and other customary due diligence matters, which discussions shall be coordinated by the single counsel for all selling Holders contemplated by Section 7(b) hereof;

(vi) make available at reasonable times for inspection by the selling Holders, any managing underwriter participating in any disposition pursuant to such Registration Statement and any attorney or accountant retained by such selling Holders or any of such underwriter(s), all financial and other records, pertinent corporate documents and properties of the Company and cause one or more responsible officials of the Company to supply all information reasonably requested by any such Holder, underwriter, attorney or accountant in connection with such Registration Statement or any post-effective amendment thereto subsequent to the filing thereof and prior to its effectiveness (collectively, "COMPANY INFORMATION"); PROVIDED, HOWEVER, that if the Company determines that any requested Company Information is confidential, such Company Information shall not be disclosed unless the requesting party signs a confidentiality agreement in customary form and otherwise reasonably satisfactory to the Company (it being understood that such confidentiality agreement shall not include any "standstill" or similar contractual restriction on the purchase, sale or voting of securities of the Company unrelated to compliance with the anti-fraud provisions of the federal securities laws); and PROVIDED, FURTHER, that the Company shall not be obligated to disclose any Company Information that it is not legally permitted to disclose by operation of government regulation or similar requirement, including, without limitation, by operation of national security classification;

(vii) if requested by any selling Holders or the underwriter(s) in connection with such sale, if any, promptly include in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such selling Holders and underwriter(s),

if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities, information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid therefor and any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after the Company is notified of the matters to be included in such Prospectus supplement or post-effective amendment;

(viii) furnish to each selling Holder and each of the underwriter(s) in connection with such sale, if any, without charge, at least one conformed copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including all documents incorporated by reference therein and all exhibits (including exhibits incorporated therein by reference);

(ix) deliver to each selling Holder and each of the underwriter(s), if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons reasonably may request; the Company hereby consents to the use (in accordance with law) of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

(x) enter into such agreements (including an underwriting agreement) and make such representations and warranties and take all such other actions customary in connection therewith in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement as may be reasonably requested by any Holder of Transfer Restricted Securities or underwriter in connection with any sale or resale pursuant to any Registration Statement contemplated by this Agreement, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten Registration, the Company shall:

(A) furnish (or in the case of paragraphs (2) and (3), use its best efforts to furnish) to each selling Holder and each underwriter, if any, upon the effectiveness of the Shelf Registration Statement and to each Restricted Broker-Dealer upon Consummation of the Exchange Offer:

(1) a certificate, signed on behalf of the Company by (x) the President or any Vice President and (y) the principal financial or accounting officer of the Company, confirming, as of the date of Consummation of the Exchange Offer or the date of effectiveness of the Shelf Registration Statement, as the case may be, the matters described in Section 6(g) of the Purchase Agreement and such other similar matters as the Holders, underwriter(s) and/or Restricted Broker Dealers may reasonably request;

(2) an opinion, dated the date of Consummation of the Exchange Offer or the date of effectiveness of the Shelf Registration Statement, as the case may be, of counsel for the Company covering matters similar to those set forth in Sections 6(d) and 6(e) of the Purchase Agreement and such other matters as the Holders, underwriters and/or Restricted Broker Dealers may reasonably request, and in any event including a statement to the effect that such counsel has participated in conferences with officers and other representatives of the Company, representatives of the independent public accountants for the Company and

have considered the matters required to be stated therein and the statements contained therein, although such counsel has not independently verified the accuracy, completeness or fairness of such statements; and that such counsel advises that, on the basis of the foregoing (relying as to materiality to a large extent upon facts provided to such counsel by officers and other representatives of the Company and without independent check or verification), no facts came to such counsel's attention that caused such counsel to believe that the applicable Registration Statement, at the time such Registration Statement or any post-effective amendment thereto became effective and, in the case of the Exchange Offer Registration Statement, as of the date of Consummation of the Exchange Offer, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus contained in such Registration Statement as of its date and, in the case of the opinion dated the date of Consummation of the Exchange Offer, as of the date of Consummation, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Without limiting the foregoing, such counsel may state further that such counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial data included in any Registration Statement contemplated by this Agreement or the related Prospectus; and

(3) a customary comfort letter, dated as of the date of effectiveness of the Shelf Registration Statement or the date of Consummation of the Exchange Offer, as the case may be, from the Company's independent accountants and the independent accountants of any acquired business with respect to which audited or PRO FORMA financial statements are included or incorporated by reference in such Registration Statement, in the customary form and covering matters of the type customarily covered in comfort letters to underwriters in connection with primary underwritten offerings, and affirming the matters set forth in the comfort letters delivered pursuant to Sections 6(h) and 6(i) of the Purchase Agreement, without exception;

(B) set forth in full or incorporate by reference in the underwriting agreement, if any, in connection with any sale or resale pursuant to any Shelf Registration Statement the indemnification provisions and procedures of Section 8 hereof with respect to all parties to be indemnified pursuant to said Section; and

(C) deliver such other documents and certificates as may be reasonably requested by the selling Holders, the underwriter(s), if any, and Restricted Broker Dealers, if any, to evidence compliance with clause (A) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company pursuant to this clause (x).

The above shall be done at each closing under such underwriting or similar agreement, as and to the extent required thereunder, and if at any time the representations and warranties of the Company contemplated in (A)(1) above cease to be true and correct, the Company shall so advise the underwriter(s), if any, the selling Holders and each Restricted Broker-Dealer promptly and if requested by such Persons, shall confirm such advice in writing;

(xi) prior to any public offering of Transfer Restricted Securities, cooperate with the selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of each tranche of Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the selling Holders or underwriter(s), if any, may request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the applicable Registration Statement; PROVIDED, HOWEVER, that the Company shall not be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xii) issue, upon the request of any Holder of Series A Securities of any tranche covered by any Shelf Registration Statement contemplated by this Agreement, Series B Securities of the respective tranche having an aggregate principal amount equal to the aggregate principal amount of Series A Securities surrendered to the Company by such Holder in exchange therefor or being sold by such Holder; such Series B Securities to be registered in the name of such Holder or in the name of the purchaser(s) of such Securities, as the case may be; in return, the Series A Securities held by such Holder shall be surrendered to the Company for cancellation;

(xiii) in connection with any sale of Transfer Restricted Securities that will result in such securities no longer being Transfer Restricted Securities, cooperate with the selling Holders and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and to register such Transfer Restricted Securities in such denominations and such names as the Holders or the underwriter(s), if any, may request at least two Business Days prior to such sale of Transfer Restricted Securities;

(xiv) subject to Section 6(c)(i), if any fact or event contemplated by Section 6(c)(iii)(D) above shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xv) provide a CUSIP number for each tranche of Transfer Restricted Securities not later than the effective date of a Registration Statement covering such Transfer Restricted Securities and provide the Trustee under the Indenture with printed certificates for the Transfer Restricted Securities which are in a form eligible for deposit with The Depository Trust Company;

(xvi) cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of the NASD, and use their respective best efforts to cause such Registration Statement to become effective and approved by such governmental agencies or authorities as may be necessary to enable the Holders selling Transfer Restricted Securities to consummate the disposition of such Transfer Restricted Securities;

(xvii) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make generally available to its security holders with regard to any applicable Registration Statement, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 (which need not be audited) covering a twelve-month period beginning after the effective date of the Registration Statement (as such term is defined in paragraph (c) of Rule 158 under the Act);

(xviii) if not previously effected, cause the Indenture (including, as necessary, any supplement thereto) to be qualified under the TIA and, in connection therewith, cooperate with the Trustee and the Holders of Securities to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the TIA; and execute and use its best efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified; and

(xix) provide promptly to each Initial Purchaser, selling Holder or underwriter participating in any distribution pursuant to a Registration Statement, upon written request, each document filed with the Commission pursuant to the requirements of Section 13 or Section 15(d) of the Exchange Act.

(d) RESTRICTIONS ON HOLDERS. Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of the notice referred to in Section 6(c)(i) or any notice from the Company of the existence of any fact of the kind described in Section 6(c)(iii)(D) hereof, such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xiv) hereof, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus (the "ADVICE"). If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of either such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(c)(i) or Section 6(c)(iii)(D) hereof to and including the date when each selling Holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xiv) hereof or shall have received the Advice.

SECTION 7. REGISTRATION EXPENSES

(a) All expenses incident to the Company's performance of or compliance with this Agreement, other than underwriting discounts and commissions of selling Holders, if any, will be borne by the Company, regardless of whether a Registration Statement becomes effective, including without limitation: (i) all registration and filing fees and expenses (including filings made by any Purchaser or Holder with the NASD (and, if applicable, the fees and expenses of any "qualified independent underwriter") and its counsel that may be required by the rules and regulations of the NASD); (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing certificates for the Series B Notes to be issued in the Exchange Offer and printing of

Prospectuses), messenger and delivery services and telephone; (iv) all fees and disbursements of counsel for the Company and the Holders of Transfer Restricted Securities; (v) all application and filing fees, if any, in connection with listing the Notes on a national securities exchange or automated quotation system pursuant to the requirements hereof; and (vi) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will, in any event, bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Company.

(b) In connection with any Registration Statement required by this Agreement (including, without limitation, the Exchange Offer Registration Statement and the Shelf Registration Statement), the Company will reimburse the Purchasers and the Holders of Transfer Restricted Securities being tendered in the Exchange Offer and/or resold pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or registered pursuant to the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more than one counsel, who shall be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

SECTION 8. INDEMNIFICATION

(a) The Company agrees to indemnify and hold harmless (i) each Holder, (ii) each person, if any, who controls (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) any Holder (any of the persons referred to in this clause (ii) being hereinafter referred to as a "controlling person") and (iii) the respective officers, directors, partners, employees, representatives and agents of any Holder or any controlling person (any person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as an "INDEMNIFIED HOLDER") against any losses, claims, damages or liabilities, joint or several, to which such Indemnified Holder may become subject, under the Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, preliminary prospectus or Prospectus (or any amendment or supplement thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and will reimburse each Indemnified Holder for any legal or other expenses reasonably incurred by such Purchaser in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; PROVIDED, HOWEVER, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by such Indemnified Holder specifically for use therein.

(b) Each Holder of Transfer Restricted Securities will, severally and not jointly, indemnify and hold harmless the Company and its directors, officers, and any person controlling (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) the Company, and the respective officers,

directors, partners, employees, representatives and agents of each such person, against any losses, claims, damages or liabilities to which any such Person may become subject, under the Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, preliminary prospectus or Prospectus (or any amendment or supplement thereto), or arise out of or are based upon the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Holder specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damages, liability or action as such expenses are incurred. In no event shall any Holder be liable or responsible for, in the aggregate, any amount in excess of the amount by which the total received by such Holder with respect to its sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds the sum of (i) the amount paid by such Holder for such Transfer Restricted Securities PLUS (ii) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of each indemnified party from all liability on any claims that are the subject matter of such action.

(d) If the indemnification provided for in this Section 8 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Holders, on the other hand, from their sale of Transfer Restricted Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and of the Indemnified Holder, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The

relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Indemnified Holder and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d).

The Company and each Holder of Transfer Restricted Securities agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by PRO RATA allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 8, no Holder or its related Indemnified Holders shall be required to contribute, in the aggregate, any amount in excess of the amount by which the total received by such Holder with respect to its sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds the sum of (i) the amount paid by such Holder for such Transfer Restricted Securities PLUS (ii) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(c) are several in proportion to the respective principal amount of Series A Securities held by each of the Holders hereunder and not joint.

(e) The respective obligations of the Company and the Holders under this Section 8 shall be in addition to any liability which any of them may otherwise have.

SECTION 9. RULE 144A

The Company hereby agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding and during such period, if any, in which the Company is not subject to Section 13 or 15(d) of the Exchange Act, to make available, upon request of any Holder of Transfer Restricted Securities, to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities designated by such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A.

SECTION 10. UNDERWRITTEN REGISTRATIONS

No Holder may participate in any Underwritten Registration hereunder unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in customary underwriting arrangements entered into in connection therewith and (b) completes and executes all reasonable questionnaires, powers of attorney and other documents required under the terms of such underwriting arrangements.

SECTION 11. SELECTION OF UNDERWRITERS

For any Underwritten Offering, the investment banker or investment bankers and manager or managers for any Underwritten Offering that will administer such offering will be selected by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities (determined without regard to the respective tranche of such Securities as if such Securities were of one and the same tranche) included in such offering. Such investment bankers and managers are referred to herein as the "underwriters."

SECTION 12. MISCELLANEOUS

(a) REMEDIES. Each Holder, in addition to being entitled to exercise all rights provided herein, in the Indenture, the Purchase Agreement or granted by law, including recovery of Additional Interest or damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive such defense in any action for specific performance that a remedy at law would be adequate.

(b) NO INCONSISTENT AGREEMENTS. The Company will not, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The Company has not previously entered into any agreement granting any registration rights with respect to its securities to any Person. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof.

(c) ADJUSTMENTS AFFECTING THE NOTES. The Company will not take any action, or voluntarily permit any change to occur, with respect to the Securities that would materially and adversely affect the ability of the Holders to Consummate any Exchange Offer.

(d) AMENDMENTS AND WAIVERS. The provisions of this Agreement with respect to any tranche of the Securities may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless (i) in the case of Section 5 hereof and this Section 12(d)(i), the Company has obtained the written consent of Holders of all outstanding Transfer Restricted Securities of such tranche and (ii) in the case of all other provisions hereof, the Company has obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities of such tranche. Notwithstanding the foregoing, a waiver or consent with respect to any tranche of the Securities to departure from the provisions hereof that relates exclusively to the rights of Holders of Transfer Restricted Securities of such tranche whose securities are being tendered pursuant to the Exchange Offer and that does not affect directly or indirectly the rights of other Holders whose securities are not being tendered pursuant to such Exchange Offer may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities of such tranche subject to such Exchange Offer.

(e) NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Trustee under the Indenture; and

(ii) if to the Company:

Northrop Grumman Corporation
1840 Century Park East
Los Angeles, California 90067
Telecopier No.: (310) 556-4556
Attention: General Counsel

WITH A COPY TO:

Sheppard, Mullin, Richter & Hampton LLP
333 South Hope Street, 48th Floor
Los Angeles, California 90071
Telecopier No.: (213) 620-1398
Attention: John D. Hussey, Esq.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery with the delivery charges prepaid.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities; PROVIDED, HOWEVER, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities directly from such Holder.

(g) COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF.

(j) SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) NO INTERPRETATION AGAINST DRAFTER. This Agreement is the product of negotiations between the parties hereto represented by counsel and such parties agree that no rule of construction relating to interpretation against the drafter of an agreement shall apply to this Agreement.

(l) ENTIRE AGREEMENT. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

(m) CALCULATION OF TIME PERIODS. For purposes of this Agreement, any action which requires a filing with, or the taking of any action by, the Commission on a Saturday, Sunday, Federal holiday or other day on which the Commission is closed for business, shall be extended until the next day on which the Commission is open for business.

(Signature Page Follows.)

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NORTHROP GRUMMAN CORPORATION

By:

Name:
Title:

"INITIAL PURCHASERS"

CS FIRST BOSTON CORPORATION
J.P. MORGAN SECURITIES INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
SALOMON BROTHERS INC

As representatives of the Several Initial Purchasers

BY: CS FIRST BOSTON CORPORATION

By:

Name: Jeffrey R. Spain
Title: Attorney-in-Fact

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NORTHROP GRUMMAN CORPORATION

By: James L. Sanford

Name: James L. Sanford
Title: Assistant Treasurer

"INITIAL PURCHASERS"

CS FIRST BOSTON CORPORATION
J.P. MORGAN SECURITIES INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
SALOMON BROTHERS INC

As representatives of the Several Initial Purchasers

BY: CS FIRST BOSTON CORPORATION

By: JEFFREY R. SPAIN

Name: Jeffrey R. Spain
Title: Attorney-in-Fact

OFFICERS' CERTIFICATE
PURSUANT TO SECTIONS 201, 301 AND 303
OF THE INDENTURE

The undersigned, _____ and _____, do hereby certify that they are the duly appointed and acting _____ and _____, respectively, of NORTHROP GRUMMAN CORPORATION, a Delaware corporation (the "Company"). Each of the undersigned also hereby certifies, pursuant to Sections 201, 301 and 303 of the Indenture, dated as of October 15, 1994 (the "Indenture"), between the Company and The Chase Manhattan Bank (National Association), as Trustee (the "Trustee"), that:

A. Pursuant to an Officers' Certificate of the Company dated February 27, 1996, the Company established and thereafter issued under the Indenture three series of Securities (as defined in the Indenture) as follows: 7% Notes Due 2006 in the aggregate principal amount of $400,000,000 (the "Old Notes"), (ii) 7 3/4% Debentures Due 2016 in the aggregate principal amount of $300,000,000 (the "Old 2016 Debentures"), and (iii) 7 7/8% Debentures Due 2026 in the aggregate principal amount of $300,000,000 (the "Old 2026 Debentures"). Pursuant to a registration statement filed under the Securities Act of 1933, as amended, the Company desires to exchange $1,000 in principal amount of its (i) 7% Notes Due 2006 (the "New Notes") for each $1,000 in principal amount of its outstanding Old Notes, (ii) 7 3/4% Debentures Due 2016 (the "New 2016 Debentures") for each $1,000 in principal amount of its outstanding Old 2016 Debentures, and (iii) 7 7/8% Debentures Due 2026 (the "New 2026 Debentures") for each $1,000 in principal amount of its outstanding Old 2026 Debentures. The New Notes, the New 2016 Debentures and the New 2026 Debentures are hereby established pursuant to resolutions adopted by the Board of Directors of the Company on April 11, 1996, and, as set forth in Section 301 of the Indenture, the New Notes, the New 2016 Debentures and the New 2026 Debentures shall constitute the same series of Securities as the Old Notes, the Old 2016 Debentures and the Old 2026 Debentures, respectively, and shall have the following terms:

I. NEW NOTES

(1) The title of the New Notes is "7% New Notes Due 2006".

(2) The limit upon the aggregate principal amount of the New Notes which may be authenticated and delivered under the Indenture (except for New Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other New Notes of the series pursuant to Sections 304, 305, 306, 906 or 1107 of the Indenture and except for any Securities which, pursuant to

Section 303 of the Indenture, are deemed never to have been authenticated and delivered hereunder) is $400,000,000.

(3) Interest on the New Notes shall be payable to the persons in whose names the New Notes are registered at the close of business on the Regular Record Date (as defined in the Indenture and as specified in paragraph I(5) below) for such interest payment.

(4) The principal of the New Notes shall be payable, unless accelerated pursuant to the Indenture, on March 1, 2006.

(5) The rate at which each of the New Notes shall bear interest shall be 7% per annum. Interest on the New Notes shall be computed on the basis of a 360-day year of twelve 30-day months. The date from which interest shall accrue for each of the New Notes shall be March 1, 1996. The Interest Payment Dates on which interest on the New Notes shall be payable are March 1 and September 1, commencing September 1, 1996. The Regular Record Date for the interest payable on the New Notes on any Interest Payment Date shall be the February 15 or August 15 (whether or not a Business Day, as defined in the Indenture), as the case may be, next preceding such Interest Payment Date.

(6) The principal of and interest on the New Notes shall be payable in immediately available funds at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York (as of the date of this Certificate, such office being located at the office of the Trustee, 1 Chase Manhattan Plaza, New York, New York, 10081, Attention: Institutional Trust Group), in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, provided, however, that at the option of the Company payment of interest may be made by wire transfer in immediately available funds to an account maintained by the person entitled thereto as specified in the Security Register.

(7) The New Notes are not redeemable prior to the Stated Maturity (as defined in the Indenture) date of March 1, 2006.

(8) There is no obligation of the Company to redeem or purchase the New Notes pursuant to any sinking fund or analogous provisions or to redeem or purchase any of the New Notes prior to the Stated Maturity at the option of the Holder (as defined in the Indenture) thereof.

(9) There is no provision for the conversion or exchange of the New Notes, either at the option of the Holder thereof or the Company, into or for another security or securities of the Company.

(10) The New Notes shall be issued only in fully registered form without coupons in denominations of $1,000 and integral multiples thereof.

(11) The entire principal amount of the New Notes shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 502 of the Indenture.

(12) The New Notes shall be issued as Global Securities (as defined in the Indenture) and The Depository Trust Company shall be the Depositary (as defined in the Indenture) for the New Notes.

(13) In addition to the circumstances set forth in clause (2) of Section 305 of the Indenture with respect to the exchange of Global Securities for Securities registered in definitive form, New Notes issued as Global Securities may be exchanged in whole or in part for registered Securities if the Company in its discretion at any time determines not to have all the New Notes represented by Global Securities; and PROVIDED, that clause (B) of clause (2) of Section 305 of the Indenture shall apply only if the Event of Default referred to therein has occurred and is continuing and entitles the Holders to accelerate the maturity of the New Notes. Subject to the foregoing, the Global Securities are not exchangeable, except for a Global Security or Global Securities of the same aggregate denomination to be registered in the name of the Depositary or its nominee.

(14) Upon the exchange of Old Notes for New Notes, such Old Notes shall no longer be Outstanding (as defined in the Indenture).

II. NEW 2016 DEBENTURES

(1) The title of the New 2016 Debentures is "7-3/4% Debentures Due 2016".

(2) The limit upon the aggregate principal amount of the New 2016 Debentures which may be authenticated and delivered under the Indenture (except for New 2016 Debentures authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other New 2016 Debentures of the series pursuant to Sections 304, 305, 306, 906 or 1107 of the Indenture and except for any Securities which, pursuant to Section 303 of the

Indenture, are deemed never to have been authenticated and delivered hereunder) is $300,000,000.

(3) Interest on the New 2016 Debentures shall be payable to the persons in whose names the New 2016 Debentures are registered at the close of business on the Regular Record Date (as defined in the Indenture and as specified in paragraph II(5) below) for such interest payment.

(4) The principal of the New 2016 Debentures shall be payable, unless accelerated pursuant to the Indenture, on March 1, 2016.

(5) The rate at which each of the New 2016 Debentures shall bear interest shall be 7-3/4% per annum. Interest on the New 2016 Debentures shall be computed on the basis of a 360-day year of twelve 30-day months. The date from which interest shall accrue for each of the New 2016 Debentures shall be March 1, 1996. The Interest Payment Dates on which interest on the New 2016 Debentures shall be payable are March 1 and September 1, commencing September 1, 1996. The Regular Record Date for the interest payable on the New 2016 Debentures on any Interest Payment Date shall be the February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date.

(6) The principal of and interest on the New 2016 Debentures shall be payable in immediately available funds at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York (as of the date of this Certificate, such office being located at the office of the Trustee, 1 Chase Manhattan Plaza, New York, New York, 10081, Attention: Institutional Trust Group), in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, provided, however, that at the option of the Company payment of interest may be made by wire transfer in immediately available funds to an account maintained by the person entitled thereto as specified in the Security Register.

(7) The New 2016 Debentures are not redeemable prior to the Stated Maturity date of March 1, 2016.

(8) There is no obligation of the Company to redeem or purchase the New 2016 Debentures pursuant to any sinking fund or analogous provisions or to redeem or purchase any of the New 2016 Debentures prior to the Stated Maturity at the option of the Holder thereof.

(9) There is no provision for the conversion or exchange of the New 2016 Debentures, either at the option of the Holder thereof or the Company, into or for another security or securities of the Company.

(10) The New 2016 Debentures shall be issued only in fully registered form without coupons in denominations of $1,000 and integral multiples thereof.

(11) The entire principal amount of the New 2016 Debentures shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 502 of the Indenture.

(12) The New 2016 Debentures shall be issued as Global Securities and The Depository Trust Company shall be the Depositary for the New 2016 Debentures.

(13) In addition to the circumstances set forth in clause (2) of Section 305 of the Indenture with respect to the exchange of Global Securities for Securities registered in definitive form, New 2016 Debentures issued as Global Securities may be exchanged in whole or in part for registered Securities if the Company in its discretion at any time determines not to have all the New 2016 Debentures represented by Global Securities; and PROVIDED, that clause (B) of clause (2) of Section 305 of the Indenture shall apply only if the Event of Default referred to therein has occurred and is continuing and entitles the Holders to accelerate the maturity of the New 2016 Debentures. Subject to the foregoing, the Global Securities are not exchangeable, except for a Global Security or Global Securities of the same aggregate denomination to be registered in the name of the Depositary or its nominee.

(14) Upon the exchange of Old 2016 Debentures for New 2016 Debentures, such Old 2016 Debentures shall no longer be Outstanding (as defined in the Indenture).

III. NEW 2026 DEBENTURES

(1) The title of the New 2026 Debentures is "7-7/8% Debentures Due 2026".

(2) The limit upon the aggregate principal amount of the New 2026 Debentures which may be authenticated and delivered under the Indenture (except for New 2026 Debentures authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other New 2026 Debentures of the series pursuant to Sections 304, 305, 306, 906 or 1107 of the Indenture and except for any Securities which, pursuant to Section 303 of the

Indenture, are deemed never to have been authenticated and delivered hereunder) is $300,000,000.

(3) Interest on the New 2026 Debentures shall be payable to the persons in whose names the New 2026 Debentures are registered at the close of business on the Regular Record Date (as defined in the Indenture and as specified in paragraph III(5) below) for such interest payment.

(4) The principal of the New 2026 Debentures shall be payable, unless accelerated pursuant to the Indenture, on March 1, 2026.

(5) The rate at which each of the New 2026 Debentures shall bear interest shall be 7-7/8% per annum. Interest on the New 2026 Debentures shall be computed on the basis of a 360-day year of twelve 30-day months. The date from which interest shall accrue for each of the New 2026 Debentures shall be March 1, 1996. The Interest Payment Dates on which interest on the New 2026 Debentures shall be payable are March 1 and September 1, commencing September 1, 1996. The Regular Record Date for the interest payable on the New 2026 Debentures on any Interest Payment Date shall be the February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date.

(6) The principal of and interest on the New 2026 Debentures shall be payable in immediately available funds at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York (as of the date of this Certificate, such office being located at the office of the Trustee, 1 Chase Manhattan Plaza, New York, New York, 10081, Attention: Institutional Trust Group), in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, provided, however, that at the option of the Company payment of interest may be made by wire transfer in immediately available funds to an account maintained by the person entitled thereto as specified in the Security Register.

(7) The New 2026 Debentures are not redeemable prior to the Stated Maturity date of March 1, 2026.

(8) There is no obligation of the Company to redeem or purchase the New 2026 Debentures pursuant to any sinking fund or analogous provisions or to redeem or purchase any of the New 2026 Debentures prior to the Stated Maturity at the option of the Holder thereof.

(9) There is no provision for the conversion or exchange of the New 2026 Debentures, either at the option of the Holder thereof or the Company, into or for another security or securities of the Company.

(10) The New 2026 Debentures shall be issued only in fully registered form without coupons in denominations of $1,000 and integral multiples thereof.

(11) The entire principal amount of the New 2026 Debentures shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 502 of the Indenture.

(12) The New 2026 Debentures shall be issued as Global Securities and The Depository Trust Company shall be the Depositary for the New 2026 Debentures.

(13) In addition to the circumstances set forth in clause (2) of Section 305 of the Indenture with respect to the exchange of Global Securities for Securities registered in definitive form, New 2026 Debentures issued as Global Securities may be exchanged in whole or in part for registered Securities if the Company in its discretion at any time determines not to have all the New 2026 Debentures represented by Global Securities; and PROVIDED, that clause (B) of clause (2) of Section 305 of the Indenture shall apply only if the Event of Default referred to therein has occurred and is continuing and entitles the Holders to accelerate the maturity of the New 2026 Debentures. Subject to the foregoing, the Global Securities are not exchangeable, except for a Global Security or Global Securities of the same aggregate denomination to be registered in the name of the Depositary or its nominee.

(14) Upon the exchange of Old 2026 Debentures for New 2026 Debentures, such Old 2026 Debentures shall no longer be Outstanding (as defined in the Indenture).

B. Any proposed transfer of the New Notes, the New 2016 Debentures or the New 2026 Debentures, or any interest therein, shall be subject to the delivery to the Trustee by the transferor and/or transferee thereof of such certificates or other documents as the Trustee may reasonably require.

C. The forms of the New Notes, the New 2016 Debentures and the New 2026 Debentures attached hereto as EXHIBITS A, B AND C, respectively, are approved.

D. The Trustee is appointed as Paying Agent (as defined in the Indenture).

E. The foregoing forms and terms of the New Notes, the New 2016 Debentures and the New 2026 Debentures have been established in conformity with the provisions of the Indenture.

F. This Officers' Certificate shall constitute evidence of, and shall be, action by the undersigned as Officers designated in the resolutions referred to in paragraph A above, determining and setting the specific terms of the New Notes, the New 2016 Debentures and the New 2026 Debentures as set forth in paragraph A above.

H. Each of the undersigned has read the provisions of Sections 201, 301 and 303 of the Indenture and the definitions relating thereto and has examined the resolutions referred to in paragraph A above and the forms of the New Notes, the New 2016 Debentures and the New 2026 Debentures and, in the opinion of each of the undersigned, has made such examination or investigation as is necessary to enable the undersigned to express an informed opinion as to whether or not all conditions precedent provided in the Indenture relating to the establishment, authentication and delivery of a series of Securities under the Indenture designated as the New Notes, the New 2016 Debentures and the New 2026 Debentures have been complied with. In the opinion of each of the undersigned, all such conditions precedent have been complied with.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have hereunto executed this Officers' Certificate as of the ____ day of _____, 1996.

_____
Name:
Title:

_____
Name:
Title:

[EXPLANATORY NOTE: EXHIBITS A, B AND C TO THE FORM OF OFFICER'S CERTIFICATE FILED AS EXHIBIT 4-3 TO THIS REGISTRATION STATEMENT HAVE BEEN FILED AS EXHIBITS 4-4, 4-5 AND 4-6, RESPECTIVELY, TO THIS REGISTRATION STATEMENT]

EXHIBIT 4.4

[Form of New Note]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED IN THE NAME OF, ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

NORTHROP GRUMMAN CORPORATION
7% NOTE DUE 2006

No.___ $ _____
CUSIP _____

Northrop Grumman Corporation, a corporation duly organized and existing under the laws of Delaware (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars on March 1, 2006 and to pay interest thereon from March 1, 1996 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on March 1 and September 1 in each year, commencing September 1, 1996 at the rate of 7% per annum, until the principal hereof is paid or made available for payment. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made in immediately available funds at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by wire transfer in immediately available funds to an account maintained by the person entitled thereto as specified in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: _____, 1996

NORTHROP GRUMMAN CORPORATION

By _____

Attest:

_____

This is one of the Securities of the series designated on the face hereof referred to in the within-mentioned Indenture.

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION), As Trustee

By _____
Authorized Officer

[REVERSE OF SECURITY]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of October 15, 1994 (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Chase Manhattan Bank (National Association), as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are and are to be authenticated and delivered. This Security is one of the series designated on the face hereof limited in aggregate principal amount to $400,000,000. The Securities are unsecured general obligations of the Company.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right

to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

EXHIBIT 4.5

[Form of New 2016 Debenture]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED IN THE NAME OF, ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

NORTHROP GRUMMAN CORPORATION
7-3/4% DEBENTURE DUE 2016

No.___ $ _____
CUSIP _____

Northrop Grumman Corporation, a corporation duly organized and existing under the laws of Delaware (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars on March 1, 2016 and to pay interest thereon from March 1, 1996 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on March 1 and September 1 in each year, commencing September 1, 1996 at the rate of 7-3/4% per annum, until the principal hereof is paid or made available for payment. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made in immediately available funds at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by wire transfer in immediately available funds to an account maintained by the person entitled thereto as specified in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: _____, 1996

NORTHROP GRUMMAN CORPORATION

By _____

Attest:

_____

This is one of the Securities of the series designated on the face hereof referred to in the within-mentioned Indenture.

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION), As Trustee

By _____
Authorized Officer

[REVERSE OF SECURITY]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of October 15, 1994 (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Chase Manhattan Bank (National Association), as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are and are to be authenticated and delivered. This Security is one of the series designated on the face hereof limited in aggregate principal amount to $300,000,000. The Securities are unsecured general obligations of the Company.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

EXHIBIT 4.6

[Form of New 2026 Debenture]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED IN THE NAME OF, ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

NORTHROP GRUMMAN CORPORATION
7-7/8% DEBENTURE DUE 2026

No.___ $ _____
CUSIP _____

Northrop Grumman Corporation, a corporation duly organized and existing under the laws of Delaware (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars on March 1, 2026 and to pay interest thereon from March 1, 1996 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on March 1 and September 1 in each year, commencing September 1, 1996 at the rate of 7-7/8% per annum, until the principal hereof is paid or made available for payment. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made in immediately available funds at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by wire transfer in immediately available funds to an account maintained by the person entitled thereto as specified in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: _____, 1996

NORTHROP GRUMMAN CORPORATION

By _____

Attest:

_____

This is one of the Securities of the series designated on the face hereof referred to in the within-mentioned Indenture.

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION), As Trustee

By _____
Authorized Officer

[REVERSE OF SECURITY]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of October 15, 1994 (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Chase Manhattan Bank (National Association), as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are and are to be authenticated and delivered. This Security is one of the series designated on the face hereof limited in aggregate principal amount to $300,000,000. The Securities are unsecured general obligations of the Company.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

EXHIBIT 4.7

LETTER OF TRANSMITTAL

OFFER TO EXCHANGE

7% NOTES DUE 2006
($400,000,000 PRINCIPAL AMOUNT OUTSTANDING)
FOR 7% NOTES DUE 2006

7 3/4% DEBENTURES DUE 2016
($300,000,000 PRINCIPAL AMOUNT OUTSTANDING)
FOR 7 3/4% DEBENTURES DUE 2016

7 7/8% DEBENTURES DUE 2026
($300,000,000 PRINCIPAL AMOUNT OUTSTANDING)
FOR 7 7/8% DEBENTURES DUE 2026

OF

NORTHROP GRUMMAN CORPORATION
PURSUANT TO THE PROSPECTUS, DATED _____, 1996.

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THE EXCHANGE OFFER WILL EXPIRE AT 12:00 MIDNIGHT NEW YORK CITY TIME, ON _____, 1996, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS MAY BE WITHDRAWN PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE.

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By Hand, Registered or Certified Mail or Overnight Courier:

The Chase Manhattan Bank (National Association)
Institutional Trust Group
Chase MetroTech Center
3rd Floor
Brooklyn, New York 11245

By Facsimile:

(718) 242-5885

For Information Call:
(718) 242-7287

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

The undersigned acknowledges that he or she has received the Prospectus, dated _____, 1996 (the "Prospectus"), of Northrop Grumman Corporation, a Delaware corporation (the "Company"), and this Letter of Transmittal (which together

constitute the "Exchange Offer"), to exchange $1,000 in principal amount of its (i) 7% Notes Due 2006 (the "New Notes") for each $1,000 in principal amount of its 7% Notes Due 2006 (the "Old Notes"), (ii) 7 3/4% Debentures Due 2016 (the "New 2016 Debentures") for each $1,000 in principal amount of its outstanding 7 3/4% Debentures Due 2016 (the "Old Debentures"), and (iii) 7 7/8% Debentures Due 2026 (the "New 2026 Debentures") for each $1,000 in principal amount of its outstanding 7 7/8% Debentures Due 2026 (the "Old 2026 Debentures") (the Old Notes, the Old 2016 Debentures and the Old 2026 Debentures are collectively referred to herein as the "Old Securities"; the New Notes, the New 2016 Debentures and the New 2026 Debentures are collectively referred to herein as the "New Securities"; and the Old Securities and the New Securities are collectively referred to herein as the "Securities").

Capitalized terms used but not defined herein shall have the meaning given them in the Prospectus.

For each Old Security accepted for exchange, the holder of such Old Security will receive a New Security having a principal amount equal to that of the surrendered Old Security. The New Securities will bear interest from March 1, 1996. Holders of Old Securities whose Old Securities are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the Old Securities accrued from March 1, 1996 to the date of the issuance of the New Securities. The Registration Rights Agreement provides that in the event of a Registration Default (as defined below), Holders of Old Securities are entitled to receive Additional Interest (as defined below). A "Registration Default" with respect to the Exchange Offer shall occur if (i) a registration statement with respect to the Exchange Offer has not been filed with the Commission by May 15, 1996 or any shelf registration statement required by the Registration Rights Agreement is not filed with the Commission on or prior to the date specified in the Registration Rights Agreement, (ii) a registration statement with respect to the Exchange Offer is not declared effective by the Commission by July 1, 1996 or any shelf registration statement required by the Registration Rights Agreement is not declared effective by the Commission on or prior to the date specified in the Registration Rights Agreement, (iii) the Company has not consummated the Exchange Offer within 30 business days after the registration statement with respect thereto is first declared effective by the Commission, or (iv) a shelf registration statement or registration statement with respect to the Exchange Offer, as specified in the Registration Rights Agreement, is declared effective but thereafter ceases to be effective or usable for its intended purpose during the periods specified in the Registration Rights Agreement without being succeeded immediately by a post-effective amendment to such registration statement that cures such failure and that is itself declared effectively immediately. "Additional Interest" means an increase in the annual percentage rate which the Old Securities bear equal to 0.50%.

The Company reserves the right, at any time or from time to time, to extend the Exchange Offer at its discretion, in which event the term "Expiration Date" shall mean the latest time and date to which the Exchange Offer is extended. The Company shall notify the holders of the Old Securities of any extension by means of a press release or other public announcement prior to 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date.

This Letter of Transmittal is to be completed by a holder of Old Securities by book-entry transfer to the account maintained by The Chase Manhattan Bank (National Association) (the "Exchange Agent") at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in "The Exchange Offer - Book-Entry Procedures for Tendering Old Securities" section of the Prospectus. Holders of Old Securities who are unable to deliver confirmation of the book-entry tender of their Old Securities into the Exchange Agent's account at the Book-Entry Transfer Facility (a "Book-Entry Confirmation") and all other documents required by this Letter of Transmittal to the Exchange Agent on or prior to the Expiration Date, must tender their Old Securities according to the guaranteed delivery procedures set forth in "The Exchange Offer-Guaranteed Delivery Procedures" section of the Prospectus. See Instruction 1. Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the Exchange Agent.

The undersigned has completed the appropriate boxes below and signed this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the Exchange Offer.

List below the Old Securities to which this Letter of Transmittal relates. If the space provided below is inadequate, the principal amount of Old Securities should be listed on a separate signed schedule affixed hereto.

TO BE COMPLETED BY ALL TENDERING HOLDERS

DESCRIPTION OF OLD SECURITIES

Name(s) and Address(es) of Registered Holder(s) as shown on the Records of the Book-Entry Transfer Facility (Please fill in, if blank)	1 Aggregate Principal Amount of Old Notes	2 Principal Amount of Old Notes Tendered *	3 Aggregate Principal Amount of Old 2016 Debentures	4 Principal Amount of Old 2016 Debentures Tendered*	5 Aggregate Principal Amount of Old 2026 Debentures	6 Principal Amount of Old 2026 Debentures Tendered*
Total						

* Unless otherwise indicated in this column, a holder will be deemed to have tendered ALL of the Old Securities represented by the Old Securities indicated in column 1. See Instruction 2. Old Securities tendered hereby must be in denominations of principal amount of $1,000 and any integral multiple thereof. See Instruction 1.

TO BE COMPLETED BY ALL TENDERING HOLDERS

TENDERED OLD SECURITIES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY. PLEASE COMPLETE THE FOLLOWING:

Name of Tendering Institution
_____

Account Number
_____

Transaction Code Number
_____

/ / CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s)
_____

Window Ticket Number (if any)
_____

Date of Execution of Notice of Guaranteed Delivery
_____

Name of Institution which guaranteed delivery
_____

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

1. Upon the terms and subject to the conditions of the Exchange Offer, the undersigned hereby tenders to the Company the aggregate principal amount of Old Securities indicated above. Subject to, and effective upon, the acceptance for exchange of the Old Securities tendered hereby, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to such Old Securities as are being tendered hereby.

2. The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Old Securities tendered hereby and that the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by the Company. The undersigned hereby further represents that (i) the New Securities to be acquired in connection with the Exchange Offer by the undersigned are being acquired by the undersigned in the ordinary course of business of the undersigned (ii) the undersigned is not participating, does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of the New Securities, (iii) the undersigned acknowledges and agrees that any person participating in the Exchange Offer for the purpose of distributing the New Securities must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction of the New Securities acquired by such person and cannot rely on the position of the Staff of the Securities and Exchange Commission (the "Commission") set forth in no-action letters that are discussed in "The Exchange Offer - Resales of New Securities" section of the Prospectus, (iv) that if the undersigned is a broker-dealer that acquired Old Securities as a result of market making or other trading activities, it will deliver a prospectus in connection with any resale of New Securities acquired in the Exchange Offer, (v) the undersigned understands that a secondary resale transaction described in clause (iii) above should be covered by an effective registration statement containing the selling security holder information required by Item 507 of Regulation S-K of the Commission, and (vi) the undersigned is not an "affiliate", as defined under Rule 405 of the Securities Act, of the Company except as otherwise disclosed to the Company in writing.

3. The undersigned also acknowledges that the Exchange Offer is being made based on no-action letters issued by the Staff of the Commission to third parties with respect to similar transactions that the New Securities issued pursuant to the Exchange Offer in exchange for the Old Securities may be offered for resale, resold and otherwise transferred by holders thereof (other than any such holder that is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that such New Securities are acquired in the ordinary course of such holders' business and such holders are not engaging in, have no arrangement with any person to participate in, and do not intend to engage in, any distribution of such New Securities. Any holder who tenders in the Exchange Offer for the purpose of participating in a distribution of New Securities cannot rely on such interpretation by the Staff of the Commission and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale.

4. The undersigned may, to the extent the conditions set forth in the Registration Rights Agreement are satisfied, elect to have its Old Securities registered in the Shelf Registration Statement (as defined and described in the Registration Rights Agreement).

5. The undersigned will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Old Securities tendered hereby. All authority conferred or agreed to be conferred in this Letter of Transmittal and every obligation of the

undersigned hereunder shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. This tender may be withdrawn only in accordance with the procedures set forth in "The Exchange Offer - Withdrawal Rights" section of the Prospectus. See Instruction 9.

6. Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, please credit the account indicated above maintained at the Book-Entry Transfer Facility.

The undersigned acknowledges that the Exchange Offer is subject to the more detailed terms set forth in the Prospectus and, in case of any conflict between the terms of the Prospectus and this Letter of Transmittal, the Prospectus shall prevail.

THE UNDERSIGNED, BY COMPLETING THE BOX ENTITLED "DESCRIPTION OF OLD SECURITIES" ABOVE AND SIGNING THIS LETTER, WILL BE DEEMED TO HAVE TENDERED THE OLD SECURITIES AS SET FORTH IN SUCH BOX ABOVE.

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SPECIAL ISSUANCE INSTRUCTIONS
(See Instructions 3 and 4)

To be completed ONLY if Old Securities delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than the account indicated above.

New Securities and/or Old Securities to:

Name(s) _____
(Please Type or Print)

_____
(Please Type or Print)

Address _____
_____
(Zip Code)

_____
(EMPLOYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)

Credit unexchanged Old Securities delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below.

_____
(Book-Entry Transfer Facility
Account Number)

- ---

IMPORTANT: THIS LETTER OR A FACSIMILE HEREOF (TOGETHER WITH A BOOK-ENTRY CONFIRMATION AND ALL OTHER REQUIRED DOCUMENTS OR THE NOTICE OF GUARANTEED DELIVERY) MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE.

PLEASE READ THIS ENTIRE LETTER OF TRANSMITTAL
CAREFULLY BEFORE COMPLETING ANY BOX ABOVE.

- ---

PLEASE SIGN HERE
(TO BE COMPLETED BY ALL TENDERING HOLDERS)

_____ _____ 1996

_____ _____ 1996

_____ _____ 1996
Signature(s) of Owner Date

Area Code and Telephone Number: _____

Contact Person: _____

If a holder is tendering any Old Securities, this Letter of Transmittal must be signed by the registered holder(s) as the name(s) appear(s) on the records of the Book-Entry Transfer Facility or by any Person(s) authorized to become registered holder(s) by endorsements and documents transmitted herewith. If a signature is by a trustee, executor, administrator, guardian, officer or other person in a fiduciary or representative capacity, please set forth full title. See Instruction 3.

Name(s) _____

_____
(Please type or print)

Capacity _____

Address _____

_____
(Including Zip Code)

Employer Identification or Social Security No. _____
(Please complete Substitute Form W-9)

SIGNATURE GUARANTEE
(If required by Instructions 3)

Signature(s) Guaranteed by an Eligible Institution:

Authorized Signature _____

Title _____

Name and Firm _____

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INSTRUCTIONS

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND OLD SECURITIES; GUARANTEED DELIVERY PROCEDURES.

This Letter of Transmittal is to be completed by holders of Old Securities pursuant to the procedures for delivery by book-entry transfer set forth in "The Exchange Offer - Book-Entry Procedures for Tendering Old Securities" section of the Prospectus. Book-Entry Confirmation as well as a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at the address set forth herein on or prior to the Expiration Date, or the tendering holder must comply with the guaranteed delivery procedures set forth below. Old Notes tendered hereby must be in denominations of principal amount of $1,000 or any integral multiple thereof.

Holders of Old Securities who cannot complete the procedure for book-entry transfer on a timely basis may tender their Old Securities pursuant to the following guaranteed delivery procedures: (i) such delivery must be made by or through an Eligible Institution and a Notice of Guaranteed Delivery must be signed by such Eligible Holder , (ii) on or prior to the Expiration Date, the Exchange Agent must receive from the Eligible Holder and the Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the Eligible Holder, stating that the delivery is being made thereby and guaranteeing that, within three (3) business days after the date of delivery of the Notice of Guaranteed Delivery, the duly executed Letter of Transmittal and any other required documents will be deposited by the Eligible Institution with the Exchange Agent, and (iii) such properly completed and executed documents required by the Letter of Transmittal in proper form for confirmation of a book-entry transfer of such Old Securities into the Exchange Agent's account at the Book-Entry Transfer Facility must be received by the Exchange Agent within three (3) business days after the Expiration Date. Any Eligible Holder who wishes to comply with the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery and Letter of Transmittal prior to 5:00 p.m.., New York City time, on the Expiration Date.

This Letter of Transmittal may be delivered by an Agent's Message (as defined below) in connection with a book-entry transfer. The term "Agent's Message" means a message transmitted by the Book-Entry Transfer Facility to, and received by, the Exchange Agent and forming a part of a book-entry confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Old Securities that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against such participant.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, THE OLD SECURITIES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE ELECTION AND RISK OF THE TENDERING HOLDERS, BUT THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED OR CONFIRMED BY THE EXCHANGE AGENT. INSTEAD OF DELIVERY BY MAIL, IT IS RECOMMENDED THAT HOLDERS USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE DELIVERY TO THE EXCHANGE AGENT PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE. NO LETTER OF TRANSMITTAL OR OLD SECURITIES SHOULD BE SENT TO THE COMPANY. See "The Exchange Offer - Book-Entry Procedures for Tendering Old Securities" section in the Prospectus.

2. PARTIAL TENDERS.

If less than all of the Old Securities are to be tendered, the tendering holder(s) should fill in the aggregate principal amount at maturity of Old Securities to be tendered in the box above entitled "Description of Old Securities - Principal Amount at Maturity Tendered." Appropriate credit to the account indicated above shall be

made pursuant to the procedures for book-entry transfer. All of the Old Securities delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated.

3. SIGNATURES ON THIS LETTER, BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES.

If this Letter of Transmittal is signed by the registered holder of the Old Securities tendered hereby, the signature must correspond exactly with the name of such holder maintained with the Book-Entry Transfer Facility.

If any tendered Old Securities are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

When this Letter of Transmittal is signed by the registered holder or holders of the Old Securities specified herein and tendered hereby, no endorsements of separate bond powers are required. If, however, the New Securities are to be issued, or any tendered Old Securities are to be reissued, to a person other than the registered holder, then separate bond powers are required. Signatures on such separate bond powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any bond 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, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted.

Signatures on bond powers required by this Instruction 3 must be guaranteed by a firm which is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or by a commercial bank or trust company having an office or correspondent in the United States or by such other Eligible Guarantor Institution within the meaning of Rule 17Ad-15 under the Exchange Act (each an "Eligible Institution" and collectively, "Eligible Institutions").

Signatures on this Letter need not be guaranteed by an Eligible Institution if the Old Securities are tendered (i) by a registered holder of Old Securities (which term, for purposes of the Exchange Offer, includes any participant in the Book-Entry Transfer Facility system whose name appears on a security position listing as the holder of such Old Securities) who had not completed the box entitled "Special Issuance Instructions" in this Letter of Transmittal, or (ii) for the account of an Eligible Institution.

4. SPECIAL ISSUANCE INSTRUCTIONS.

If New Securities are to be issued in the name of a person other than the signatory of this Letter of Transmittal, the appropriate boxes on this Letter of Transmittal should be completed. Old Securities not exchanged will be returned by crediting the account indicated above maintained at the Book-Entry Transfer Facility.

5. TRANSFER TAXES.

Holders who tender their Old Securities for exchange will not be obligated to pay any transfer taxes in connection therewith, except that holders who instruct the Company to register New Securities in the name of, or request that Old Securities not tendered or not accepted in the Exchange Offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer tax thereon. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted herewith, the amount of such transfer taxes will be billed directly to such tendering holder.

6. WAIVER OF CONDITIONS.

The Company reserves the absolute right to waive satisfaction of any or all conditions enumerated herein or in the Prospectus.

7. NO CONDITIONAL TENDERS; IRREGULARITIES.

No alternative, conditional, irregular or contingent tenders will be accepted. All tendering holders of Old Securities, by execution of this Letter of Transmittal, shall waive the right to receive notice of the acceptance of their Old Securities for exchange.

The Company will determine, in its sole discretion, all questions as to the form of documents, validity, eligibility (including time of receipt) and acceptance for exchange of any tender of Old Securities, which determination shall be final and binding on all parties. The Company reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance of which, or exchange for, may, in the view of counsel to the Company, be unlawful. The Company also reserves the absolute right, subject to applicable law, to waive any of the conditions of the Exchange Offer set forth in the Prospectus under "The Exchange Offer - Conditions of the Exchange Offer" or any conditions or irregularity in any tender of Old Securities of any particular holder whether or not similar conditions or irregularities are waived in the case of other holders.

The Company's interpretation of the terms and conditions of the Exchange Offer (including this Letter of Transmittal and the instructions hereto) will be final and binding. No tender of Old Securities will be deemed to have been validly made until all irregularities with respect to such tender have been cured or waived. Neither the Company, any affiliates or assigns of the Company, the Exchange Agent, nor any other person shall be under any duty to give notification of any irregularities in tenders or incur any liability for failure to give such notification.

8. WITHDRAWAL OF TENDERS.

Tenders of Old Securities may be withdrawn by delivery of a written notice to the Exchange Agent, at its address set forth on the back cover page of the Prospectus, at any time prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) identify the Old Securities to be withdrawn, and (ii) specify the name and number of the account at the Depository to be credited with the withdrawn Old Securities and otherwise comply with the procedures of the Depository. Any questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company, in its sole discretion. The Old Securities so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Old Securities which have been tendered by book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility pursuant to the book-entry transfer procedures described above will be credited to an account maintained with the Book-Entry Transfer Facility for the Old Securities as soon as practicable after such withdrawal. Properly withdrawn Old Securities may be retendered by following one of the procedures described under "The Exchange Offer -- Book-Entry Procedures for Tendering Old Securities" at any time on or prior to the Expiration Date.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.

Questions relating to the procedure for tendering, as well as requests for additional copies of the Prospectus and this Letter of Transmittal, may be directed to the Exchange Agent, at the address and telephone number indicated above.

IMPORTANT TAX INFORMATION

Under current federal income tax law, a holder of New Securities is required to provide the Company (as payor) with such holder's correct taxpayer identification number ("TIN") on Substitute Form W-9 or otherwise establish a basis for exemption from backup withholding to prevent backup withholding on each payment in respect of interest thereon or gross proceeds thereof. If a holder of New Securities is an individual, the TIN is such holder's social security number. If the Company is not provided with the correct taxpayer identification number, the holder of Old Securities and the holder of New Securities may be subject to a $50 penalty imposed by the Internal Revenue Service for each failure to provide the correct TIN. Accordingly, each prospective holder of New Securities to be issued pursuant to Special Issuance Instructions should complete the attached Substitute Form W-9.

Certain holders of New Securities (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. Exempt prospective holders of New Securities should indicate their exempt status on Substitute Form W-9. A foreign individual may qualify as an exempt recipient by submitting to the Company, through the Exchange Agent, a properly completed Internal Revenue Service Form W-8 (which the Exchange Agent will provide upon request) signed under penalty of perjury, attesting to the holder's exempt status. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Company is required to withhold 31% of any payment made to the holder of New Securities or other payee. Backup withholding is not an additional federal income tax. Rather, the federal income 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 from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are to be made with respect to New Securities, each prospective holder of New Securities to be issued pursuant to Special Issuance Instructions should provide the Company, through the Exchange Agent, with either: (i) such prospective holder's correct TIN by completing the form below, certifying that the TIN provided on Substitute Form W-9 is correct (or that such prospective holder is awaiting a TIN) and that (A) such prospective holder has not been notified by the Internal Revenue Service that he or she is subject to backup withholding as A result of a failure to report ALL interest or dividends or (B) the Internal Revenue Service has notified such prospective holder that he or she is no longer subject to backup withholding; or (ii) an adequate basis for exemption.

WHAT NUMBER TO GIVE THE EXCHANGE AGENT

The prospective holder of New Securities is required to give the Exchange Agent the TIN (e.g., social security number or employer identification number) of the prospective record owner of the New Securities. If the New Securities will be held in more than one name or are not held 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 regarding which number to report.

TO BE COMPLETED BY ALL TENDERING HOLDERS

	PAYER'S NAME: NORTHROP GRUMMAN CORPORATION	
SUBSTITUTE FORM W-9	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
	Part 2 -- Certification -- Under Penalties of Perjury, I certify that: (1) The number shown on this form is my current taxpayer identification number (or I am waiting for a number to be issued to me) and (2) I am not subject to backup withholding either because 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 the IRS has notified me that I am no longer subject to backup withholding.	
	Part 3 -- Awaiting TIN -> / /	
DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE	Certificate Instructions -- You must cross out item (2) in Part 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 are subject to backup withholding you receive another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).	
PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	SIGNATURE -> _____ DATE -> _____	

NOTE:FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENT MADE TO YOU PURSUANT TO THE EXCHANGE 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 SUCH AN APPLICATION IN THE NEAR FUTURE. I UNDERSTAND THAT, IF I DO NOT PROVIDE A TAXPAYER IDENTIFICATION NUMBER TO THE PAYER WITHIN SIXTY (60) DAYS, 31% OF ALL REPORTABLE PAYMENTS MADE TO ME THEREAFTER WILL BE WITHHELD UNTIL I PROVIDE SUCH A NUMBER.

Signature , 1996

Date

EXHIBIT 5.1

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

April 19, 1996

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

Ladies and Gentlemen:

This opinion is rendered to you in connection with a registration statement (the "Registration Statement") on Form S-4 filed on April 19, 1996 with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), relating to the exchange offer (the "Exchange Offer") by Northrop Grumman Corporation, a Delaware corporation (the "Company"), of the Company's $400,000,000 aggregate principal amount of 7% Notes Due 2006, $300,000,000 aggregate principal amount of 7 3/4% Debentures Due 2016 and $300,000,000 aggregate principal amount of 7 7/8% Debentures Due 2026 (collectively, the "New Securities") for the Company's currently outstanding 7% Notes Due 2006, 7 3/4% Debentures Due 2016 and 7 7/8% Debentures Due 2026, respectively (collectively, the "Old Securities") of the same respective aggregate principal amounts. The New Securities are to be issued pursuant to the provisions of an Indenture (the "Indenture") dated as of October 15, 1994 between the Company and The Chase Manhattan Bank (National Association), as trustee (the "Trustee"), which shall be supplemented by an Officers' Certificate (the "Officers' Certificate") in the form filed as an exhibit to the Registration Statement and delivered pursuant to said Indenture, establishing the terms of the New Securities.

We have acted as counsel for the Company in connection with the Exchange Offer and the preparation of the Registration Statement. In rendering the opinion expressed below, we have examined the following agreements, instruments and other documents:

(a) the Registration Statement;

(b) the Indenture;

(c) the form of Officers' Certificate;

(d) the forms of the New Securities to be issued pursuant to the Indenture; and

(e) such corporate records, officers' certificates and other documents as we have deemed necessary as a basis for the opinion expressed below.

In rendering the opinion set forth below, we have assumed:

A. The genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies, and the authenticity of all such originals.

B. The due authorization, execution and delivery of the Indenture and the documents and instruments referred to therein by and on behalf of all parties thereto other than the Company.

C. That the Indenture is the legal, valid and binding obligation of the Trustee and that the Trustee has all requisite power and authority and has taken any and all action necessary to be taken by the Trustee to execute and deliver the Indenture and perform the Trustee's obligations thereunder.

On the basis of the foregoing and subject to the qualifications and limitations set forth below, it is our opinion that the New Securities have been duly authorized by the Company and, when issued and delivered in exchange for the Old Securities in the manner described in the Registration Statement, and when executed and authenticated as specified in the Indenture, will be duly issued and delivered and will constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Our opinion above, insofar as it relates to enforceability of the New Securities, which are by their terms governed by New York law, is given solely in reliance on the opinion of Kaye, Scholer, Fierman, Hays & Handler, LLP, dated as of the date hereof, a copy of which is attached hereto, and

such opinion of ours is subject to the same assumptions, exceptions and limitations as those set forth in the opinion of Kaye, Scholer, Fierman, Hays & Handler, LLP.

We are members of the Bar of the State of California. The opinion contained herein is based upon an examination of the laws of the State of California, the General Corporation Law of the State of Delaware and the Federal laws of the United States in effect on the date hereof and no opinion is expressed as to the application of the laws of any other jurisdiction except the opinion with respect to the laws of the State of New York in reliance upon the opinion of Kaye, Scholer, Fierman, Hays & Handler, LLP, as described above.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Prospectus forming a part of such Registration Statement. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other person or entity for any purpose.

Very truly yours,

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER, LLP

April 19, 1996

Sheppard, Mullin, Richter & Hampton LLP
333 South Hope Street
Los Angeles, California 90071-1448

Ladies and Gentlemen:

This opinion is furnished to you for the purposes of your issuing your opinion in connection with a registration statement (the "Registration Statement") on Form S-4 filed on April 19, 1996 with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), relating to the exchange offer (the "Exchange Offer") by Northrop Grumman Corporation, a Delaware corporation (the "Company"), of the Company's $400,000,000 aggregate principal amount of 7% Notes Due 2006, $300,000,000 aggregate principal amount of 7-3/4% Debentures Due 2016 and $300,000,000 aggregate principal amount of 7-7/8% Debentures Due 2026 (collectively, the "New Securities") for the Company's currently outstanding 7% Notes Due 2006, 7-3/4% Debentures Due 2016 and 7-7/8% Debentures Due 2026, respectively (collectively, the "Old Securities"), of the same respective aggregate principal amounts. The New Securities will be issued under an Indenture dated as of October 15, 1994, between the Company and The Chase Manhattan Bank (National Association), as trustee (the "Indenture"), which shall be supplemented by an Officers' Certificate (the "Officers' Certificate") in the form filed as an exhibit to the Registration Statement and delivered pursuant to said Indenture, establishing the terms of the New Securities.

In connection herewith, we have examined:

1. the Registration Statement;

2. the Indenture;

3. the form of Officers' Certificate (together with the New Securities and the Indenture, the "Documents"); and

4. the forms of the New Securities to be issued pursuant to the Indenture.

We have examined the originals, or copies certified to our satisfaction, of such other agreements, instruments and documents, and have made such other investigation, as we have deemed necessary as a basis for the opinion expressed below. We have assumed that (a) the Company (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated and (ii) has the corporate power and authority to enter into and perform the Documents, (b) the Documents have been and will be duly authorized, executed and delivered by the Company, (c) the Documents do not and will not conflict with or violate (i) the charter documents or board resolutions of the Company, (ii) any contract or court order to which the Company is a party or by which it is bound or (iii) the laws or regulations of any jurisdiction (other than the State of New York), (d) on or prior to the date of issuance of the New Securities, (i) all parties shall have performed all of their obligations under the Documents to be performed on or before that date and (ii) all warranties and representations as to factual matters of the Company under the Officers' Certificate are true, and (e) the Company does not exercise its rights under the Registration Statement to amend the terms of the Exchange Offer. We have further assumed the due execution and delivery, pursuant to due authorization, of the Documents and the documents and instruments referred to therein by each of the parties thereto other than the Company.

This opinion letter is governed by, and shall be interpreted in accordance with, the Legal Opinion Accord (the "Accord") of the ABA Section of Business Law (1991). As a consequence, it is subject to a number of qualifications, exceptions, definitions, limitations on coverage and other

limitations, all as more particularly described in the Accord, and this opinion letter should be read in conjunction therewith.

Based upon the foregoing and subject to the limitations set forth below, we are of the opinion that the New Securities, when issued and delivered in exchange for the Old Securities in the manner described in the Registration Statement, and when executed and authenticated as specified in the Indenture, will be enforceable against the Company.

Our opinion set forth above is subject to the qualification that provisions in the Indenture which require that any waiver be in writing to be effective may not be enforceable.

Our opinion herein is limited to the laws of the State of New York. This opinion is being delivered to you pursuant to the Exchange Offer and may not be used or relied upon by any person or entity other than you and the parties to the Exchange Offer or in any other connection. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Prospectus forming a part of such Registration Statement. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other person or entity for any purpose.

Very truly yours,

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER, LLP

EXHIBIT 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
($ in millions of U.S. Dollars except ratios)

	Pro Forma	Fiscal Year Ended December 31,				
	1995	1995	1994	1993	1992	1991
Earnings						
Earnings before Taxes on Income	$243.0	$409.0	$ 65.0	$170.0	$180.0	$277.0
Fixed Charges						
Interest Expense	$329.0	$135.0	$106.0	$ 38.0	$ 47.0	$ 80.0
Amortization of debt issue costs	18.0	2.0	3.0			
Portion of rentals representative of interest factor	40.3	29.7	28.0	15.7	17.3	17.0
Total Fixed Charges	387.3	166.7	137.0	53.7	64.3	97.0
Earnings Available for Fixed Charges	$630.3	$575.7	$202.0	$233.7	$244.3	$374.0
Ratio of Earnings to Fixed Charges	1.6	3.5	1.5	4.2	3.8	3.8

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Northrop Grumman Corporation (the "Company") on Form S-4 of our report dated February 7, 1996, appearing in the Annual Report on Form 10-K of the Company for the year ended December 31, 1995 and to the reference to us under the heading "Experts" in the Prospectus, which is part of the Registration Statement.

/s/ Deloitte & Touche LLP

Deloitte & Touch LLP
Los Angeles, California
April 18, 1996

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-4 of Northrop Grumman Corporation of our report regarding Electronic Systems (a unit of Westinghouse Electric Corporation) dated January 31, 1996 appearing on page 4 of the Current Report on Form 8-K for Northrop Grumman Corporation dated March 18, 1996.

PRICE WATERHOUSE LLP
Baltimore, Maryland
April 18, 1996

EXHIBIT 24.1

POWER OF ATTORNEY
FILING OF REGISTRATION STATEMENT ON FORM S-4

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and officers of NORTHROP GRUMMAN CORPORATION, a Delaware corporation (the "Company"), nominate, constitute and appoint RICHARD R. MOLLEUR and JAMES C. JOHNSON, and each of them, acting or signing singly, as his or her agents and attorneys-in-fact, in his or her respective name and in the capacity indicated below to execute and/or file (1) a registration statement on Form S-4 under the Securities Act of 1933, as amended (the "Act") in connection with the registration under the Act of an exchange offer of the Company's (a) $400,000,000 principal amount of 7% Notes Due 2006 for its outstanding 7% Notes Due 2006 of the same principal amount, (b) $300,000,000 principal amount of 7 3/4% Debentures Due 2016 for its outstanding 7 3/4% Debentures Due 2016 of the same principal amount, and (c) $300,000,000 principal amount of 7 7/8% Debentures Due 2026 for its outstanding 7 7/8% Debentures Due 2026 of the same principal amount (including the final prospectus, schedules and all exhibits and other documents filed therewith or constituting a part thereof); and (2) any one or more amendments to any part of the foregoing registration statement, including any post-effective amendments or appendices or supplements that may be required to be filed under the Act to keep such registration statement effective or to terminate its effectiveness.

Further, the undersigned do hereby authorize and direct the said agents and attorneys-in-fact to take any and all actions and execute and file any and all documents with the Securities and Exchange Commission (the "SEC"), or state regulatory agencies, necessary, proper or convenient in their opinion to comply with the Act and the rules and regulations or orders of the SEC, or state regulatory agencies, adopted or issued pursuant thereto, including the making of any requests for acceleration of the effective date of said registration statement, to the end that the registration statement of the Company shall become effective under the Act and any other applicable law.

Finally, each of the undersigned does hereby ratify, confirm and approve each and every act and document which the said agents and attorneys-in-fact may take, execute or file pursuant thereto with the same force and effect as though such action had been taken or such document had been executed or filed by the undersigned, respectively.

This Power of Attorney shall remain in full force and effect until revoked or superseded by written notice filed with the SEC.

IN WITNESS WHEREOF, each of the undersigned has subscribed these presents this 11th day of April, 1996.

/s/ KENT KRESA - ---------- Kent Kresa	Chairman of the Board, President and Chief Executive Officer and Director (Principal Executive Officer)
/s/ JACK R. BORSTING - ---------- Jack R. Borsting	Director
/s/ JOHN T. CHAIN, JR. - ---------- John T. Chain, Jr.	Director
/s/ JACK EDWARDS - ---------- Jack Edwards	Director
/s/ PHILLIP FROST - ---------- Dr. Phillip Frost	Director
/s/ AULANA L. PETERS - ---------- Aulana L. Peters	Director
/s/ JOHN E. ROBSON - ---------- John E. Robson	Director
/s/ RICHARD M. ROSENBERG - ---------- Richard M. Rosenberg	Director
/s/ BRENT SCOWCROFT - ---------- Brent Scowcroft	Director
/s/ JOHN BROOKS SLAUGHTER - ---------- John Brooks Slaughter	Director
/s/ WALLACE C. SOLBERG - ---------- Wallace C. Solberg	Director
/s/ RICHARD J. STEGEMEIER - ---------- Richard J. Stegemeier	Director

/s/ RICHARD B. WAUGH, JR.
- ---------------------------------

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

/s/ NELSON F. GIBBS
- ---------------------------------

Nelson F. Gibbs	Corporate Vice President and Controller (Principal Accounting Officer)

EXHIBIT 25.1

SECURITIES ACT OF 1933 FILE NO. _____
(IF APPLICATION TO DETERMINE ELIGIBILITY OF TRUSTEE
FOR DELAYED OFFERING PURSUANT TO SECTION 305 (b) (2))

- ---
- ---

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE
PURSUANT TO SECTION 305(b)(2)_____

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION)
(Exact name of trustee as specified in its charter)

13-2633612
(I.R.S. Employer Identification Number)

1 CHASE MANHATTAN PLAZA, NEW YORK, NEW YORK
(Address of principal executive offices)

10081
(Zip Code)

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

DELAWARE
(State or other jurisdiction of incorporation or organization)

95-1055798
(I.R.S. Employer Identification No.)

1840 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA
(Address of principal executive offices)

90067
(Zip Code)

DEBT SECURITIES
(Title of the indenture securities)

- ---
- ---

ITEM 1. GENERAL INFORMATION.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency, Washington, D.C.

Board of Governors of The Federal Reserve System, Washington, D. C.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR.

If the obligor is an affiliate of the trustee, describe each such affiliation.

The Trustee is not the obligor, nor is the Trustee directly or indirectly controlling, controlled by, or under common control with the obligor.

(See Note on Page 2.)

ITEM 16. LIST OF EXHIBITS.

List below all exhibits filed as a part of this statement of eligibility.

*1. -- A copy of the articles of association of the trustee as now in effect . (See Exhibit T-1 (Item 12), Registration No. 33-55626.)

*2. -- Copies of the respective authorizations of The Chase Manhattan Bank (National Association) and The Chase Bank of New York (National Association) to commence business and a copy of approval of merger of said corporations, all of which documents are still in effect. (See Exhibit T-1 (Item 12), Registration No. 2-67437.)

*3. -- Copies of authorizations of The Chase Manhattan Bank (National Association) to exercise corporate trust powers, both of which documents are still in effect. (See Exhibit T-1 (Item 12), Registration No. 2-67437.)

*4. -- A copy of the existing by-laws of the trustee. (See Exhibit T-1 (Item 16) (25.1), Registration No. 33-60809.)

*5. -- A copy of each indenture referred to in Item 4, if the obligor is in default. (Not applicable.)

*6. -- The consents of United States institutional trustees required by Section 321(b) of the Act. (See Exhibit T-1, (Item 12), Registration No. 22-19019.)

7. -- A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

- ------------------

*The Exhibits thus designated are incorporated herein by reference. Following the description of such Exhibits is a reference to the copy of the Exhibit heretofore filed with the Securities and Exchange Commission, to which there have been no amendments or changes.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the trustee of all facts on which to base a responsive answer to Item 2 the answer to said Item is based on incomplete information.

Item 2 may, however, be considered as correct unless amended by an amendment to this Form T-1.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, The Chase Manhattan Bank (National Association), a corporation organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York, and the State of New York, on the 15h day of April, 1996.

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION)

By: RONALD J. HALLERAN

Ronald J. Halleran
Second Vice President

EXHIBIT 7

REPORT OF CONDITION
Consolidating domestic and foreign subsidiaries of the

THE CHASE MANHATTAN BANK, N.A.
of New York in the State of New York, at the close of business on December 31, 1995, published in response to call made by Comptroller of the Currency, under title 12, United States Code, Section 161.

CHARTER NUMBER 2370 COMPTROLLER OF THE CURRENCY NORTHEASTERN DISTRICT
STATEMENT OF RESOURCES AND LIABILITIES

ASSETS

		THOUSANDS OF DOLLARS
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		$ 5,574,000
Interest-bearing balances		5,950,000
Held to maturity securities		0
Available-for-sale securities		6,731,000
Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:		
Federal funds sold		2,488,000
Securities purchased under agreements to resell		35,000
Loans and lease financing receivable:		
Loans and leases, net of unearned income	$ 57,786,000	
LESS: Allowance for loan and lease losses	1,114,000	
LESS: Allocated transfer risk reserve	0	
Loans and leases, net of unearned income, allowance, and reserve		56,672,000
Assets held in trading accounts		12,994,000
Premises and fixed assets (including capitalized leases)		1,723,000
Other real estate owned		364,000
Investments in unconsolidated subsidiaries and associated companies		28,000
Customers' liability to this bank on acceptances outstanding		944,000
Intangible assets		1,343,000
Other assets		5,506,000
TOTAL ASSETS		$100,352,000

LIABILITIES

Deposits:		
In domestic offices		$ 32,483,000
Noninterest-bearing	$ 13,704,000	
Interest-bearing	18,799,000	
In foreign offices, Edge and Agreement subsidiaries, and IBFs		37,639,000
Noninterest-bearing	$ 3,555,000	
Interest-bearing	34,084,000	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:		
Federal funds purchased		1,572,000
Securities sold under agreements to repurchase		211,000
Demand notes issued to the U.S. Treasury		25,000
Trading liabilities		9,146,000
Other borrowed money:		
With original maturity of one year or less		2,562,000
With original maturity of more than one year		379,000
Mortgage indebtedness and obligations under capitalized leases		40,000
Bank's liability on acceptances executed and outstanding		949,000
Subordinated notes and debentures		1,960,000
Other liabilities		5,411,000
TOTAL LIABILITIES		92,377,000
Limited-life preferred stock and related surplus		0

	EQUITY CAPITAL
Perpetual preferred stock and related surplus	0
Common stock	921,000
Surplus	5,285,000
Undivided profits and capital reserves	1,751,000
Net unrealized holding gains (losses) on available-for-sale securities	7,000
Cumulative foreign currency translation adjustments	11,000
TOTAL EQUITY CAPITAL	7,975,000
TOTAL LIABILITIES, LIMITED-LIFE PREFERRED STOCK, AND EQUITY CAPITAL	$ 100,352,000

I, Lester J. Stephens, Jr., Senior Vice President and Controller of the above named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief. (Signed) Lester J. Stephens, Jr.

We the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

(Signed) Thomas G. Labrecque
(Signed) Donald Trautlein Directors
(Signed) Richard J. Boyle