



Northrop Grumman Corporation Commences Exchange Offers and Consent Solicitations

August 2, 2021

FALLS CHURCH, Va., Aug. 02, 2021 (GLOBE NEWSWIRE) -- Northrop Grumman Corporation (NYSE: NOC) ("Northrop Grumman") announced today that it has commenced offers to eligible holders to exchange (each, an "Exchange Offer" and, collectively, the "Exchange Offers") any and all outstanding notes of its direct wholly owned subsidiary, Northrop Grumman Systems Corporation ("NGSC"), as set forth in the table below (the "Existing Notes") for (1) up to \$1,171,189,000 aggregate principal amount of new notes issued by Northrop Grumman (the "New Notes") and (2) cash.

The following table sets forth the Exchange Consideration, Early Tender Premium and Total Exchange Consideration for each series of Existing Notes:

Title of Series/ CUSIP Number of Existing Notes	Maturity Date	Aggregate Principal Amount Outstanding	Exchange Consideration ⁽¹⁾	Early Tender Premium ⁽¹⁾	Total Exchange Consideration ⁽¹⁾⁽²⁾
7.875% Debentures due 2026 / 666807AQ5	March 1, 2026	\$269,850,000	\$970 principal amount of New 7.875% Senior Notes due 2026 and \$2.50 in cash	\$30 principal amount of New 7.875% Senior Notes due 2026	\$1,000 principal amount of New 7.875% Senior Notes due 2026 and \$2.50 in cash
7.750% Debentures due 2026 / 538021AC0	March 15, 2026	\$256,689,000	\$970 principal amount of New 7.750% Senior Notes due 2026 and \$2.50 in cash	\$30 principal amount of New 7.750% Senior Notes due 2026	\$1,000 principal amount of New 7.750% Senior Notes due 2026 and \$2.50 in cash
6.650% Senior Notes due 2028 / 872649AQ1	January 15, 2028	\$41,205,000	\$970 principal amount of New 6.650% Senior Notes due 2028 and \$2.50 in cash	\$30 principal amount of New 6.650% Senior Notes due 2028	\$1,000 principal amount of New 6.650% Senior Notes due 2028 and \$2.50 in cash
7.750% Debentures due 2029 / 872649BH0	June 1, 2029	\$89,940,000	\$970 principal amount of New 7.750% Senior Notes due 2029 and \$2.50 in cash	\$30 principal amount of New 7.750% Senior Notes due 2029	\$1,000 principal amount of New 7.750% Senior Notes due 2029 and \$2.50 in cash
7.750% Debentures due 2031 / 666807AW2	February 15, 2031	\$466,490,000	\$970 principal amount of New 7.750% Senior Notes due 2031 and \$2.50 in cash	\$30 principal amount of New 7.750% Senior Notes due 2031	\$1,000 principal amount of New 7.750% Senior Notes due 2031 and \$2.50 in cash
6.980% Debentures due 2036 / 538021AH9	March 15, 2036	\$47,015,000	\$970 principal amount of New 6.980% Senior Notes due 2036 and \$2.50 in cash	\$30 principal amount of New 6.980% Senior Notes due 2036	\$1,000 principal amount of New 6.980% Senior Notes due 2036 and \$2.50 in cash

(1) For each \$1,000 principal amount of Existing Notes accepted for exchange.

(2) Total Exchange Consideration includes the Early Tender Premium.

Concurrently with the Exchange Offers, Northrop Grumman and NGSC are soliciting consents (each, a "Consent Solicitation" and, collectively, the "Consent Solicitations") to (1) adopt certain proposed amendments to each of the indentures governing the Existing Notes to eliminate certain of the covenants, restrictive provisions and events of default from such indentures and (2) except with respect to NGSC's existing 7.750% Debentures due 2031, adopt certain amendments to each of the existing guarantee agreements, pursuant to which Northrop Grumman currently provides a guarantee of each series of Existing Notes, to provide for the termination of Northrop Grumman's guarantee of the applicable series upon consummation of the applicable Exchange Offer.

Currently, Northrop Grumman and NGSC have approximately \$11.7 billion and approximately \$1.2 billion of notes outstanding, respectively. Northrop Grumman is conducting the Exchange Offers to streamline Northrop Grumman's capital structure and to give existing holders of Existing Notes the option to obtain securities issued by Northrop Grumman. In addition, if completed, the Exchange Offers would reduce the structural subordination of Northrop Grumman's outstanding notes, which may enhance the credit profile of such notes.

The Exchange Offers and Consent Solicitations are being made pursuant to the terms and subject to the conditions set forth in the offering memorandum and consent solicitation statement dated August 2, 2021 (the "Offering Memorandum and Consent Solicitation Statement").

Each Exchange Offer with respect to a series of Existing Notes is conditioned upon, among other things, the receipt of the requisite consents for the proposed amendments in the corresponding Consent Solicitation with respect to such series of Existing Notes, although Northrop Grumman may

waive such condition at any time with respect to an Exchange Offer. None of the Exchange Offers or Consent Solicitations with respect to any series of Existing Notes is conditioned upon the consummation of an Exchange Offer or Consent Solicitation for any other series of Existing Notes. Any waiver of a condition by Northrop Grumman with respect to an Exchange Offer will automatically waive such condition with respect to the corresponding Consent Solicitation, as applicable.

Northrop Grumman, in its sole discretion, may modify or terminate any of the Exchange Offers and may extend the Early Tender Date (as defined herein), Expiration Date (as defined herein) or any settlement date with respect to the Exchange Offers, subject to applicable law. Unless otherwise provided therein, any such modification, termination or extension by Northrop Grumman will automatically modify, terminate or extend the corresponding Consent Solicitation, as applicable.

Holders who validly tender their Existing Notes at or prior to 5:00 p.m., New York City time, on August 13, 2021, unless extended (the "Early Tender Date"), will be eligible to receive, on the settlement date, the applicable Total Exchange Consideration as set forth in the table above, which includes the applicable Early Tender Premium as set forth in the table above, for all such Existing Notes that are accepted. Holders who validly tender their Existing Notes after the Early Tender Date but prior to 11:59 p.m., New York City time, on August 31, 2021, unless extended (the "Expiration Date"), will not be eligible to receive the applicable Early Tender Premium and, accordingly, will be eligible to receive, on the settlement date, only the applicable Exchange Consideration as set forth in the table above, for all such Existing Notes that are accepted. The settlement date will be promptly after the Expiration Date and is expected to be within two business days after the Expiration Date.

Documents relating to the Exchange Offers and Consent Solicitations will be distributed only to eligible holders of Existing Notes who certify that they are either (a) a "Qualified Institutional Buyer" as that term is defined in Rule 144A under the Securities Act of 1933 (the "Securities Act"), or (b) a person that is outside the "United States" and that (i) is not a "U.S. person," as those terms are defined in Rule 902 under the Securities Act, (ii) is not an "EEA Retail Investor" or "UK Retail Investor" (as defined in the Offering Memorandum and Consent Solicitation Statement), and (iii) in the case of persons located in the United Kingdom, is a "Relevant Person" (as defined in the Offering Memorandum and Consent Solicitation Statement). Eligible holders of Existing Notes resident in Canada will also be required to certify that they are (i) an "accredited investor" as defined in section 73.3(1) of the Securities Act (Ontario), in the case of a person resident in Ontario, or National Instrument 45-106 – Prospectus Exemptions, in the case of a person resident in any other jurisdiction in Canada, that either would acquire the New Notes for its own account or would be deemed to be acquiring the New Notes as principal pursuant to applicable law and (ii) a "permitted client" as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations. The complete terms and conditions of the Exchange Offers and Consent Solicitations are described in the Offering Memorandum and Consent Solicitation Statement, a copy of which may be obtained by contacting D.F. King & Co., Inc., the exchange agent and information agent in connection with the Exchange Offers and Consent Solicitations, at (877) 783-5524 (U.S. toll-free) or (212) 269-5550 (banks and brokers) or noc@dfking.com. The eligibility form is available electronically at: <https://www.dfking.com/noc>.

This press release does not constitute an offer to sell or purchase, or a solicitation of an offer to sell or purchase, or the solicitation of tenders or consents with respect to, any security. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such an offer, solicitation, or sale would be unlawful. The Exchange Offers and Consent Solicitations are being made solely pursuant to the Offering Memorandum and Consent Solicitation Statement and only to such persons and in such jurisdictions as is permitted under applicable law.

The New Notes have not been and, except as described in the Offering Memorandum and Consent Solicitation Statement, will not be registered under the Securities Act or any state securities laws. Therefore, the New Notes may not be offered, sold or otherwise transferred within the United States or to or for the account of any U.S. person absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

About Northrop Grumman Corporation

Northrop Grumman solves the toughest problems in space, aeronautics, defense and cyberspace to meet the ever evolving needs of our customers worldwide. Our 90,000 employees define possible every day using science, technology and engineering to create and deliver advanced systems, products and services.

Forward-Looking Statements

Statements in this press release contain or may contain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "will," "expect," "anticipate," "intend," "may," "could," "should," "plan," "project," "forecast," "believe," "estimate," "outlook," "trends," "goals" and similar expressions generally identify these forward-looking statements. Forward-looking statements include, among other things, statements relating to our future financial condition, results of operations and/or cash flows. Forward-looking statements are based upon assumptions, expectations, plans and projections that we believe to be reasonable when made, but which may change over time. These statements are not guarantees of future performance and inherently involve a wide range of risks and uncertainties that are difficult to predict. Specific risks that could cause actual results to differ materially from those expressed or implied in these forward-looking statements include, but are not limited to: those identified and discussed more fully in the section entitled "Risk Factors" in the Offering Memorandum and Consent Solicitation Statement, in our Form 10-K for the year ended December 31, 2020 and subsequent Quarterly Reports on Form 10-Q and from time to time in our other filings with the Securities and Exchange Commission; and other events or circumstances that could adversely impact the sale and related transactions, including the ongoing COVID-19 pandemic and other industry, political or economic conditions outside of our control. You are urged to consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of forward-looking statements. These forward-looking statements speak only as of the date when made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Contact: Vic Beck (Media)
703-280-4456 (office)
vic.beck@ngc.com

Todd Ernst (Investors)
703-280-4535 (office)
todd.ernst@ngc.com