

THE VALUE OF PERFORMANCE.
NORTHROP GRUMMAN

Northrop Grumman Corporation

**2016 Annual Meeting of
Shareholders**

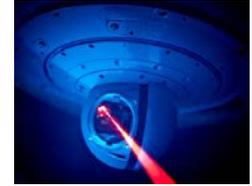
May 18, 2016

Safe Harbor Statement

This presentation contains statements, other than statements of historical fact, that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expect,” “intend,” “may,” “could,” “plan,” “project,” “forecast,” “believe,” “estimate,” “guidance,” “outlook,” “anticipate,” “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 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 our 2015 Annual Report on Form 10-K. Additional information regarding these risks and other important factors can be found in the section entitled “Risk Factors” in our 2015 Annual Report on Form 10-K and as disclosed in this presentation and from time to time in our other filings with the SEC. 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 of this presentation. 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. This presentation also contains non-GAAP financial measures. A reconciliation to the nearest GAAP measure and a discussion of the company's use of these measures are included.

2015 Performance Highlights

- 7% increase in earnings per share
- Captured B-21 Long-Range Strike Bomber
 - Completed 60 million share repurchase
 - 14% increase in dividend per share
- \$3.8 billion distributed to shareholders
- Positioned our portfolio for the future
- Strong corporate citizenship



2016 Guidance

Sales

\$23.5 - \$24.0B

EPS

\$10.40 - \$10.70

Capital Expenditures

\$700M - \$1.0B

Free Cash Flow

\$1.5 - 1.8B

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