

NORTHROP GRUMMAN CORP /DE/

Form S-4/A

October 23, 2002

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As filed with the Securities and Exchange Commission on October 23, 2002

Registration No. 333-83672

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 7 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Northrop Grumman Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3812
(Primary Standard Industrial
Classification Code Number)

95-4840775
(I.R.S. Employee
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)

John H. Mullan
Corporate Vice President and Secretary
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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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the transactions described in the enclosed prospectus.

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

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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 this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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November 4, 2002

To Northrop Grumman Corporation's stockholders:

Accompanying this letter are proxy materials concerning Northrop Grumman's proposed acquisition of TRW Inc. In order to complete this transaction, Northrop Grumman stockholders must approve the issuance of the shares of Northrop Grumman common stock pursuant to the merger. A special meeting of Northrop Grumman stockholders will be held on December 11, 2002 at 9:00 a.m. Los Angeles time at the Fairmont Miramar Hotel, 101 Wilshire Boulevard, Santa Monica, California, to vote on the issuance of Northrop Grumman common stock pursuant to the merger.

Northrop Grumman's board of directors (with one director absent) has unanimously approved the proposed merger and recommends that Northrop Grumman stockholders vote FOR the issuance of the shares of Northrop Grumman common stock pursuant to the merger, as described in the accompanying proxy materials.

This proposal, as well as information regarding the merger and the Northrop Grumman special meeting, is described in greater detail in the materials accompanying this letter. Your vote is important. Please review the enclosed materials and be sure to vote at Northrop Grumman's special meeting by completing and returning the enclosed WHITE proxy card today or by voting by telephone or over the internet as described on the WHITE proxy card.

Sincerely yours,

Kent Kresa
Chairman and Chief Executive Officer

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November 4, 2002

Dear TRW Shareholder:

The board of directors of TRW Inc. (with one director absent) has unanimously agreed to merge with Northrop Grumman Corporation. After undertaking a comprehensive strategic review with the objective of enhancing shareholder value, the board has determined that the merger is in the best interests of TRW shareholders. The merger of these two strong companies will create the second largest defense company in the world with expanded opportunities to serve customers.

The merger cannot be completed unless TRW shareholders holding two-thirds of the outstanding shares of TRW common stock vote to adopt the merger agreement. A special meeting of shareholders has been scheduled for December 11, 2002 at 8:30 a.m., Cleveland time, to be held at TRW's corporate headquarters located at 1900 Richmond Road, Cleveland, Ohio.

The accompanying notice of meeting and joint proxy statement/prospectus explain the merger and provide specific information concerning the special meeting. Please read these materials carefully.

Your vote is very important, regardless of the number of shares you own. To be certain that your shares are voted at the special meeting, please mark, sign, date and return promptly the enclosed proxy card or vote by telephone or over the internet, whether or not you plan to attend the special meeting in person. If you do not vote, it will have the same effect as voting against the merger.

TRW's board strongly supports the merger and is recommending that you vote in favor of the adoption of the merger agreement.

On behalf of your Board of Directors,

Philip A. Odeen
Chairman

Kenneth W. Freeman
Lead Director

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The information in this joint proxy statement/prospectus is not complete and may be changed. Northrop Grumman may not distribute and issue the shares of Northrop Grumman common stock being registered pursuant to this registration statement until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to distribute these securities and Northrop Grumman is not soliciting offers to receive these securities in any state where such offer or distribution is not permitted.

**1840 Century Park East
Los Angeles, California 90067
(310) 553-6262**

**1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000**

JOINT PROXY STATEMENT/PROSPECTUS

Northrop Grumman Corporation, TRW Inc. and Richmond Acquisition Corp. have entered into an agreement and plan of merger (referred to in this joint proxy statement/prospectus as the merger agreement) providing for Northrop Grumman s acquisition of TRW through a merger of Richmond Acquisition Corp., a wholly-owned subsidiary of Northrop Grumman, with and into TRW. In the merger, each share of common stock of TRW will be converted into the right to receive a number of shares of Northrop Grumman common stock equal to the exchange ratio.

The exchange ratio will be determined by dividing \$60.00 by the average of the closing sale prices for a share of Northrop Grumman common stock on the New York Stock Exchange (trading symbol: NOC) for the five consecutive trading days ending on (and including) the second trading day before the closing date of the merger. However, in no event will the exchange ratio be greater than 0.5357 (\$60.00/\$112.00) or less than 0.4348 (\$60.00/\$138.00).

The merger requires the approval by Northrop Grumman stockholders of the issuance of the shares of Northrop Grumman common stock pursuant to the merger and the adoption of the merger agreement by TRW shareholders.

The board of directors of Northrop Grumman and the board of directors of TRW (each with one director absent) have unanimously approved the merger agreement.

The board of directors of Northrop Grumman (with one director absent) unanimously recommends that Northrop Grumman stockholders vote FOR the issuance of the shares of Northrop Grumman common stock pursuant to the merger.

The board of directors of TRW (with one director absent) unanimously recommends that the TRW shareholders vote FOR the adoption of the merger agreement.

The vote of Northrop Grumman stockholders and TRW shareholders is very important. Whether or not you plan to attend a meeting, please take the time to vote by completing and mailing the enclosed proxy card or cast your vote by telephone or over the internet.

Northrop Grumman stockholders and TRW shareholders should carefully read the section entitled RISK FACTORS beginning on page 15 for a discussion of specific risks that should be considered in determining how to vote on the matters described herein.

This joint proxy statement/prospectus incorporates by reference important business and financial information about Northrop Grumman and TRW from documents filed with the SEC which are available without charge from the SEC s website at www.sec.gov. See ADDITIONAL INFORMATION on page 126.

Northrop Grumman stockholders may request copies of these documents without charge from Northrop Grumman s information agent, D. F. King & Co., Inc., at 77 Water Street, New York, New York 10005, or by calling toll-free at (800) 549-6746. TRW shareholders may request copies of these documents without charge by writing to Financial Services, TRW Inc., 1900 Richmond Road, Cleveland, Ohio 44124-3760, or by calling the TRW Literature number at (216) 291-7755.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the securities to be issued pursuant to the merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is first being mailed to Northrop Grumman stockholders and TRW shareholders on or about November [4], 2002.

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This document has been issued in connection with the merger described herein. Notwithstanding its delivery to Northrop Grumman stockholders and TRW shareholders resident in Greece, this document does not constitute a public offer of securities in Greece and has not been approved by the Greek Capital Markets Commission.

This document does not constitute an offer of securities in the Federal Republic of Germany. It is intended solely as a source of information for the Northrop Grumman stockholders or TRW shareholders to which it has been addressed and for the purposes described herein.

The approval of the Securities Commission of Malaysia has been obtained pursuant to the provisions of Section 32 of the Malaysian Securities Commission Act of 1993. The Malaysian Securities Commission's approval shall not be taken to indicate that the Malaysian Securities Commission recommends the merger described herein.

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**NOTICE OF SPECIAL MEETING
OF
NORTHROP GRUMMAN STOCKHOLDERS
AND
PROXY STATEMENT**

To Northrop Grumman Corporation's stockholders:

A special meeting of Northrop Grumman stockholders will be held at the Fairmont Miramar Hotel, 101 Wilshire Boulevard, Santa Monica, California 90401 at 9:00 a.m. Los Angeles time on December 11, 2002.

Holders of Northrop Grumman common stock at the close of business on November 4, 2002 are entitled to notice of and to attend and vote at the special meeting. The sole item on the agenda is a proposal to authorize the issuance of shares of Northrop Grumman common stock pursuant to the Agreement and Plan of Merger, dated as of June 30, 2002, by and among Northrop Grumman, TRW Inc. and Richmond Acquisition Corp., a wholly owned subsidiary of Northrop Grumman. The Northrop Grumman stock would be issued in connection with the merger of Richmond Acquisition Corp., with and into TRW Inc., as described in greater detail in the accompanying materials.

By order of the Board of Directors,

John H. Mullan
Corporate Vice President and Secretary

1840 Century Park East
Los Angeles, California 90067

November 4, 2002

IMPORTANT

Your vote is important. To assure your votes are counted at the Northrop Grumman special meeting, please mark, sign, date and return the enclosed WHITE proxy card in the enclosed return envelope today. No postage is required if mailed in the United States.

You may also vote by telephone or over the internet. For instructions on telephone or internet voting please see the instructions on the enclosed WHITE proxy card or the voting instruction form received from any broker, trustee, bank or other nominee who may hold your Northrop Grumman shares on your behalf.

If your Northrop Grumman shares are not registered in your own name and you would like to attend the meeting, please bring evidence of your Northrop Grumman share ownership with you to the meeting. You should be able to obtain evidence of your Northrop Grumman share ownership from the broker, trustee, bank or other nominee who holds your Northrop Grumman shares on your behalf.

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NOTICE OF SPECIAL MEETING OF TRW INC. SHAREHOLDERS AND PROXY STATEMENT

To TRW Inc. s shareholders:

A special meeting of TRW shareholders will be held at TRW s executive offices located at 1900 Richmond Road, Cleveland, Ohio, at 8:30 a.m. Cleveland time on December 11, 2002.

TRW shareholders of record at the close of business on November 4, 2002 will be entitled to attend and vote at the special meeting. At the special meeting, shareholders will vote on a proposal to adopt the Agreement and Plan of Merger, dated as of June 30, 2002, by and among Northrop Grumman, TRW and Richmond Acquisition Corp., a wholly-owned subsidiary of Northrop Grumman.

Sincerely,
William B. Lawrence
Secretary

1900 Richmond Road
Cleveland, Ohio 44124

November 4, 2002

IMPORTANT

Your vote is important. To assure your votes are counted at the TRW special meeting, please mark, sign, date and return the enclosed YELLOW proxy card in the enclosed return envelope today. No postage is required if mailed in the United States.

You may also vote by telephone or over the internet. For instructions on telephone or internet voting please see the instructions on the enclosed YELLOW proxy card or the voting instruction form received from any broker, trustee, bank or other nominee who may hold your TRW shares on your behalf.

If your TRW shares are not registered in your own name and you would like to attend the meeting, please bring evidence of your TRW share ownership with you to the meeting. You should be able to obtain evidence of your TRW share ownership from the broker, trustee, bank or other nominee who holds your TRW shares on your behalf.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What will happen if the merger is completed?

A: TRW will be acquired by Northrop Grumman through the merger of a wholly-owned subsidiary of Northrop Grumman with and into TRW. After the merger, TRW will continue as a wholly-owned subsidiary of Northrop Grumman.

Q: What will TRW shareholders receive in the merger?

A: In the merger, each share of common stock of TRW will be converted into the right to receive a number of shares of Northrop Grumman common stock equal to the exchange ratio described below.

Q: How is the exchange ratio calculated?

A: The exchange ratio is calculated by dividing \$60.00 by the average closing sales prices for a share of Northrop Grumman common stock on the New York Stock Exchange during the five consecutive trading days ending on (and including) the second trading day before the closing date of the merger. However, the five-day average closing sale price used in calculating the exchange ratio will not be less than \$112.00 or greater than \$138.00, even if the actual average sale price is lower than \$112.00 or higher than \$138.00. Therefore, the exchange ratio will not be greater than 0.5357 ($\$60.00/\112.00) or less than 0.4348 ($\$60.00/\138.00), even if the actual average sale price per share of Northrop Grumman common stock used to calculate the exchange ratio is less than \$112.00 or greater than \$138.00.

Q: When will the merger be completed?

A: The companies believe that the merger can be completed in the fourth quarter of 2002. However, the merger cannot be completed without first receiving the approvals of the Northrop Grumman stockholders and the TRW shareholders described in this joint proxy statement/prospectus, and the merger also must be approved by United States antitrust regulatory authorities, among other things. As a result, the merger could be delayed for some time, and if the companies do not receive the necessary stockholder, shareholder and governmental approvals, the companies would not be able to complete the merger.

Q: When and where are the special meetings?

A: The Northrop Meeting will be held at the Fairmont Miramar Hotel, 101 Wilshire Boulevard, Santa Monica, California 90401 at 9:00 a.m. Los Angeles time on December 11, 2002.

The TRW Meeting will be held at TRW's executive offices at 1900 Richmond Road, Cleveland, Ohio 44124 at 8:30 a.m. Cleveland time on December 11, 2002.

Q: What stockholder approvals are required for the merger?

A: Assuming a quorum is present at the Northrop Meeting, the holders of a majority of the votes cast at the Northrop Meeting must affirmatively vote to approve the issuance of the shares of Northrop Grumman common stock pursuant to the merger.

The holders of at least two-thirds of the outstanding shares of TRW common stock must affirmatively vote to adopt the merger agreement.

Q: How does my board of directors recommend I vote?

A: The board of directors of Northrop Grumman (with one director absent) unanimously recommends that Northrop Grumman stockholders vote FOR the issuance of shares of Northrop Grumman common stock pursuant to the merger.

The board of directors of TRW (with one director absent) unanimously recommends that TRW shareholders vote FOR the adoption of the merger agreement.

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Q: Whom should I contact if I have questions?

A: Northrop Grumman stockholders should contact D.F. King & Co., Inc., Northrop Grumman's proxy solicitor and information agent for the merger, at:

D.F. King & Co., Inc.
77 Water Street
New York, New York 10005
Toll-free at (800) 549-6746

TRW shareholders should contact Geogeson Shareholder Communications Inc., TRW's proxy solicitor and information agent for the merger, at:

Geogeson Shareholder Communications, Inc.
17 State Street, 10th Floor
New York, New York 10004
Toll-free at (866) 649-8030

Q: How can I get more information regarding the exchange ratio?

A: D.F. King & Co., Inc. has established a recorded message line and will make available live operators who will provide sample calculations of the exchange ratio from the date this joint proxy statement/prospectus is first mailed to Northrop Grumman stockholders and TRW shareholders until the final exchange ratio for the merger is determined. The sample exchange ratio calculations will be updated daily, and will be determined by dividing \$60.00 by the average closing sales prices for a share of Northrop Grumman common stock for the five consecutive trading days ending on (and including) the second trading day before the date that a Northrop Grumman stockholder or TRW shareholder calls in for the sample exchange ratio calculation. However, in no event will the sample exchange ratio be greater than 0.5357 or less than 0.4348, as described on the previous page in the question and answer section entitled "How is the exchange ratio calculated?"

It is important to note that these sample calculations will be based on closing sale prices that will vary from day-to-day, and therefore the final exchange ratio may be significantly different than the sample exchange ratio provided over the D.F. King information line for any specific day.

Northrop Grumman stockholders and TRW shareholders can access these sample exchange ratio calculations (and information regarding the final exchange ratio for the merger, once it has been determined) by calling D.F. King's 24 hour recorded message line toll-free at (800) 549-6650 or by calling D.F. King's information line toll-free at (800) 549-6746.

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SUMMARY

This summary does not contain all of the information that may be important to Northrop Grumman stockholders and TRW shareholders and is qualified in its entirety by reference to the information contained elsewhere in, or incorporated by reference into, this joint proxy statement/prospectus. Stockholders are urged to read the entire joint proxy statement/prospectus, including the information set forth in the section entitled **RISK FACTORS** beginning on page 15, and the attached exhibits and annexes. See **ADDITIONAL INFORMATION** on page 126.

Overview of the Merger

Northrop Grumman, TRW and a wholly-owned subsidiary of Northrop Grumman known as Richmond Acquisition Corp. have entered into a merger agreement providing for Northrop Grumman's acquisition of TRW through a merger of Richmond Acquisition Corp. with and into TRW. In the merger, each share of common stock of TRW will be converted into the right to receive a number of shares of Northrop Grumman common stock equal to the exchange ratio.

The exchange ratio will be determined by dividing \$60.00 by the average of the closing sales prices for a share of Northrop Grumman common stock on the New York Stock Exchange during the five consecutive trading days ending on (and including) the second trading day before the closing date of the merger. However, in no event will the exchange ratio be greater than 0.5357 (\$60.00/\$112.00) or less than 0.4348 (\$60.00/\$138.00).

Promptly following completion of the merger, Northrop Grumman intends to divest TRW's Automotive business either by selling that business to a third party or parties or by spinning it off to Northrop Grumman's stockholders (including the former TRW shareholders who are Northrop Grumman stockholders as of the record date for the spin off), as described in greater detail in the section entitled **NORTHROP GRUMMAN AFTER THE MERGER Proposed Sale or Spin Off of TRW's Automotive Business** beginning on page 100.

Information About the Companies

Northrop Grumman (Page 27)

Northrop Grumman provides technologically advanced, innovative products, services and solutions in defense and commercial electronics, information technology, systems integration and nuclear and non-nuclear shipbuilding and systems. Northrop Grumman's principal executive offices are located at 1840 Century Park East, Los Angeles, California 90067, and its telephone number is (310) 553-6262. As a prime contractor, principal subcontractor, partner or preferred supplier, Northrop Grumman participates in many high-priority defense and commercial technology programs in the United States and abroad. While Northrop Grumman conducts most of its business with the United States government, principally the Department of Defense, domestic and international commercial sales represent a significant portion of its business.

Based on the closing price of Northrop Grumman common stock on the New York Stock Exchange on October 21, 2002 (\$103.95) and the number of shares of Northrop Grumman common stock outstanding on that date (113,133,263), Northrop Grumman's market capitalization was approximately \$11.76 billion.

TRW (Page 28)

TRW is a United States-based international company that provides advanced technology products and services. TRW's principal executive offices are located at 1900 Richmond Road, Cleveland, Ohio 44124, and its telephone number is (216) 291-7000. The principal businesses of TRW and its subsidiaries are the design, manufacture and sale of products and the performance of systems engineering, research and technical services for

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industry and the United States government in the automotive, information systems, defense and aerospace markets. TRW currently operates its business in the following operating segments:

- Automotive;
- Systems; and
- Space & Electronics.

TRW also operated an Aeronautical Systems business until October 1, 2002, when TRW sold that business to Goodrich Corporation, as described in the section entitled "Sale of Aeronautical Systems Business" on page 12. The Aeronautical Systems business is reported as discontinued operations in TRW's financial statements.

Based on the closing price of TRW common stock on the New York Stock Exchange on October 21, 2002, (\$53.65), and the number of shares of TRW common stock outstanding on that date (129,514,296), TRW's market capitalization was approximately \$6.95 billion.

Richmond Acquisition Corp.

Richmond Acquisition Corp. is a newly-formed Ohio corporation that is wholly-owned by Northrop Grumman. Its principal executive offices are located at 1840 Century Park East, Los Angeles, California 90067, and its telephone number is (310) 553-6262. Richmond Acquisition Corp. was incorporated on June 27, 2002 in preparation for the merger described in this joint proxy statement/prospectus and has not conducted any business activities to date.

The Special Meetings (Pages 31 and 33)

Time, Date and Place

The special meeting of Northrop Grumman stockholders (which is referred to as the "Northrop Meeting") will be held at 9:00 a.m., Los Angeles time, on December 11, 2002 at:

The Fairmont Miramar Hotel
101 Wilshire Boulevard
Santa Monica, California 90401

The special meeting of TRW shareholders (which is referred to as the "TRW Meeting") will be held at 8:30 a.m., Cleveland time, on December 11, 2002 at:

TRW Inc.
1900 Richmond Road
Cleveland, Ohio 44124

Matter to be Considered at the Northrop Meeting (Page 31)

At the Northrop Meeting, Northrop Grumman stockholders will consider and vote upon a proposal to authorize the issuance of the shares of Northrop Grumman common stock pursuant to the merger (including shares to be issued upon exercise of TRW options deemed assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement).

Matter to be Considered at the TRW Meeting (Page 33)

At the TRW Meeting, TRW shareholders will consider and vote upon the adoption of the merger agreement.

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Record Dates, Shares Entitled to Vote and Votes Required

Northrop Grumman (Pages 31 and 32)

Northrop Grumman stockholders are entitled to cast one vote for each share of Northrop Grumman common stock held at the close of business on November 4, 2002, the record date for the Northrop Meeting. On that date, [113,133,263] shares of Northrop Grumman common stock were outstanding and entitled to vote, of which a total of [659,461] shares were held by Northrop Grumman's directors and executive officers.

Assuming a quorum is present, the affirmative vote of a majority of the votes cast at the Northrop Meeting is required to approve the issuance of the shares of Northrop Grumman common stock pursuant to the merger.

TRW (Pages 33 and 35)

TRW shareholders are entitled to cast one vote for each share of TRW common stock held at the close of business on November 4, 2002, the record date for the TRW Meeting. On that date, [129,514,296] shares of TRW common stock were outstanding and entitled to vote, of which a total of [289,573] shares were held by TRW's directors and executive officers.

The holders of two-thirds of the outstanding shares of TRW common stock must affirmatively vote to adopt the merger agreement.

Changing a Vote After a Proxy Card Has Been Sent

Northrop Grumman Stockholders (Page 31)

Northrop Grumman stockholders may revoke their proxies at any time before they are voted by delivering a written notice of revocation to Northrop Grumman's Corporate Secretary, by signing and delivering another WHITE proxy card with a later date or by submitting a telephone or internet proxy at a date after the date of the previously submitted proxy and before the vote at the meeting. A Northrop Grumman stockholder attending the Northrop Meeting in person may revoke any previously submitted proxy card by giving notice of revocation to an inspector of election at the meeting or by voting at the Northrop Meeting. If any other matters are properly brought before the Northrop Meeting, the enclosed WHITE proxy card gives discretionary authority to the persons named on the card to vote the shares of Northrop Grumman common stock represented by the card in their discretion. Each Northrop Grumman stockholder whose shares are held in the name of a bank, broker or other nominee holder must follow the directions received from his or her bank, broker or other nominee holder in order to direct the vote of his or her Northrop Grumman shares.

TRW Shareholders (Page 33)

TRW shareholders may revoke their proxies at any time before they are voted by delivering a written notice of revocation to TRW's Corporate Secretary, by signing and delivering another YELLOW proxy card with a later date or by submitting a telephone or internet proxy at a date after the date of the previously submitted proxy and before the vote at the meeting. A TRW shareholder attending the TRW Meeting in person may revoke any previously submitted proxy by giving notice of revocation to an inspector of election at the meeting or by voting at the TRW Meeting. If any other matters are properly brought before the TRW Meeting, the enclosed YELLOW proxy card gives discretionary authority to the persons named on the card to vote the shares of TRW common stock represented by the card in their discretion. Each TRW shareholder whose shares are held in the name of a bank, broker or other nominee holder must follow the directions received from his or her bank, broker or other nominee holder in order to direct the vote of his or her TRW shares.

Certain TRW shares are held for the benefit of plan participants of The TRW Employee Stock Ownership and Savings Plan, the TRW Canada Stock Savings Plan, and the TRW UK Share Purchase Plan. These plans

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contain pass-through voting provisions for the participants of the Plans, with TRW shares that are allocated to a participant's account voted in accordance with the instructions of the participant by the trustees of the respective plan responsible for voting. Information relating to voting by participants in these stock-based TRW employee benefit plans is set forth in the section entitled "THE TRW MEETING TRW Employee Plan Voting" beginning on page 34.

Quorum at the Special Meetings (Pages 32 and 35)

A quorum must be present in order to transact business at each of the special meetings. If a Northrop Grumman stockholder or a TRW shareholder submits a properly executed proxy card, telephonic proxy or internet proxy, even if that person abstains from voting, his or her shares will be counted for purposes of calculating whether a quorum is present at the Northrop Meeting and the TRW Meeting, as applicable.

A quorum at the Northrop Meeting requires a majority of the outstanding shares of Northrop Grumman common stock entitled to vote to be present or represented by proxy at the special meeting.

A quorum at the TRW Meeting requires thirty-five percent of the voting power of TRW's outstanding stock to be present in person or represented by proxy at the TRW Meeting. However, since the merger agreement must be adopted by the holders of at least two-thirds of the outstanding shares of TRW common stock, the presence of a quorum alone might not mean that sufficient TRW shares are present in person or by proxy to adopt the merger agreement.

Effect of Abstentions and Broker Non-Votes (Pages 32 and 35)

Both abstentions and broker non-votes will be counted in determining whether a quorum is present at the Northrop Meeting and the TRW Meeting.

Abstentions and broker non-votes will have no effect on the outcome of the Northrop Grumman proposal, assuming a quorum is present.

Since the vote at the TRW Meeting required to adopt the merger agreement is based upon a percentage of the total outstanding voting power of TRW rather than upon the percentage of the votes cast at the TRW Meeting, abstentions and broker non-votes will have the same effect as a vote against the adoption of the merger agreement.

It is very important that ALL Northrop Grumman stockholders and ALL TRW shareholders vote their shares, so please complete and return the enclosed proxy card today!

Board Recommendations

Northrop Grumman's Board Recommendation (Page 37)

Northrop Grumman's board of directors (with one director absent) has unanimously determined that the terms of the merger are fair to and in the best interests of Northrop Grumman stockholders, has unanimously approved the merger agreement and unanimously recommends that Northrop Grumman stockholders vote FOR the issuance of the shares of Northrop Grumman common stock pursuant to the merger (including shares to be issued upon exercise of TRW options deemed assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement).

TRW's Board Recommendation (Page 42)

TRW's board of directors (with one director absent) has unanimously determined that the terms of the merger are fair to and in the best interests of TRW shareholders, has unanimously approved the merger agreement and unanimously recommends that TRW shareholders vote FOR the adoption of the merger agreement.

Table of Contents**The Merger**

The rights and obligations of the parties to the merger agreement are governed by the specific terms and conditions of the merger agreement and not by any summary or other information in this joint proxy statement/prospectus. Therefore, the information in this joint proxy statement/prospectus regarding the merger agreement and the merger is qualified in its entirety by reference to the merger agreement itself, a copy of which is attached as Annex A to this joint proxy statement/prospectus.

TRW Common Stock (Page 88)

For each share of TRW common stock, TRW shareholders will receive a number of shares of Northrop Grumman common stock equal to \$60.00 divided by the average of the closing sale prices for a share of Northrop Grumman common stock on the New York Stock Exchange for the five consecutive trading days ending on (and including) the second trading day before the closing date of the merger. However, in no event will the exchange ratio be greater than 0.5357 (\$60.00/\$112.00) or less than 0.4348 (\$60.00/\$138.00). If the actual average Northrop Grumman common stock sale price is less than \$112.00, TRW shareholders should expect to receive less than \$60.00 in value of Northrop Grumman common stock per share of TRW common stock, and if the actual average Northrop Grumman common stock sale price is more than \$138.00, TRW shareholders should expect to receive more than \$60.00 in value of Northrop Grumman common stock per share of TRW common stock. While the exchange ratio is designed to provide TRW shareholders with Northrop Grumman common stock with a value of \$60.00 for each TRW common share if the average Northrop Grumman common stock price over the relevant period is between \$112.00 to \$138.00, the exchange ratio merely determines the number of shares of Northrop Grumman common stock that a TRW shareholder will receive per share of TRW common stock. See **RISK FACTORS** The Value of Northrop Grumman Common Stock Exchanged for TRW Common Stock Could Be Different Than \$60.00 Per Share on page 15. As described in the section entitled **Comparison of Rights of Holders of Northrop Grumman Common Stock and TRW Common Stock Rights Plan** on page 123, each share of Northrop Grumman common stock issued pursuant to the merger will be issued together with an associated preferred share purchase right.

If the shares of Northrop Grumman common stock proposed to be issued pursuant to the merger were issued on October 21, 2002, then approximately 75.13 million shares of Northrop Grumman common stock would be issued (including shares to be issued upon exercise of TRW options assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement), based on the exchange ratio calculated using the average closing sales prices of Northrop Grumman common stock for the five trading days starting October 11, 2002 and ending on (and including) October 17, 2002 of 0.5311. However, because this number is based on trading prices of Northrop Grumman common stock that continue to change, more or fewer shares of Northrop Grumman common stock ultimately may be issued pursuant to the merger. For example, if the five-day average closing sales price of Northrop Grumman common stock used to calculate the final exchange ratio was \$112.00 or less (and therefore the maximum exchange ratio of 0.5357 would result), the number of shares of Northrop Grumman common stock issued in connection with the merger (including shares to be issued upon exercise of TRW options assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger) would be approximately 75.78 million, assuming the number of TRW shares, options, shares of restricted stock and restricted stock units was the same as the number of such securities outstanding as of October 21, 2002.

TRW Employee and Director Stock Options (Page 89)

Pursuant to the merger agreement, each holder of options to acquire TRW common stock will be entitled to elect, prior to the effective time of the merger, to have such options canceled by TRW in exchange for cash, as described in the section entitled **THE MERGER AGREEMENT Treatment of TRW Stock Options and Other Equity Awards** on page 89. Any such cash elections made by TRW option holders are conditioned upon the

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completion of the merger, and will be ineffective if the merger does not occur. Any TRW options outstanding at the effective time of the merger will be deemed assumed by Northrop Grumman and will be subject to the same terms and conditions as in effect prior to the merger, except that any unvested TRW options will become vested at the effective time of the merger and the assumed options will be exercisable for shares of Northrop Grumman common stock, with the number of shares and exercise price determined pursuant to the merger agreement.

Other TRW equity-based awards will be cancelled in connection with the merger, and the holders of such awards will receive either lump sum cash payments, shares of Northern Grumman common stock based on the exchange ratio, or have their awards assumed by Northrop Grumman. TRW strategic incentive program grants will be cancelled in exchange for lump sum cash payments calculated on the assumption that maximum performance goals are reached. However, grants under the 2001-2002 strategic incentive program will be cancelled in exchange for lump sum payments equal to one-half of the maximum value of such grants.

Opinions of Financial Advisers

Northrop Grumman (Page 46)

In connection with Northrop Grumman's consideration of the merger, Northrop Grumman received financial advice from Salomon Smith Barney and Stephens Financial Group. Each of Salomon Smith Barney and Stephens Financial Group has provided separately its opinion to Northrop Grumman's board of directors, each dated June 30, 2002, that as of that date and subject to the qualifications and limitations and based on the considerations in each respective opinion, the exchange ratio to be used in the merger was fair, from a financial point of view to Northrop Grumman.

The opinions of Salomon Smith Barney and Stephens Financial Group are attached as Annexes B and C, respectively, to this joint proxy statement/prospectus.

TRW (Page 66)

TRW's board of directors considered the opinion of each of Goldman, Sachs & Co. and Credit Suisse First Boston Corporation, each dated June 30, 2002, to the effect that, as of that date, and based on and subject to the assumptions, qualifications and limitations described in their respective opinions, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of TRW common stock other than Northrop Grumman and its affiliates. The opinions of Goldman Sachs and Credit Suisse First Boston are attached as Annexes D and E, respectively, to this joint proxy statement/prospectus.

Redemption of TRW Preferred Stock (Page 89)

Pursuant to the merger agreement, each outstanding share of TRW Cumulative Serial Preference Stock II, \$4.40 Convertible Series 1 and each outstanding share of TRW Cumulative Serial Preference Stock II, \$4.50 Convertible Series 3, was redeemed for cash by TRW on August 30, 2002, which was prior to the record date for the TRW Meeting. Therefore, the former holders of such securities are not entitled to notice of, or to vote at, the TRW Meeting, and the approval of such former TRW shareholders is not required to adopt the merger agreement.

Conditions to the Merger (Page 94)

The completion of the merger is subject to the satisfaction or valid waiver of the following conditions, among others:

Northrop Grumman stockholders must approve the issuance of the shares of Northrop Grumman common stock pursuant to the merger (including shares to be issued upon exercise of TRW options)

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deemed assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement);

TRW shareholders must adopt the merger agreement;

the waiting periods under the HSR Act must have expired or terminated (which expiration occurred on October 15, 2002, although the Department of Justice is still reviewing the transaction);

the European Commission must have approved the merger (which approval was announced on October 16, 2002);

there must be no law or court order prohibiting the merger;

Northrop Grumman and TRW each must have performed in all material respects their respective covenants and obligations to be performed at or prior to the effective time of the merger pursuant to the merger agreement; and

the representations and warranties of the respective parties made in the merger agreement must be true and correct.

These conditions and other conditions to the merger are more fully described in the section entitled **THE MERGER AGREEMENT** Conditions to the Completion of the Merger on page 94.

Termination of the Merger Agreement (Page 96)

Pursuant to the merger agreement, Northrop Grumman and TRW may agree to terminate the merger agreement at any time before the merger is completed.

Either Northrop Grumman or TRW may terminate the merger agreement if:

the merger is not consummated by December 31, 2002 (or by March 31, 2003, if the only conditions to the merger that have not been satisfied relate to antitrust or governmental approvals or other legal prohibitions of the merger);

the Northrop Grumman stockholders do not approve the issuance of the Northrop Grumman common stock pursuant to the merger at the Northrop Meeting;

the TRW shareholders do not adopt the merger agreement at the TRW Meeting;

any law or regulation or legal action prohibits the merger; or

there is a breach of a representation, warranty or covenant in the merger agreement by the other party, as described in greater detail in **THE MERGER AGREEMENT** Termination of the Merger Agreement on page 96.

Northrop Grumman may terminate the merger agreement if:

TRW's board of directors changes its recommendation to the TRW shareholders regarding adoption of the merger agreement (whether or not permitted by the merger agreement);

TRW fails to call the TRW Meeting; or

TRW's board of directors recommends a proposal other than the merger to the TRW shareholders.

TRW may terminate the merger agreement if:

Northrop Grumman's board of directors changes its recommendation to Northrop Grumman stockholders regarding the issuance of Northrop Grumman common stock pursuant to the merger (whether or not permitted by the merger agreement);

Northrop Grumman fails to call the Northrop Meeting; or

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TRW's board of directors has first complied with certain provisions of the non-solicitation covenant in the merger agreement, as described in THE MERGER AGREEMENT Termination of the Merger Agreement on page 96.

Termination Fee and Expense Reimbursement

Termination Fee (Page 97)

TRW must pay Northrop Grumman a termination fee of \$275 million if the merger agreement is terminated by Northrop Grumman under certain circumstances described in the section entitled THE MERGER AGREEMENT Termination Fee on page 97.

Expense Reimbursement (Page 98)

Northrop Grumman must reimburse TRW for up to \$50 million of documented expenses if the merger agreement is terminated by TRW because Northrop Grumman's board of directors changes its recommendation to the TRW stockholders or Northrop Grumman fails to call the Northrop Meeting. See THE MERGER AGREEMENT Expense Reimbursement on page 98.

No Solicitation (Page 98)

The merger agreement contains non-solicitation provisions which prohibit TRW from soliciting or engaging in discussions or negotiations regarding a competing proposal to the merger. There are exceptions to these prohibitions if TRW receives a proposal for a transaction from a third party under circumstances set forth in the merger agreement.

Certain Federal Income Tax Consequences of the Merger (Page 82)

Consummation of the merger is conditioned upon the receipt by Northrop Grumman and TRW of tax opinions to the effect that, for federal income tax purposes:

the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code; and

each of Northrop Grumman, Richmond Acquisition Corp., and TRW will be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code.

TRW shareholders will therefore not recognize any gain or loss for United States federal income tax purposes on the exchange of their shares of TRW common stock for shares of Northrop Grumman common stock in the merger, except for any gain or loss attributable to cash received instead of fractional shares of Northrop Grumman common stock. The tax consequences to TRW shareholders of the merger will depend on each shareholder's particular circumstances. TRW shareholders should consult their tax advisers for a full understanding of the tax consequences of the merger to them.

Interests of TRW Directors and Executive Officers in the Merger (Page 77)

In considering the recommendation of TRW's board of directors with respect to the merger, TRW shareholders should be aware that certain directors and executive officers of TRW may have interests in the merger that are different from, or are in addition to, the interests of TRW shareholders generally, including those listed below:

All but one of TRW's executive officers is party to an employment continuation agreement with TRW that provides for certain benefits upon termination of employment under certain circumstances

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following the closing of the merger. TRW estimates that the value of cash severance potentially payable to the executive officers as a group, not including payments with respect to employee benefits, incentive pay for the portion of the year worked prior to termination, or any excise tax gross up, would aggregate approximately \$21.2 million. An aggregate additional payment of approximately \$22.3 million (as of September 30, 2002) would be payable under the agreements as part of any severance for the amounts previously earned and credited to these executive officers' accounts under TRW's nonqualified defined contribution plans, unless deferred;

TRW has entered into retention and severance agreements with its executive officers, other than the two executive officers in its Automotive business described in the next paragraph, as a result of its plan to spin off the Automotive business and the other elements of TRW's value enhancement plan. A maximum aggregate amount of approximately \$15.3 million would be payable to the executives under these agreements. These amounts would offset and reduce amounts payable under the employment continuation agreements described above if a change in control occurs within twelve months of the date the officer becomes entitled to the retention and severance payment.

Northrop Grumman has entered into agreements with two of TRW's executive officers in its Automotive business to incentivize the executives to remain employed by TRW's Automotive business and to use their best efforts to accomplish a sale or spin off of the Automotive business after the merger. The agreements provide for aggregate cash payments of \$2.6 million within fifteen days following the six month anniversary of the sale or spin off date if certain conditions are satisfied;

Upon consummation of the merger, TRW's current executive officers and all employees that served as executive officers at any time since January 1, 2001 would receive an aggregate cash payment with respect to 611,000 shares of TRW common stock pursuant to outstanding performance units under TRW's strategic incentive program;

Unvested stock options, restricted stock and restricted stock units outstanding at the effective time of the merger will become vested. As of October 21, 2002 the current directors and executive officers of TRW and all other persons who served as a director or an executive officer of TRW since January 1, 2001 held: options to purchase 3,187,614 shares of TRW common stock, with a weighted average exercise price of \$46.23 per share, of which 2,497,110 options had vested; 35,713 unvested restricted stock units; and 91,600 unvested shares of restricted stock;

TRW directors and executive officers who hold options to acquire TRW common stock will be entitled to elect, prior to the effective time of the merger, to have such options canceled by TRW in exchange for cash, as described in the section entitled "THE MERGER AGREEMENT - Treatment of TRW Stock Options and Other Equity Awards" on page 89.

TRW has entered into split-dollar life insurance agreements with certain key executive officers. TRW will be required to fund a trust with approximately \$8.1 million to pay future premiums on the policies with respect to each officer party to such an agreement who has been an executive officer of TRW at any time since January 1, 2001; and

Under the terms of TRW's Deferred Compensation Plan for Non-Employee Directors, the balance of a director's account will be immediately distributed upon a change in control if the director has specifically stipulated on his or her election form for such distribution. As of September 30, 2002, TRW's aggregate liability under this plan to all the current directors with respect to the elective deferral portion of director compensation was an aggregate of approximately \$1.8 million.

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Dividend Policies (Page 26)

Northrop Grumman

The holders of Northrop Grumman common stock receive dividends if and when declared by Northrop Grumman's board of directors out of legally available funds. Northrop Grumman has paid a cash dividend of \$0.40 per share of common stock in each fiscal quarter beginning with (and including) the fiscal quarter ended March 31, 1993 through (and including) the fiscal quarter ended September 30, 2002.

After the merger, Northrop Grumman expects to continue paying quarterly cash dividends on a basis consistent with Northrop Grumman's past practice. However, the declaration and payment of dividends will depend upon business conditions, operating results, capital and reserve requirements, covenants in its debt instruments and Northrop Grumman's board of directors' consideration of other relevant factors. Northrop Grumman can give TRW shareholders no assurance that Northrop Grumman will continue to pay dividends on its common stock in the future.

TRW

The holders of TRW common stock receive dividends if and when declared by TRW's board of directors out of legally available funds. For the past three fiscal quarters, including the fiscal quarter ended September 30, 2002, TRW has paid a cash dividend of \$0.175 per share of TRW common stock.

Should the merger be consummated, TRW will be a wholly-owned subsidiary of Northrop Grumman and will cease to be a public company. From and after the merger, TRW will not declare or pay dividends on TRW's shares, other than any dividends declared prior to the effective time of the merger with a payment date after the effective time of the merger or any dividends or distributions which may be made to Northrop Grumman after the merger as the parent corporation and sole shareholder of TRW.

Pursuant to the merger agreement, until the effective time of the merger, TRW is permitted to pay regular quarterly cash dividends not in excess of \$0.175 per share on its common stock and dividends on its preferred stock in accordance with the terms of such preferred stock.

Material Differences in Rights of Stockholders/Shareholders (Page 118)

The governing documents of Northrop Grumman and TRW vary, and therefore TRW shareholders will have different rights once they become Northrop Grumman stockholders. Similarly, the laws of Ohio, TRW's state of incorporation, differ from those of Delaware, Northrop Grumman's state of incorporation. These differences are described in greater detail under "COMPARISON OF RIGHTS OF HOLDERS OF NORTHROP GRUMMAN COMMON STOCK AND TRW COMMON STOCK" beginning on page 118.

Sale of Aeronautical Systems Business

On June 18, 2002, TRW entered into a definitive agreement with Goodrich Corporation for the sale of TRW's Aeronautical Systems business for a gross purchase price of \$1.5 billion in cash, subject to adjustment. This business includes aircraft engine and flight controls, cargo handling systems, power generation and management, missile actuation, nacelle actuation, hoists and winches, flexible shafts and couplings, and comprehensive aftermarket support and services, including asset management and service-level guarantees for a number of commercial airlines. This sale was completed on October 1, 2002 and, as a result, TRW no longer operates this business. The Aeronautical Systems business is reported as discontinued operations in TRW's financial statements.

Table of Contents**Dissenters Appraisal Rights (Page 84)**

If the merger is consummated, TRW shareholders will have certain rights under the Ohio Revised Code to dissent and demand dissenters' rights and to receive payment of the fair cash value of their TRW shares. TRW shareholders who perfect dissenters' rights by complying with the procedures set forth in Sections 1701.84 and 1701.85 of the Ohio Revised Code will have the fair cash value of their TRW shares determined by an Ohio trial court and will be entitled to receive a payment equal to the fair cash value of those shares from the corporation surviving the merger. In addition, any dissenting TRW shareholders would be entitled to receive payment of a fair rate of interest, at a rate determined by the trial court, on the amount determined to be the fair cash value of their TRW shares. In determining the fair cash value of TRW shares, the court is required to take into account all relevant factors, excluding any appreciation or depreciation in market value resulting from the merger. Accordingly, the court's determination could be based upon considerations other than, or in addition to, the market value of TRW common stock, including, among other things, asset values and earning capacity. The shares of TRW common stock held by any person who wants to dissent but fails to perfect or who effectively withdraws or loses the right to dissent under Section 1701.85 of the Ohio Revised Code will be converted into, as of the effective time of the merger, the right to receive the merger consideration. Copies of Sections 1701.84 and 1701.85 of the Ohio Revised Code are attached as Annex H to this joint proxy statement/prospectus.

Recent Financial Results

On October 17, 2002, Northrop Grumman reported its financial results for the third quarter ended September 30, 2002, including a net loss of \$59 million or \$.56 per share on 115.2 million average diluted shares outstanding compared to net income of \$148 million or \$1.64 per share on 86.4 million average diluted shares outstanding for the quarter ended September 30, 2001. Sales for the quarter ended September 30, 2002 were \$4.2 billion compared to sales of \$3.4 billion for the third quarter of 2001. These results are adjusted to exclude amortization of goodwill in 2001 in accordance with SFAS No. 142 *Goodwill and Other Intangible Assets*. In the third quarter of 2002, Northrop Grumman completed the measurement of the goodwill impairment in its Component Technologies sector as of January 1, 2002, and recorded a non-cash charge of \$432 million. Northrop Grumman's 2002 third quarter results included an \$87 million pre-tax charge on its Polar Tanker program and a \$65 million charge on its F-16 Block 60 contract. The third quarter results also included positive pre-tax adjustments of \$69 million on the cancelled commercial cruise ship program and \$20 million on a Technology Services contract. In September 2002, Northrop Grumman entered into a definitive agreement to sell two Electronic Systems sector businesses which it expects will close in the fourth quarter of 2002. During the third quarter, Northrop Grumman also decided to sell the businesses of its Component Technologies sector and expects to conclude the sale of these businesses within the next 12 months. The results of these businesses are reported as discontinued operations in Northrop Grumman's earnings release for the quarter and year-to-date periods ended September 30, 2002 and 2001, respectively. Northrop Grumman's third quarter results include an estimated after-tax loss on disposal of \$208 million, which considers only those businesses that may be sold at a loss. Gains realized will be reported in the period in which the sales occur. Net income from continuing operations in the quarter ended September 30, 2002 was \$141 million, or \$1.17 per share, as compared to adjusted net income from continuing operations of \$140 million, or \$1.56 per share, in the quarter ended September 30, 2001.

On October 1, 2002, TRW completed the sale of its Aeronautical Systems business to Goodrich Corporation for \$1.5 billion in cash, subject to adjustment. On October 16, 2002, TRW reported its financial results for the third quarter ended September 30, 2002, including net earnings of \$13 million, or \$.10 per share on 129.1 million diluted shares outstanding as compared to a loss of \$57 million, or \$.46 per share on 125.2 million diluted shares outstanding for the quarter ended September 30, 2001. Sales for the quarter ended September 30, 2002 were \$3.9 billion as compared to \$3.6 billion for the third quarter of 2001. These results are adjusted in accordance with SFAS 142 as described above. The 2002 third quarter results include an after tax loss of \$82 million from discontinued operations and a net charge for unusual items of \$20 million. Before these items, operating earnings from continuing operations for the 2002 third quarter were \$115 million, or \$.89 per share, as compared to \$80 million, or \$.64 per share for the 2001 third quarter.

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Other Recent Developments

On September 20, 2002, the staff of the Securities and Exchange Commission advised Northrop Grumman telephonically, and confirmed by letter dated September 27, 2002, that it was considering recommending to the Commission that civil injunctive proceedings be initiated against Northrop Grumman pertaining to alleged failures to update disclosures in the joint proxy statement and prospectus issued by Northrop Grumman and Lockheed Martin Corporation on January 22, 1998 in connection with a meeting of Northrop Grumman's shareholders to approve the then-proposed (but subsequently abandoned) merger of the two companies. The allegations that the staff has suggested it would advance that Northrop Grumman should have updated the joint proxy statement and prospectus to disclose additional information about the status of the Department of Justice's antitrust review of the proposed transaction would appear to be substantially similar to those raised in certain private actions brought against Northrop Grumman pursuant to the federal securities laws which were dismissed in federal court on Northrop Grumman's motion. Northrop Grumman believes that the Commission should not commence an action against it, and has urged and continues to urge that the Commission not do so. As is typically the case in the context of potential governmental proceedings, Northrop Grumman cannot provide any assurance that the Commission will not commence an action, or that if an action were to be commenced, Northrop Grumman ultimately would prevail. However, Northrop Grumman does not currently anticipate that any Commission action in this regard would have a material adverse effect on its business, financial condition or results of operations.

On October 23, 2002 a jury in the Circuit Court of Maryland for Montgomery County rendered a verdict for breach of contract in favor of Fusion Lighting, Inc. against Northrop Grumman Corporation in the amount of \$32.7 million. The action involved allegations that Northrop Grumman had misallocated certain intellectual property rights relating to electrodeless light bulbs by obtaining certain patents in 1999 and 2000. Northrop Grumman believes that it will obtain substantial relief from the adverse judgment on motion or appeal based upon substantive as well as procedural grounds. Northrop Grumman believes that the jury's award in the trial was not warranted by the law applicable in the case and should be overturned. It is not possible at this time to predict the result of the appeal.

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RISK FACTORS

Northrop Grumman stockholders and TRW shareholders should read carefully this joint proxy statement/prospectus and the other documents attached to or incorporated by reference into this joint proxy statement/prospectus. Northrop Grumman stockholders and TRW shareholders should, in particular, read and consider the following risk factors, as well as the other risks associated with each of the businesses of Northrop Grumman and TRW, because these risks also will affect the combined businesses should the merger be completed. These other risks associated with the businesses of Northrop Grumman and TRW can be found in Northrop Grumman's and TRW's respective Annual Reports on Form 10-K for the year ended December 31, 2001 and Northrop Grumman's and TRW's documents filed subsequent thereto with the SEC and incorporated by reference into this document. Additional risks and uncertainties not presently known to Northrop Grumman or TRW also may adversely affect the merger and Northrop Grumman following the merger.

Successful Integration of the Companies' Businesses is Not Assured

Integrating and coordinating the operations and personnel of Northrop Grumman and TRW will involve complex technological, operational and personnel-related challenges. This process will be time-consuming and expensive and may disrupt the business of either or both companies. In addition, ongoing elements of integration of Northrop Grumman's recent past acquisition of Newport News Shipbuilding may require significant management time and attention. While the integration of Newport News is expected to be substantially complete by the time of the merger, the integration of these companies, and the ultimate integration of TRW's businesses and operations, may not timely or ever result in the full benefits expected by Northrop Grumman. The difficulties, costs and delays that could be encountered may include:

- unanticipated issues in integrating information, communications and other systems;
- negative impacts on employee morale and performance as a result of job changes and reassignments;
- difficulties attracting and retaining key personnel;
- loss of customers;
- unanticipated incompatibility of systems, procedures and operating methods;
- unanticipated costs of terminating or relocating facilities and operations; and
- the effect of complying with any government imposed organizational conflict-of-interest rules.

The Value of Northrop Grumman Common Stock Exchanged for TRW Common Stock Could Be Different Than \$60.00 Per Share

In the merger, Northrop Grumman will issue to TRW shareholders a number of shares of Northrop Grumman common stock designed to have a value of \$60.00 for each outstanding share of TRW common stock. However, the exchange ratio only determines the fraction of a share of Northrop common stock into which each share of TRW common stock will be exchanged. The value of that fraction of a share upon delivery may be worth more or less than the product of the exchange ratio multiplied by the average trading price used in calculating the exchange ratio, and therefore may be worth more or less than \$60.00 in value when ultimately delivered, whether or not the average Northrop Grumman common stock price is between \$112.00 and \$138.00 when the exchange ratio is calculated. TRW shareholders should expect to receive less than \$60.00 in value per TRW share if the market price of the Northrop Grumman common stock is less than \$112.00 at the time the exchange ratio is calculated and remains below \$112.00 when the Northrop Grumman common stock is delivered. Conversely, TRW shareholders should expect to receive more than \$60.00 in value per TRW share if the market price of the Northrop Grumman common stock is more than \$138.00 at the time the exchange ratio is calculated and remains above \$138.00 when the Northrop Grumman common stock is delivered. In addition, no adjustment will be made to reflect the trading price of Northrop Grumman common stock on the trading day before the closing date of the merger, and TRW shareholders may receive more or less than the amount they would receive if the closing occurred on the day the exchange ratio was calculated.

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Resales of Northrop Grumman Common Stock Following the Merger May Cause the Market Price to Fall

As of October 21, 2002, Northrop Grumman had 113,133,263 shares of common stock outstanding, 7,796,310 shares of common stock issuable upon conversion of outstanding equity security units, 3,188,967 shares of common stock issuable upon conversion of outstanding shares of Series B Convertible Preferred Stock and 7,616,192 shares of common stock subject to outstanding options to purchase Northrop Grumman common stock. Northrop Grumman expects that it will issue a maximum of 75,779,743 shares of Northrop Grumman common stock in connection with the merger (including shares to be issued upon exercise of TRW options assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement), based on the maximum possible exchange ratio and the number of outstanding shares of TRW common stock, TRW options and shares of restricted stock and restricted stock units as of October 21, 2002. The issuance of these new Northrop Grumman shares, and the sale of additional shares of Northrop Grumman common stock that may become eligible for sale in the public market from time to time upon exercise of options or other rights, will increase the total number of shares of Northrop Grumman common stock outstanding. This increase could be very substantial and could have the effect of depressing the market price for Northrop Grumman common stock.

The Trading Prices of Northrop Grumman Common Stock and TRW Common Stock May be Affected by Different Factors

Upon completion of the merger, holders of TRW common stock will become holders of Northrop Grumman common stock. Northrop Grumman's business differs from that of TRW, and Northrop Grumman's results of operations, as well as the trading price of Northrop Grumman common stock, may be affected by factors different from those affecting TRW's results of operations and the trading price of TRW common stock as a separate company. Therefore, events or circumstances which might not have caused TRW's shares to decline in value might result in a decline in the value of Northrop Grumman common stock, and events or circumstances that might have caused an increase in the value of TRW common stock might not result in an increase in the value of Northrop Grumman common stock.

Northrop Grumman Will Have More Indebtedness After the Merger

Northrop Grumman's indebtedness as of June 30, 2002 was approximately \$4.9 billion. Northrop Grumman's pro forma indebtedness as of December 31, 2001, after giving effect to the merger (as described in the Unaudited Pro Forma Condensed Combined Financial Information beginning on page 104) was approximately \$9.72 billion. As a result of the increase in debt, demands on the cash resources of Northrop Grumman will increase after the merger, which could have important effects on an investment in Northrop Grumman common stock. For example, the increased levels of indebtedness could, among other things:

- reduce funds available for investment in research and development and capital expenditures;
- adversely affect the cost and availability of funds from commercial lenders, debt financing transactions and other sources; and
- create competitive disadvantages compared to other companies with lower debt levels.

Northrop Grumman expects that a significant portion of the debt assumed in connection with the merger will be reduced or transferred in connection with a sale or spin off of the TRW Automotive business. However, no final decisions have been made as to how much debt would be transferred, and there can be no assurance that a sale, spin off or other transfer of the TRW Automotive business will occur. The unaudited pro forma financial information beginning on page 104 assumes no debt reduction in the case of a sale of TRW's Automotive business and the transfer to or assumption of approximately \$2.8 billion of debt by TRW Automotive Inc. in the case of a spin off of TRW's Automotive business.

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The Purchase Price Allocations of the Newport News Acquisition May Have a Material Effect on the Pro Forma Financial Information

The final adjustment of the purchase price of Northrop Grumman's recent Newport News acquisition has not been determined as of October 23, 2002. There can be no assurance that such adjustments will not have a material impact on the pro forma financial statements. See UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION beginning on page 104.

Risks Associated With the Proposed Sale or Spin Off of TRW's Automotive Business

As described in greater detail in the section entitled NORTHROP GRUMMAN AFTER THE MERGER Proposed Sale or Spin Off of TRW's Automotive Business on page 100, Northrop Grumman currently intends to sell TRW's Automotive business to a third party or parties or to spin off the business to Northrop Grumman's stockholders (including any former TRW shareholders who hold Northrop Grumman common stock as of the record date for the spin off) after the merger. However, there can be no assurance as to the value that may be realized from a sale of the Automotive business or as to the market value of its stock in the event of a spin off. There is also no assurance that the various conditions to such a sale or spin off can be satisfied, including receiving required governmental and other approvals, or what the economic proceeds or benefits from the separation of the Automotive business will be.

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FORWARD-LOOKING STATEMENTS MAY PROVE INACCURATE

Certain statements and assumptions in this joint proxy statement/prospectus and in the documents attached or incorporated by reference contain or are based on forward-looking information and involve risks and uncertainties. Northrop Grumman and TRW believe that such statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking information includes, among other things, statements as to the impact of the proposed merger on revenues and earnings, and other statements with respect to the financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive positions, growth opportunities, plans and objectives of management, and other matters. Such statements are subject to numerous assumptions and uncertainties, many of which are outside of Northrop Grumman's and TRW's control. These include completion of the merger, governmental regulatory processes, Northrop Grumman's ability to successfully integrate the operations of TRW, achieve a successful disposition or other resolution with respect to TRW's Automotive business, assumptions with respect to future revenues, expected program performance and cash flows, the outcome of contingencies including, among others, the timing and amounts of tax payments, litigation matters, environmental claims and remediation efforts, divestitures of businesses, successful negotiation of contracts with labor unions, and anticipated costs of capital investments. Northrop Grumman's and TRW's respective operations are subject to various additional risks and uncertainties resulting from their positions as suppliers, either directly or as subcontractors or team members, to the United States government and its agencies, as well as to foreign governments and agencies.

Actual outcomes are dependent upon many factors. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, among others:

- Northrop Grumman's and TRW's dependence on sales to the United States government;
- Northrop Grumman's and TRW's successful performance of internal plans;
- 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 and customer expectations;
- continued development and acceptance of new products;
- performance issues with key suppliers and subcontractors;
- government import and export policies;
- acquisition or termination of government contracts, which may include termination for the convenience of the government;
- the outcome of political and legal processes;
- legal, financial and governmental risks related to international transactions and global needs for military and commercial aircraft, electronic systems and support, information technologies, naval vessels, space systems and related products and technologies; and
- other economic, political and technological risks and uncertainties and other risk factors set out in Northrop Grumman's and TRW's filings from time to time with the SEC, including, without limitation, Northrop Grumman's and TRW's respective reports on Form 10-K and Form 10-Q.

Words such as anticipates, believes, estimates, expects, hopes, targets or similar expressions are intended to identify forward-looking statements which speak only as of the date of this joint proxy statement/prospectus, and in the case of documents incorporated by reference, as of the date of those documents. Neither Northrop Grumman nor TRW undertakes any obligation to update or release any revisions to any forward-looking statements or to report any events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as required by law.

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**SELECTED HISTORICAL AND UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL DATA**

The pro forma financial data presented below are derived from the historical consolidated financial statements of Northrop Grumman, Litton, Newport News and TRW, and have been adjusted to give effect to Northrop Grumman's acquisitions of Litton, Newport News and TRW. The pro forma statements contained herein use the purchase method of accounting, with Northrop Grumman treated as the acquirer and assuming that the Litton, Newport News and TRW acquisitions had been completed on January 1, 2001 (for statement of operations purposes) and on December 31, 2001 (for balance sheet purposes).

The pro forma amounts presented give effect to (a) the sale by TRW of its Aeronautical Systems business on October 1, 2002 for a gross purchase price of \$1.5 billion in cash and (b) the assumed divestiture of TRW's Automotive business upon the completion of the merger. The pro forma financial statements also assume a sale of TRW's Automotive business would generate cash proceeds of \$5.0 billion.

If the Automotive business divestiture is accomplished as a spin off rather than a sale, the pro forma effect of the divestiture will differ from that presented below in the following respects:

cash proceeds from the sale would be eliminated;

a portion of TRW's existing indebtedness, currently estimated as approximately \$2.8 billion, will be replaced by indebtedness of TRW Automotive Inc. and eliminated as indebtedness of TRW; and

interest costs associated with such replaced indebtedness will be eliminated.

Northrop Grumman stockholders and TRW shareholders should read the following summary information together with the unaudited pro forma financial statements and notes beginning on page 104.

Table of Contents**SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA OF NORTHROP GRUMMAN**

The following is a summary of selected consolidated financial data for Northrop Grumman for each of the years in the five-year period ended December 31, 2001 and for the six months ended June 30, 2001 and 2002. The information with respect to the years ended December 31, 1997 through December 31, 2001 is derived from the audited financial statements of Northrop Grumman contained in its Annual Report on Form 10-K for the years ended December 31, 2001, 2000 and 1999. The information with respect to the six months ended June 30, 2001 and June 30, 2002 is derived from the unaudited consolidated financial statements of Northrop Grumman contained in the Quarterly Report on Form 10-Q for the period ended June 30, 2002. This summary should be read together with the financial statements which are incorporated by reference in this joint proxy statement/prospectus and the accompanying notes and management's discussion and analysis of operations and financial conditions of Northrop Grumman contained in such reports, as well as the Unaudited Pro Forma Condensed Combined Financial Information beginning on page 104.

	Northrop Grumman/ TRW Pro Forma (\$ in millions)	Northrop Grumman Historical Data (\$ in millions)		Northrop Grumman Historical Data Year ended December 31, (\$ in millions)					
		Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	2001	2000	1999	1998	1997	
Operating Data									
Net sales	\$ 11,181	\$ 8,482	\$ 5,649	\$ 13,558	\$ 7,618	\$ 7,616	\$ 7,367	\$ 7,798	
Income from continuing operations, net of tax	334	331	217	427	625	474	193	318	
Basic earnings per share, from continuing operations	1.78	2.85	2.72	4.84	8.86	6.84	2.82	4.76	
Diluted earnings per share, from continuing operations	1.76	2.80	2.69	4.80	8.82	6.80	2.78	4.67	
Cash dividends per common share	0.80	0.80	0.80	1.60	1.60	1.60	1.60	1.60	
Balance Sheet Data									
Total assets	\$ 36,568	\$ 21,384	\$ 17,331	\$ 20,886	\$ 9,622	\$ 9,285	\$ 9,536	\$ 9,677	
Total long term obligations	13,800	8,229	8,016	8,013	3,015	3,564	4,319	4,339	
Redeemable preferred stock	350	350	350	350	0	0	0	0	

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Effective January 1, 2002, Northrop Grumman adopted Statement of Financial Accounting Standards (SFAS) 142 *Goodwill and Other Intangible Assets*, which changes the accounting from an amortization method to an impairment-only approach. In accordance with this statement, amortization of goodwill, including goodwill recorded in past business combinations, ceased December 31, 2001. The table below reconciles the selected historical and pro forma financial data of Northrop Grumman to the adjusted income from continuing operations and earnings per share for the three-year period ended December 31, 2001 and for the six months ended June 30, 2002 and 2001, reflecting the adoption of SFAS 142.

	Northrop Grumman/ TRW Pro Forma (\$ in millions)	Northrop Grumman Historical Data (\$ in millions)		Northrop Grumman Historical Data Year ended December 31, (\$ in millions)				
		Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	2001	2000	1999	1998*	1997*
Income from continuing operations, net of tax								
As reported	\$ 334	\$ 331	\$ 217	\$ 427	\$ 625	\$ 474	\$ 193	\$ 318
Add back goodwill amortization, net of tax			90	218	75	73		
Income from continuing operations, net of tax adjusted	\$ 334	\$ 331	\$ 307	\$ 645	\$ 700	\$ 547	\$ 193	\$ 318
Basic earnings per share from continuing operations								
As reported	\$ 1.78	\$ 2.85	\$ 2.72	\$ 4.84	\$ 8.86	\$ 6.84	\$ 2.82	\$ 4.76
Add back goodwill amortization, net of tax			1.16	2.58	1.06	1.06		
Adjusted	\$ 1.78	\$ 2.85	\$ 3.88	\$ 7.42	\$ 9.92	\$ 7.90	\$ 2.82	\$ 4.76
Diluted earnings per share from continuing operations								
As reported	\$ 1.76	\$ 2.80	\$ 2.69	\$ 4.80	\$ 8.82	\$ 6.80	\$ 2.78	\$ 4.67
Add back goodwill amortization, net of tax			1.15	2.55	1.06	1.05		
Adjusted	\$ 1.76	\$ 2.80	\$ 3.84	\$ 7.35	\$ 9.88	\$ 7.85	\$ 2.78	\$ 4.67

(*) Historical operating data not adjusted for the effect of SFAS 142

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF TRW**

The following is a summary of selected consolidated financial data of TRW for each of the years in the five-year period ended December 31, 2001 and for the six months ended June 30, 2001 and June 30, 2002. The information with respect to the years ended December 31, 1999, 2000 and 2001 is derived from the audited consolidated financial statements of TRW contained in its Form 8-K filed on September 3, 2002 (which contains restated financial information of TRW for those years to give effect to the sale of TRW's Aeronautical Systems business and the reporting of that business as a discontinued operation). The information with respect to the years ended December 31, 1997 and 1998 is derived from the audited consolidated financial statements of TRW contained in its Annual Report on Form 10-K for the fiscal years ended December 31, 1998 and 1999. The information with respect to the six months ended June 30, 2001 and June 30, 2002 is derived from the unaudited consolidated financial statements of TRW contained in its Quarterly Report on Form 10-Q for the six-month period ended June 30, 2002. This summary should be read together with the financial statements which are incorporated by reference in this joint proxy statement/prospectus and the accompanying notes and management's discussion and analysis of financial condition and the results of operations of TRW contained in such reports, as well as the Unaudited Pro Forma Condensed Combined Financial Information beginning on page 104.

	TRW		TRW Year ended December 31, (\$ in millions)				
	Six Months Ended June 30, 2002 (\$ in millions)	Six Months Ended June 30, 2001 (\$ in millions)	2001	2000	1999	1998	1997
Operating Data							
Net sales	\$ 8,119	\$ 7,908	\$ 15,282	\$ 16,126	\$ 16,068	\$ 11,886	\$ 10,831
Income (loss) from continuing operations before extraordinary items, net of tax	202	20	18	381	417	477	(49)
Gain (loss) from discontinued operations, net of tax	(672)	38	50	57	52	0	0
Basic earnings (loss) per share, from continuing operations before extraordinary items	1.59	0.17	0.14	3.08	3.44	3.93	(0.40)
Diluted earnings (loss) per share, from continuing operations before extraordinary items	1.59	0.17	0.14	3.05	3.38	3.83	(0.40)
Dividends declared per common share	0.175	0.35	1.05	1.36	1.32	1.28	1.24
Balance Sheet Data							
Total assets	\$ 14,639	\$ 15,795	\$ 14,444	\$ 16,467	\$ 18,266	\$ 7,340	\$ 6,410
Total long term obligations	7,455	7,655	7,392	7,825	8,543	2,442	2,067

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Effective January 1, 2002, TRW adopted Statement of Financial Accounting Standards (SFAS) 142 *Goodwill and Other Intangible Assets*, which changes the accounting from an amortization method to an impairment-only approach. In accordance with this statement, amortization of goodwill, including goodwill recorded in past business combinations, ceased December 31, 2001. The table below reconciles the selected historical financial data of TRW to the adjusted income (loss) from continuing operations before extraordinary items, gain (loss) from discontinued operations, and earnings (loss) per share for the three-year period ended December 31, 2001 and for the six months ended June 30, 2002 and 2001, reflecting the adoption of SFAS 142.

	TRW		TRW				
	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, (\$ in millions)				
	(\$ in millions)	(\$ in millions)	2001	2000	1999	1998*	1997*
Income (loss) from continuing operations before extraordinary items, net of tax							
As reported	\$ 202	\$ 20	\$ 18	\$ 381	\$ 417	\$ 477	\$ (49)
Add back goodwill amortization, net of tax		35	71	79	65		
Income (loss) from continuing operations before extraordinary items, net of tax adjusted	\$ 202	\$ 55	\$ 89	\$ 460	\$ 482	\$ 477	\$ (49)
Gain (loss) from discontinued operations, net of tax							
As reported	\$ (672)	\$ 38	\$ 50	\$ 57	\$ 52	\$	\$
Add back goodwill amortization, net of tax		9	19	17	12		
Gain (loss) from discontinued operations, net of tax adjusted	\$ (672)	\$ 47	\$ 69	\$ 74	\$ 64	\$	\$
Basic earnings (loss) per share from continuing operations before extraordinary items							
As reported	\$ 1.59	\$ 0.17	\$ 0.14	\$ 3.08	\$ 3.44	\$ 3.93	\$ (0.40)
Add back goodwill amortization, net of tax		0.28	0.57	0.65	0.54		
Adjusted	\$ 1.59	\$ 0.45	\$ 0.71	\$ 3.73	\$ 3.98	\$ 3.93	\$ (0.40)
Diluted earnings (loss) per share from continuing operations before extraordinary items							
As reported	\$ 1.59	\$ 0.17	\$ 0.14	\$ 3.05	\$ 3.38	\$ 3.83	\$ (0.40)
Add back goodwill amortization, net of tax		0.28	0.57	0.63	0.52		
Adjusted	\$ 1.59	\$ 0.45	\$ 0.71	\$ 3.68	\$ 3.90	\$ 3.83	\$ (0.40)

(*) Historical operating data not adjusted for the effect of SFAS 142

Table of Contents**COMPARATIVE PER SHARE INFORMATION**

The following table summarizes unaudited per share information for Northrop Grumman and TRW separately on a historical basis, pro forma combined basis for Northrop Grumman and equivalent pro forma combined basis for TRW. The following information should be read in conjunction with the audited consolidated financial statements of Northrop Grumman and TRW, and the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 104. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the actual operating results or financial position that would have resulted if Northrop Grumman's acquisition of TRW and the Litton and Newport News acquisitions had been completed as of the beginning of the period presented, nor is it necessarily indicative of the future operating results or financial position of the combined companies. The historical book value per share is computed by dividing total stockholders' equity by the number of common shares outstanding at the end of the period. The pro forma per share earnings from continuing operations are computed by dividing the pro forma income from continuing operations available to holders of common stock by the pro forma weighted average number of shares outstanding. The pro forma combined book value per share is computed by dividing total pro forma stockholders' equity by the pro forma number of common shares outstanding at the end of the period. TRW equivalent pro forma combined per share amounts are calculated by multiplying Northrop Grumman pro forma combined per share amounts by 0.5357, the percentage of a share of Northrop Grumman common stock that would be exchanged for each share of TRW common stock pursuant to the merger, based upon a Northrop Grumman common stock price of \$112.00 per share, which represents the bottom end of the collar for the merger exchange ratio. The historical per share information of Northrop Grumman and TRW was derived from Northrop Grumman's and TRW's respective historical annual financial statements.

	Six Months June 30, 2002	Year Ended December 31, 2001
Northrop Grumman Historical		
Historical per common share:		
Income per basic share	\$ 2.85	\$ 4.84
Income per diluted share	2.80	4.80
Dividends declared - Common	0.80	1.60
Dividends declared - Mandatorily Redeemable Preferred	3.50	5.19
Book value per share	70.98	68.08
TRW Historical		
Historical per common share:		
Income from continuing operations per basic share	\$ 1.59	\$ 0.14
Income from continuing operations per diluted share	1.59	0.14
Dividends declared - Common	0.175	1.05
Dividends declared - Preference Stock II Series 1	1.10	4.40
Dividends declared - Preference Stock II Series 3	1.125	4.50
Book value per share	15.53	17.25
Unaudited Pro Forma Combined		
Unaudited pro forma per share of Northrop Grumman common stock:		
Income from continuing operations per basic share	\$ 1.78	\$ 2.47
Income from continuing operations per diluted share	1.76	2.45
Dividends declared - Common	0.80	1.60
Dividends declared - Mandatorily Redeemable Preferred	3.50	7.00
Dividends declared - Preference Stock II Series 1		
Dividends declared - Preference Stock II Series 3		
Book value per share	86.65	N/A
Unaudited Pro Forma TRW Equivalents		
Unaudited pro forma per share of TRW common stock:		
Income from continuing operations per basic share	\$ 0.95	\$ 1.32
Income from continuing operations per diluted share	0.94	1.31
Dividends declared - Common	0.43	0.86
Dividends declared - Mandatorily Redeemable Preferred		
Dividends declared - Preference Stock II Series 1		
Dividends declared - Preference Stock II Series 3		
Book value per share	46.42	N/A

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Northrop Grumman common stock trades on the New York Stock Exchange and on the Pacific Exchange under the symbol NOC and TRW common stock trades on the New York Stock Exchange, the Pacific Exchange, the Chicago Stock Exchange and the Philadelphia Stock Exchange under the symbol TRW, the London Stock Exchange under the symbol TIN and the Frankfurt Stock Exchange under the symbol TRWA. The following table presents trading information for Northrop Grumman and TRW common stock on February 21, 2002, March 1, 2002, June 28, 2002 and October 22, 2002. February 21, 2002 was the last trading day before the public announcement of Northrop Grumman's proposal for a business combination of Northrop Grumman and TRW, March 1, 2002 was the last trading day before the date of the commencement of Northrop Grumman's offer to exchange all outstanding shares of TRW common stock, June 28, 2002 was the last trading day before the merger agreement was announced and October 22, 2002 was the last trading day before the date of this joint proxy statement/prospectus. Northrop Grumman stockholders and TRW shareholders should read the information presented below in conjunction with COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION on the following page.

	Northrop Grumman Common Stock			TRW Common Stock		
	High	Low	Closing	High	Low	Closing
February 21, 2002	\$ 118.89	\$ 114.81	\$ 117.80	\$ 40.05	\$ 38.91	\$ 39.80
March 1, 2002	108.00	106.80	107.75	50.61	50.00	50.05
June 28, 2002	128.82	125.00	125.00	56.98	56.21	56.98
October 22, 2002	104.45	101.51	103.80	53.65	52.55	53.40

For illustrative purposes, the following table provides TRW equivalent per share information on each of the relevant dates assuming the highest (\$60.00/\$112.00) and the lowest (\$60.00/\$138.00) possible exchange ratios. TRW equivalent per share amounts are calculated by multiplying Northrop Grumman per share amounts by the exchange ratio.

Date	Northrop Grumman Common Stock			TRW Equivalent per share at Highest Exchange Ratio			TRW Equivalent per share at Lowest Exchange Ratio		
	High	Low	Close	High	Low	Close	High	Low	Close
February 21, 2002	\$ 118.89	\$ 114.81	\$ 117.80	\$ 63.69	\$ 61.51	\$ 63.11	\$ 51.69	\$ 49.92	\$ 51.22
March 1, 2002	108.00	106.80	107.75	57.86	57.21	57.72	46.96	46.43	46.85
June 28, 2002	128.82	125.00	125.00	69.01	66.96	66.96	56.01	54.35	54.35
October 22, 2002	104.45	101.51	103.80	55.96	54.38	55.61	45.41	44.13	45.13

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

The following table sets forth, for the calendar quarters indicated, the high and low closing sales prices per share reported by the New York Stock Exchange for such securities and the dividends declared on Northrop Grumman common stock and on TRW common stock for the periods indicated.

	Northrop Grumman Common Stock			TRW Common Stock		
	High	Low	Dividends	High	Low	Dividends
1999						
March 31, 1999	\$ 73.25	\$ 57.00	\$ 0.40	\$ 58.63	\$ 44.75	\$
June 30, 1999	73.31	57.75	0.40	54.94	41.94	0.33
September 30, 1999	75.69	59.94	0.40	57.19	48.06	0.33
December 31, 1999	62.31	49.00	0.40	54.00	41.50	0.66
2000						
March 31, 2000	55.19	43.56	0.40	64.13	39.81	
June 30, 2000	80.25	52.44	0.40	59.94	43.19	0.33
September 30, 2000	91.81	65.63	0.40	52.09	40.25	0.33
December 31, 2000	92.50	74.13	0.40	42.00	29.88	0.70
2001						
March 31, 2001	97.54	79.81	0.40	40.34	33.86	
June 30, 2001	95.37	77.60	0.40	44.95	33.48	0.35
September 30, 2001	102.97	77.00	0.40	44.35	28.01	0.35
December 31, 2001	108.97	89.02	0.40	40.51	30.01	0.35
2002						
March 31, 2002	117.80	96.00	0.40	51.61	34.82	
June 30, 2002	132.50	112.24	0.40	56.98	51.14	0.175
September 30, 2002	128.00	95.99	0.40	59.30	48.50	0.175
Through October 22, 2002	122.80	100.72		58.70	52.29	

On June 28, 2002, the last full trading day prior to the announcement of the merger, the last sale price per share of Northrop Grumman common stock reported by the New York Stock Exchange was \$125.00 and the last sale price per share of TRW common stock was \$56.98. On October 22, 2002, the last full trading day prior to the date of this joint proxy statement/prospectus, the last sale price per share of Northrop Grumman common stock reported by the New York Stock Exchange was \$103.80 and the last sale price per share of TRW common stock was \$53.40.

Stockholders should obtain current market quotations for Northrop Grumman and TRW common stock before making any decision regarding the merger or the other matters described in this joint proxy statement/prospectus.

Table of Contents**INFORMATION ABOUT NORTHROP GRUMMAN AND TRW****Northrop Grumman**

Northrop Grumman provides technologically advanced, innovative products, services and solutions in defense and commercial electronics, military aircraft, information technology, systems integration and nuclear and non-nuclear shipbuilding and systems. As a prime contractor, principal subcontractor, partner, or preferred supplier, Northrop Grumman participates in many high-priority defense and commercial technology programs in the United States and abroad. While Northrop Grumman is subject to the usual vagaries of the marketplace, it is also affected by the unique characteristics of the defense industry and by certain elements peculiar to its own business mix. It is common in the defense industry for work on major programs to be shared among a number of companies. A company competing to be a prime contractor may, upon ultimate award of the contract, turn out to be a subcontractor. For example, it is not uncommon to compete with customers and, simultaneously on other contracts, to be either a supplier to or a customer of such competitor. The nature of major defense programs, conducted under binding contracts, allows companies that perform well to benefit from a level of program continuity unknown in many industries. While Northrop Grumman conducts most of its business with the United States government, principally the Department of Defense, domestic and international commercial sales still represent a significant portion of Northrop Grumman's business.

Northrop Grumman is aligned into six business sectors as follows:

Electronic Systems. This sector includes the design, development, manufacture and integration of a wide variety of defense electronics and systems, airspace management systems, precision weapons, marine systems, logistics systems, space systems, and automation and information systems. Significant programs include fire control radars for the F-16 and F-22 fighter aircraft and the Longbow Apache helicopter, the AWACS airborne early warning radar, the Joint STARS air-to-ground surveillance radar sensor, the Longbow Hellfire missile and the BAT brilliant anti-armor submunition. This sector also provides tactical military radars and country-wide air defense systems, plus airborne electronic countermeasures systems intended to jam enemy aircraft and weapons systems. The sector includes the advanced electronics businesses, which design, develop and manufacture inertial navigation, guidance and control, IFF (identification friend or foe), and marine electronic systems, and provide electronic warfare systems and integrated avionics systems and shipboard information and communication systems. The United States government is a significant customer.

Information Technology. This sector includes the design, development, operation and support of computer systems for scientific and management information. Information Technology has extensive expertise in command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR). It is a key management support element for major weapons systems, such as the United States Navy's AEGIS class destroyer, and also provides mission planning for the United States Navy, Air Force and Special Operations Command. Information Technology provides base operations support for NASA's Kennedy Space Center, Cape Canaveral Air Station and Patrick Air Force Base, among others. In addition, Information Technology provides information technology services to commercial customers and to the other Northrop Grumman sectors. Information Technology includes the information systems businesses, which design, develop, integrate and support computer-based information systems and provide information technology and services, primarily for government customers.

Integrated Systems. This sector includes the design, development and production of airborne early warning, electronic warfare and surveillance and battlefield management systems. Integrated Systems is the prime contractor for the Joint STARS advanced airborne targeting and battle management system, the United States Air Force's B-2 Spirit stealth bomber, unmanned vehicles including the Global Hawk, and the EA-6B Prowler electronic countermeasures aircraft, and is upgrading the E-2C Hawkeye early warning aircraft. Integrated Systems also has a principal role in producing the United States Navy's F/A18 Hornet strike fighter and in the development and future production of the F-35 Joint Strike Fighter.

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Ship Systems. This sector is engaged in building large multimission non-nuclear surface ships for the United States Navy as well as for other government and commercial customers worldwide and is a provider of overhaul, repair, modernization, ship design and engineering services. The United States government is a significant customer.

Newport News. Newport News is the largest non-government-owned shipyard in the United States, as measured by each of revenues, size of facilities and number of employees. Its primary business is the design, construction, repair, maintenance, overhaul, life-cycle support and refueling of nuclear-powered aircraft carriers and the design, life-cycle support and construction of nuclear powered submarines for the United States Navy.

Component Technologies. This sector includes international suppliers of complex backplanes, connectors, laser crystals, solder materials, specialty products and other electronic components used primarily in the telecommunications, industrial and computer markets. In the third quarter of 2002, Northrop Grumman decided to sell the businesses in its Component Technologies sector and expects to conclude the sale of these businesses within the next 12 months.

The principal executive offices of Northrop Grumman are located at 1840 Century Park East, Los Angeles, California 90067, and its telephone number is (310) 553-6262.

Additional information concerning Northrop Grumman is included in the reports Northrop Grumman periodically files with the SEC. See **ADDITIONAL INFORMATION** beginning on page 126.

TRW

TRW is a United States-based international company that provides advanced technology products and services. The principal businesses of TRW and its subsidiaries are the design, manufacture and sale of products and the performance of systems engineering, research and technical services for industry and the United States government in the Automotive, Information Systems and Defense markets. TRW currently operates its business in the following operating segments:

Automotive. TRW's Automotive segment designs, manufactures and sells a broad range of steering, suspension, braking, engine, safety, electronic, engineered fastening and other components and systems for passenger cars, light trucks and commercial vehicles. The principal products are:

- inflatable restraint, seat belt and steering wheel systems;
- braking systems and related products;
- steering and suspension systems and components;
- chassis modules and integrated vehicle control systems;
- vehicle dynamic control systems and electronics;
- access, security and safety electronics systems;
- display and heating, ventilating and air conditioning electronics;
- engineered and plastic fasteners and precision plastic moldings and assemblies;
- engine components and systems;
- commercial steering systems and components; and
- aftermarket operations, including parts, service and technical and diagnostic support.

TRW sells its automotive products primarily to automotive original equipment manufacturers in North and South America, Europe and the Asia Pacific region. In addition, TRW sells some of its automotive components for use as aftermarket and service parts to automotive original equipment manufacturers and

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others for resale through their own independent distribution networks. TRW's commercial steering systems and components are sold to heavy-duty vehicle manufacturers in North and South America, Europe and the Asia Pacific region.

Systems. TRW's Systems segment offers its customers systems engineering, systems integration, software development, modeling and simulation, testing and evaluation, training and information technology for high technology systems, products and services in the fields of:

- strategic missiles;
- intelligence management and processing;
- command, control and communications;
- missile and air defense;
- airborne reconnaissance;
- homeland security;
- public safety and transportation;
- logistics and training;
- health and human services;
- integrated supply chain;
- tax systems; and
- air traffic control.

The programs and services offered by TRW's Systems segment are sold to the United States government and its agencies, state and local government agencies, foreign governments and commercial customers. TRW's Systems segment also performs diverse testing and general research projects related to many of its products and services under both private and United States government contracts.

Space & Electronics. TRW's Space & Electronics segment focuses on the design and manufacture of:

- spacecraft systems and subsystems;
- electronic systems, including communication systems for space and defense;
- commercial telecommunications products;
- gallium arsenide and indium phosphide advanced semiconductors for satellite and telecommunications applications;
- digital broadband space payloads;
- space science instruments;
- advanced avionics systems;
- high energy laser systems; and
- spacecraft products, including solar arrays and reflectors.

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TRW's Space & Electronics segment also offers systems engineering and advanced technology research and development services to its customers. TRW's Space & Electronics segment sells its products and services primarily to the United States government for both military and civilian applications, as well as to international and commercial customers.

Discontinued Operation. Until it was sold on October 1, 2002 to Goodrich Corporation, TRW also operated an Aeronautical Systems business, which designs and manufactures high integrity systems and equipment, and provides services, in the following product areas:

- equipment services, including spares and maintenance, repair and overhaul;
- flight controls;
- engine controls;
- cargo systems;
- power generation and management;
- missile actuation; and
- hoists and winches.

TRW completed the sale of the Aeronautical Systems business to Goodrich Corporation on October 1, 2002, as described in the section entitled SUMMARY Sale of Aeronautical Systems Business on page 12. As a result, TRW no longer operates this business, and it is reported as discontinued operations in TRW's financial statements.

The principal executive offices of TRW are located at 1900 Richmond Road, Cleveland, Ohio 44124 and its telephone number is (216) 291-7000.

Additional information concerning TRW is included in the reports TRW periodically files with the SEC. See ADDITIONAL INFORMATION beginning on page 126.

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THE NORTHROP MEETING

General Information

This joint proxy statement/prospectus is being delivered to Northrop Grumman stockholders in connection with the solicitation of the enclosed WHITE proxy by the board of directors of Northrop Grumman for use at the Northrop Meeting.

Matter to be Considered at the Northrop Meeting

At the Northrop Meeting, Northrop Grumman stockholders will be asked to consider and vote on a proposal to approve the issuance of the shares of Northrop Grumman common stock pursuant to the merger (including shares to be issued upon exercise of TRW options deemed assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement).

Record Date; Stockholders Entitled to Vote

Only Northrop Grumman stockholders of record at the close of business on November 4, 2002, the record date for the Northrop Meeting, are entitled to notice of, and to vote at, the Northrop Meeting. As of the close of business on the record date, there were [113,133,263] shares of Northrop Grumman common stock outstanding and entitled to vote. Each Northrop Grumman stockholder is entitled to one vote per share of Northrop Grumman common stock held as of the record date.

Voting and Revocation of Proxies

Northrop Grumman stockholders are requested to complete, date and sign the enclosed WHITE proxy card and promptly return it in the accompanying envelope or otherwise mail it to Northrop Grumman. All properly completed proxies received by Northrop Grumman before the Northrop Meeting that are not validly revoked will be voted at the Northrop Meeting in accordance with the instructions indicated on the proxies or, if no instructions are given, proxies will be voted to approve the issuance of the shares of Northrop Grumman common stock pursuant to the merger. Northrop Grumman stockholders also may vote by telephone or over the internet by calling the toll-free telephone number or following the instructions for internet voting on the WHITE proxy card or in the voting instruction form received from the bank, trustee, broker or other nominee holder of Northrop Grumman shares. Northrop Grumman stockholders may vote in person at the Northrop Meeting by delivering a completed WHITE proxy card at the meeting or by using written ballots which will be available to any Northrop Grumman stockholder who desires to vote in person at the Northrop Meeting.

Northrop Grumman stockholders who are beneficial owners of shares held in street name by a broker, trustee, bank or other nominee holder on behalf of such stockholder may vote in person at the meeting by obtaining a legal proxy from the nominee holding the Northrop Grumman shares. In addition, such Northrop Grumman stockholders may vote by proxy by completing and signing a voting instruction card provided to them by the nominee holding the Northrop Grumman shares.

Any proxy given by a Northrop Grumman stockholder may be revoked at any time before it is voted at the Northrop Meeting by doing any of the following:

- delivering a written notice bearing a date later than the date of the first proxy to Northrop Grumman's Corporate Secretary stating that the first proxy is revoked;
- signing and delivering a WHITE proxy card relating to the same shares and bearing a later date than the date of the previous proxy;
- voting by telephone or over the internet at a later date than the date of the previous proxy; or
- attending the Northrop Meeting and voting in person.

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However, any Northrop Grumman stockholder who beneficially owns Northrop Grumman shares through a broker, trustee, bank or other nominee holder will need to check with the broker, trustee, bank or other nominee holder who holds the shares on the stockholder's behalf to determine how to change a vote.

The matter to be considered at the Northrop Meeting is of great importance to Northrop Grumman stockholders. Accordingly, Northrop Grumman stockholders should read and carefully consider the information presented in this joint proxy statement/prospectus and to either complete, date, sign and promptly return the enclosed WHITE proxy card in the enclosed postage-paid envelope or to vote by telephone or over the internet, as described on the WHITE proxy card.

Proxy Solicitation

In addition to this mailing, Northrop Grumman directors, officers, employees and representatives may solicit proxies personally, electronically, via the internet or by telephone. Northrop Grumman also has retained D.F. King & Co., Inc. as its proxy solicitor and information agent in connection with the Northrop Meeting, for which D.F. King will receive a fee of approximately \$20,000 plus reimbursement of out-of-pocket expenses. Northrop Grumman also has agreed to indemnify D.F. King against various liabilities and expenses in connection with the merger and proxy solicitation, including various liabilities under United States federal securities laws.

Northrop Grumman has requested banks, brokerage houses and other custodians, nominees and fiduciaries to forward Northrop Grumman's proxy solicitation materials to the beneficial owners of the Northrop Grumman shares held of record by such nominee holders. Northrop Grumman will reimburse these nominee holders for customary clerical and mailing expenses incurred in forwarding the proxy solicitation materials to the beneficial owners.

Stockholder Vote Required to Approve the Issuance of Stock

The approval of the issuance of the shares of Northrop Grumman common stock pursuant to the merger requires the affirmative vote of a majority of the votes cast at the Northrop Meeting in person or by proxy, assuming a quorum is present.

A quorum at the Northrop Meeting requires the presence in person or by proxy of Northrop Grumman stockholders entitled to cast at least a majority of the votes that all Northrop Grumman stockholders are entitled to cast at the Northrop Meeting. Both abstentions and broker non-votes will be counted for purposes of determining the presence of a quorum.

Brokers who hold shares of Northrop Grumman common stock for the accounts of their clients generally may vote such shares either as directed by their clients or in their own discretion, if permitted by the stock exchange or other organization of which the broker is a member. Members of the New York Stock Exchange are permitted to vote their clients' proxies in their own discretion as to routine matters, such as the election of directors, if the clients have not furnished voting instructions within ten days of the meeting. Certain non-routine matters, such as the proposal to be brought before the Northrop Meeting, are considered non-discretionary matters and brokers who have received no instructions from their clients do not have discretion to vote on those items. When a broker is not authorized to vote a client's shares on a proposal at a meeting and does not receive instructions regarding how to vote from the client, the missing votes are referred to as broker non-votes.

Since the required vote of the Northrop Grumman stockholders with respect to the proposed issuance of Northrop Grumman common stock is based on a percentage of the votes cast at the Northrop Meeting, rather than a percentage of the total number of shares of Northrop Grumman common stock outstanding, abstentions and broker non-votes will have no effect on the outcome of this proposal, assuming a quorum is present.

Representatives of Northrop Grumman's principal accountants, Deloitte & Touche LLP will not be present at the Northrop Meeting.

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THE TRW MEETING

General Information

This joint proxy statement/prospectus is being delivered to TRW shareholders in connection with the solicitation of the enclosed YELLOW proxy by TRW's board of directors for use at the TRW Meeting.

Matter to be Considered at the TRW Meeting

At the TRW Meeting, TRW shareholders will be asked to consider and vote upon the adoption of the merger agreement.

Record Date; Shareholders Entitled to Vote

Only TRW shareholders of record at the close of business on November 4, 2002, the record date for the TRW Meeting, are entitled to notice of, and to vote at, the TRW Meeting. As of the close of business on the record date, there were [129,514,296] shares of TRW common stock outstanding and entitled to vote. Each TRW shareholder is entitled to one vote for each share of TRW common stock held as of the record date.

Voting and Revocation of Proxies

TRW shareholders are requested to complete, date and sign the enclosed YELLOW proxy card and promptly return it to Corporate Election Services in the accompanying envelope or otherwise mail it to Corporate Election Services, P.O. Box 1150, Pittsburgh, Pennsylvania 15230. All properly completed proxies received by TRW before the TRW Meeting that are not validly revoked will be voted at the TRW Meeting in accordance with the instructions indicated on the proxies or, if no instructions are given, to adopt the merger agreement. TRW shareholders also may vote by telephone by calling the toll-free telephone number on the YELLOW proxy card or over the internet by following the instructions for internet voting on the YELLOW proxy card. In addition, TRW shareholders may vote in person at the TRW Meeting by delivering a completed YELLOW proxy card at the meeting. TRW will pass out written ballots to any shareholder who desires to vote in person at the TRW Meeting.

TRW shareholders who are beneficial owners of shares held in street name by a broker, trustee, bank or other nominee holder on behalf of such shareholder may vote in person at the meeting by obtaining a legal proxy from the nominee holding the TRW shares. In addition to voting in person, such TRW shareholders may vote by proxy by completing and signing the voting instruction card provided to them by the nominee holding the TRW shares.

Any proxy given by a TRW shareholder may be revoked at any time before it is exercised at the TRW Meeting by doing any of the following:

- delivering a written notice bearing a date later than the date of the first proxy to the Secretary of TRW, stating that the first proxy is revoked;
- signing and delivering a YELLOW proxy relating to the same shares and bearing a later date than the date of the previous proxy;
- submitting a telephone or internet proxy at a later date than the date of the previous proxy; or
- attending the TRW Meeting and voting in person.

However, any TRW shareholder who beneficially owns TRW shares through a broker, trustee, bank or other nominee holder will need to check with the broker, trustee, bank or other nominee that holds the shares on his or her behalf to determine how to change a vote.

Additional information for voting by participants in TRW's stock-based employee plans is set forth on the following page under the heading TRW Employee Plan Voting.

The matter to be considered at the TRW Meeting is of great importance to TRW shareholders. Accordingly, TRW shareholders should read and carefully consider the information presented in this joint proxy statement/prospectus and to either complete, date, sign and promptly return the enclosed YELLOW proxy card in the enclosed postage-paid envelope or to vote by telephone or over the internet.

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TRW shareholders should not send in their TRW stock certificates with their proxy cards. Instead, TRW shareholders should send in their stock certificates with a completed letter of transmittal, which will be distributed in a separate mailing should the merger be completed. For more information regarding the procedures for completing the letters of transmittal and exchanging TRW stock certificates for Northrop Grumman stock certificates, please see the section entitled "THE MERGER AGREEMENT - Procedures for Exchanging TRW Common Stock" on page 89.

TRW Employee Plan Voting

Certain TRW shares are held for the benefit of plan participants of The TRW Employee Stock Ownership and Savings Plan (referred to as the US Plan), the TRW Canada Stock Savings Plan (referred to as the Canada Plan), and the TRW UK Share Purchase Plan (referred to as the UK Plan) and together with the US Plan and the Canada Plan, the Plans). The Plans contain pass-through voting provisions for the participants of the Plans, with TRW shares allocated to a participant's account voted in accordance with the instructions of the participant by the trustees of the respective Plan responsible for voting (the Trustees).

Participants in the Plans can only vote TRW shares held in the Plans on their behalf by instructing the relevant trustee (i) on a trustee's voting instruction card provided to participants for that purpose, (ii) via telephone by calling the toll-free telephone number on the voting instruction card or (iii) over the internet by following the instructions for internet voting on the voting instruction card.

Any voting instructions given by a Plan participant may be revoked at any time prior to the deadline described below by which the applicable Plan participant's voting instructions must be received, by doing any of the following:

delivering a written notice bearing a date later than the date of the first voting instruction card to Corporate Election Services, P.O. Box 1150, Pittsburgh, Pennsylvania 15230;

signing and delivering a voting instruction card relating to the same shares and bearing a later date than the date of the previous voting instruction card; or

submitting a telephone or internet voting instruction at a later date than the date of the previous voting instruction.

US Plan

With respect to TRW shares held in the US Plan, TRW shares allocated to a participant who signs a voting instruction card but does not indicate or give instructions as to how to vote such shares will be voted by the Trustees of such Plan in accordance with the Trustees' fiduciary judgment. In the event the Trustees of the US Plan determine, in the exercise of their fiduciary responsibilities under ERISA, they cannot follow a US Plan participant's instructions, or a US Plan participant does not return or properly complete the voting instruction card and does not otherwise properly instruct the Trustee in accordance with the telephone or the internet voting procedures described in the voting instruction card, the Trustees will vote the shares allocated to such participant's account in accordance with their fiduciary judgment.

In order to permit sufficient time to tabulate voting instruction cards, a participant's instructions must be received no later than December [9], 2002.

Canada Plan

With respect to TRW shares held in the Canada Plan, TRW shares allocated to a participant who signs a voting instruction card but does not indicate or give instructions as to how to vote such shares will not be voted by the Trustee of the Canada Plan. In the event a Canada Plan participant does not return or sign a voting instruction card and does not otherwise properly instruct the Trustee in accordance with the telephone or the internet voting procedures described in the voting instruction card, the shares allocated to such participant's account will not be voted at the TRW Meeting.

In order to permit sufficient time to tabulate voting instruction cards, a participant's instructions must be received no later than December [5], 2002.

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UK Plan

With respect to TRW shares held in the UK Plan, TRW shares allocated to a UK Plan participant who signs a voting instruction card but does not indicate or give instructions as to how to vote such shares will not be voted by the Trustee of the UK Plan. In the event a UK Plan participant does not return or sign a voting instruction card and does not otherwise properly instruct the Trustee in accordance with the telephone or the internet voting procedures described in the voting instruction card, the shares allocated to such participant's account will not be voted at the TRW Meeting.

In order to permit sufficient time to tabulate voting instruction cards, a participant's instructions must be received no later than December [8], 2002.

Proxy Solicitation

In addition to this mailing, directors and employees of TRW may solicit proxies personally, electronically or by telephone, none of whom will receive additional compensation for such solicitation.

TRW has requested banks, brokerage houses and other custodians, nominees and fiduciaries to forward TRW's proxy solicitation materials to the beneficial owners of the TRW shares they hold of record. TRW will reimburse these record holders for customary clerical and mailing expenses incurred in forwarding these materials to their customers.

TRW has retained Georgeson Shareholder Communications, Inc. for proxy solicitation and information agent services in connection with the TRW Meeting. Georgeson will receive a fee of approximately \$75,000 for its services and reimbursement of out-of-pocket expenses in connection therewith. TRW also has agreed to indemnify Georgeson against certain liabilities arising out of or in connection with the engagement. Georgeson will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders.

TRW Shareholder Vote Required to Adopt the Merger Agreement

Adoption of the merger agreement requires the affirmative vote of the holders of two-thirds of the total outstanding shares of TRW common stock.

A quorum at the TRW Meeting requires the presence in person or by proxy of TRW shareholders holding at least 35% of the voting power of TRW at the TRW Meeting. Since the affirmative vote of two-thirds of the total outstanding shares of TRW common stock is required to adopt the merger agreement, there might not be sufficient votes represented in person or by proxy at the TRW Meeting to adopt the merger agreement, even if a quorum is present. Both abstentions and broker non-votes will be counted for purposes of determining the presence of a quorum.

Brokers who hold shares of TRW common stock for the accounts of their clients generally may vote such shares either as directed by their clients or in their own discretion, if permitted by the stock exchange or other organization of which they are members. Members of the New York Stock Exchange are permitted to vote their clients' proxies in their own discretion as to routine matters, such as the election of directors, if the clients have not furnished voting instructions within ten days of the meeting. Certain non-routine matters, such as the proposal to be brought before the TRW Meeting are considered non-discretionary and brokers who have received no instructions from their clients do not have discretion to vote on those items. When a broker is not authorized to vote a client's shares on a proposal at a meeting and does not receive instructions regarding how to vote from their client, the missing votes are referred to as broker non-votes.

Since the required vote with respect to the proposed adoption of the merger agreement is based upon a percentage of the total voting power entitled to vote on the proposal rather than upon a percentage of the TRW shares actually present or voted in person or by proxy at the TRW Meeting, abstentions and broker non-votes will have the same effect as a vote against adoption of the merger agreement.

Table of Contents**THE MERGER****General**

Northrop Grumman and TRW have entered into a merger agreement which provides for the merger of Richmond Acquisition Corp., an Ohio corporation and wholly-owned subsidiary of Northrop Grumman, with and into TRW, with TRW surviving the merger as a wholly-owned subsidiary of Northrop Grumman. In the merger, each share of common stock of TRW will be converted into the right to receive a number of shares of Northrop Grumman common stock equal to the exchange ratio. The exchange ratio will be determined by dividing \$60.00 by the average of the closing sale prices for a share of Northrop Grumman common stock on the New York Stock Exchange for the five consecutive trading days ending on (and including) the second trading day before the closing date of the merger. However, in no event will the exchange ratio be greater than 0.5357 (\$60.00/\$112.00) or less than 0.4348 (\$60.00/\$138.00).

Northrop Grumman's Reasons for the Merger; Recommendation of Northrop Grumman's Board of Directors

Northrop Grumman's board of directors believes that the merger represents an opportunity to enhance value for Northrop Grumman stockholders. The decision of Northrop Grumman's board of directors to enter into the merger agreement and to recommend that Northrop Grumman stockholders approve the issuance of the shares of Northrop Grumman common stock to be issued pursuant to the merger (including shares to be issued upon exercise of TRW options deemed assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement) was the result of careful consideration by the board of directors of numerous factors, including, without limitation, the following generally positive factors:

Access to New Product Areas. TRW's proprietary technology and products will provide Northrop Grumman with technology and products to complement Northrop Grumman's existing technology and products.

Increased Diversification into New Markets. The combination of Northrop Grumman and TRW provides the affiliated entities with the opportunity for diversification into new markets and access to new customer elements of the United States Department of Defense and other federal agencies.

Increased Market Presence and Opportunities. The combination of Northrop Grumman and TRW provides the affiliated entities with increased market presence and opportunities for growth that could allow them to better respond to the needs of customers, the increased competitiveness of the marketplace and any opportunities that changes in the market for their respective products might bring.

Product Mix. The complementary nature of Northrop Grumman's and TRW's products and services will benefit clients of both companies.

Operating Efficiencies. The combination of Northrop Grumman and TRW provides the opportunity for potential economies of scale and cost savings.

In addition, in evaluating the merger agreement and the merger, Northrop Grumman's board of directors also considered the following potentially negative factors:

Challenges in Integrating the Companies' Businesses. There could be challenges and potential adverse effects associated with integrating and coordinating the operations and personnel of Northrop Grumman and TRW. These challenges and considerations are described in greater detail in the section entitled "RISK FACTORS Successful Integration of the Companies' Businesses is Not Assured" on page 15.

Additional Indebtedness from TRW Acquisition. As of June 30, 2002, Northrop Grumman's indebtedness was approximately \$4.9 billion. After giving effect to the merger, Northrop Grumman's pro forma indebtedness will be approximately \$9.72 billion. The consequences of such an increase in indebtedness gives rise to certain risks which Northrop Grumman's board considered, as described in "RISK FACTORS Northrop Grumman Will Have More Indebtedness After the Merger" on page 16.

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Dilution of Existing Northrop Grumman Stockholders. As a result of the issuance of the shares of Northrop Grumman common stock pursuant to the merger (including shares to be issued upon exercise of TRW options assumed by Northrop Grumman, or issued upon conversion of TRW restricted stock or restricted stock units, pursuant to the merger agreement), Northrop Grumman's existing stockholders will experience dilution in their ownership of Northrop Grumman, as the former TRW shareholders and holders of TRW options and restricted stock and restricted stock units will hold approximately 35% to 40% (based on the minimum and maximum exchange ratios and the number of such securities outstanding on the date hereof) of the outstanding common stock of Northrop Grumman after giving effect to the merger and the assumed exercise of TRW options and conversion of TRW restricted stock and restricted stock units.

Issues Associated with TRW's Automotive Business. Northrop Grumman intends to separate TRW's Automotive business from the rest of TRW's businesses in connection with or after the merger, which gives rise to certain risks and considerations. In particular, the board considered the risks that the Automotive business might not be sold to a third party at an acceptable price, that the value of the Automotive business as a separate public company following a spin off could not be predicted with confidence, and that the divestiture of the Automotive business could be delayed by factors beyond Northrop Grumman's control. The risks involved are discussed in greater detail in the section entitled "RISK FACTORS - Risks Associated With the Proposed Sale or Spin Off of TRW's Automotive Business" on page 17.

The board of directors also discussed with management various financial analyses prepared by Northrop Grumman personnel, including, among other things, the projected earnings per share and economic earnings per share (which does not include pension income and amortization) of the combined company, valuation analyses of TRW as a whole and by business segment, and pro forma shareholder equity ownership percentages after giving effect to the merger. Representatives of Salomon Smith Barney and Stephens Financial Group, Northrop Grumman's financial advisers, were present at these discussions and confirmed orally that the analyses conducted by Northrop Grumman personnel, as presented to the board of directors by management during these discussions, were consistent with the respective conclusions reached by the financial advisers in the preparation of their respective fairness opinions. During these discussions, representatives of Salomon Smith Barney and Stephens Financial Group also gave their respective oral opinions (subsequently confirmed in writing) that the exchange ratio was fair, from a financial point of view, to Northrop Grumman.

After consideration of the generally positive and potentially negative factors associated with the merger, and after discussions with management and its legal and financial advisers, Northrop Grumman's board of directors unanimously determined (with one director absent) that the positive factors considered and potential benefits of the merger outweighed the potentially negative factors associated with the merger and the transaction was advisable. In making such determination, the board of directors considered the totality of the information available to them, including the generally positive and potentially negative factors described above, management's analyses and summaries, the respective oral opinions of the financial advisers, and other matters considered appropriate by the board of directors, and the board of directors did not ascribe any specific weight to any particular factors, advice or considerations. Although the financial advisers provided opinions only with respect to the fairness of the exchange ratio, from a financial point of view to Northrop Grumman, the board of directors concluded, after consideration of the dilution to existing Northrop Grumman stockholders and the other factors mentioned above, that the exchange ratio is fair, from a financial point of view, to Northrop Grumman stockholders.

Northrop Grumman's board of directors (with one director absent) has unanimously approved the merger agreement and believes that the exchange ratio is fair, from a financial point of view, to Northrop Grumman stockholders.

Accordingly, Northrop Grumman's board of directors recommends that Northrop Grumman stockholders vote FOR the issuance of the shares of Northrop Grumman common stock pursuant to the merger.

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TRW's Reasons for the Merger; Recommendation of TRW's Board of Directors

TRW's board of directors (with one director absent) has unanimously determined that the merger agreement with Northrop Grumman is fair to and in the best interests of TRW shareholders. TRW's board of directors believes that the merger represents an opportunity to enhance value for TRW shareholders. The decision of TRW's board of directors to approve and enter into the merger agreement and to recommend that TRW shareholders adopt the merger agreement was the result of careful consideration of numerous factors by the board of directors, including, without limitation, the following:

The value to TRW shareholders of the Northrop Grumman offer, including the fairness to shareholders of the financial terms of the offer;

A comparison of the financial terms and the other terms and conditions of the proposed merger agreement with Northrop Grumman and the proposals provided by the other bidders as well as TRW's value enhancement plan;

The effect of the merger on employees of TRW; and

The operational synergies and other business benefits offered by a transaction with Northrop Grumman.

The deliberations of the TRW board included consideration of the following factors which are generally positive:

Exchange Ratio Premium. The midpoint of the exchange ratio collar (\$60.00/\$125.00) represents a premium over selected historical exchange ratios of TRW common stock to Northrop Grumman common stock. The implied exchange ratio premium of the Northrop Grumman offer at the midpoint of the exchange ratio collar is 23.1% with respect to the implied historical exchange ratio as of February 15, 2001, the last trading day immediately preceding the announcement of the resignation of TRW's former chief executive officer, 42.1% with respect to the implied historical exchange ratio as of February 21, 2002, the last trading day immediately preceding the announcement of Northrop Grumman's initial unsolicited proposal, and 14.1% with respect to the average implied exchange ratio for the twelve-month period ended February 21, 2002.

Collar. The exchange ratio pursuant to the merger agreement is subject to a collar, which provides that if the average reported closing price per share of Northrop Grumman common stock on the New York Stock Exchange for the five consecutive trading days ending on (and including) the second trading day prior to the closing date of the merger is at least \$112.00 per share but not more than \$138.00 per share, the exchange ratio is designed to provide \$60.00 in value of Northrop Grumman common stock for each share of TRW common stock. In the event that the average reported closing price per share of Northrop Grumman common stock is less than \$112.00 or more than \$138.00, TRW shareholders will receive 0.5357 or 0.4348 of a share of Northrop Grumman common stock, respectively. TRW shareholders may benefit from this collar because:

TRW shareholders should expect to receive \$60.00 in value of Northrop Grumman common stock if the average closing price of a share of Northrop Grumman common stock remains between \$112.00 and \$138.00 during the relevant pricing period, which would not have been the case had the exchange ratio been fixed at the lowest ratio provided by the collar; and

TRW shareholders benefit from any increase in the average closing price of a share of Northrop Grumman common stock above \$138.00 during the relevant pricing period, which would not have been the case had the consideration been based on a fixed value.

Fairness Opinions. The opinion of each of Goldman Sachs and Credit Suisse First Boston delivered to the TRW board on June 30, 2002, to the effect that, as of that date and based on and subject to the assumptions, qualifications and limitations described in their respective opinions, the exchange ratio pursuant to the merger agreement is fair from a financial point of view to the holders of TRW common stock other than Northrop Grumman and its affiliates. Copies of the written opinions of Goldman Sachs

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and Credit Suisse First Boston, each dated June 30, 2002, which set forth the procedures followed, assumptions made, matters considered and the limitations on the reviews undertaken by each of Goldman Sachs and Credit Suisse First Boston in connection with their respective opinions, are attached as Annexes D and E, respectively, to this joint proxy statement/prospectus and are incorporated herein by reference. TRW shareholders are urged to read the Goldman Sachs and Credit Suisse First Boston opinions in their entirety.

Strategic Alternatives. The consideration, with TRW management and Goldman Sachs and Credit Suisse First Boston, of the following strategic alternatives:

remaining a stand-alone business;

the sale of TRW's Aeronautical Systems business;

separating TRW's business units through a spin off of its Automotive business and possibly a sale of TRW's Aeronautical Systems business; and

the sale of all of TRW, both with and without effecting a separation of TRW's business units.

TRW's board of directors believed that a sale to Northrop Grumman was more favorable to TRW's shareholders than following one of its other strategic alternatives alone based on the potential value of each alternative and the risks associated with consummating each alternative. Northrop Grumman's proposal allowed TRW to complete the sale of TRW's Aeronautical Systems business to Goodrich Corporation and also allowed TRW to continue to take certain steps towards separating its Automotive business from its other businesses.

Independence Risks. The strategic and operational risks associated with TRW remaining independent pursuant to TRW's value enhancement plan and the range of values TRW shareholders might receive if the value enhancement plan were implemented include:

risks associated with the separation of TRW's operations, including the risks relating to the costs incurred in connection with the spin off of TRW's Automotive business, the risk that the spin off could be taxable if certain events occurred and the risks relating to the fluctuation of the stock price of the shares of the Automotive business distributed in the spin off;

risks associated with increased competition in the Space, Defense, Information Systems and Automotive industries; and

risks associated with recruiting a chief executive officer to replace TRW's former chief executive officer, whose unexpected resignation was announced on February 19, 2002.

In determining that a sale to Northrop Grumman was more favorable to TRW's shareholders than remaining independent, TRW's board of directors considered the value of the sale to Northrop Grumman as compared to the range of potential values of TRW following implementation of TRW's value enhancement plan, as well as the board's perception that the risk associated with consummating the sale to Northrop Grumman was lower than the risks associated with achieving a competitive value through the implementation of TRW's value enhancement plan.

Process. The results of the thorough process for seeking business combination proposals conducted by TRW and its independent financial advisers, pursuant to which interested parties signed confidentiality agreements, met with TRW management and reviewed confidential information about TRW and its business, and TRW received proposals for business combinations from certain interested parties.

Proposals. The overall assessment of each of the proposals submitted by interested parties to TRW as part of its formal solicitation process. In considering the proposals submitted, TRW's board took into account the value of each proposal, the form of consideration proposed, the expected tax treatment of the proposed transaction, termination fees payable in the event that a more favorable transaction was presented to TRW following the execution of a definitive agreement and the risks associated with the proposed transactions. Such transaction risks related to the timing of proposed transactions and the

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certainty that the proposed transaction would be consummated, based upon regulatory risks and proposed conditions for consummation of the transaction. Based on these considerations, TRW's board believed that Northrop Grumman's proposal was more favorable to TRW's shareholders than the other proposals submitted.

Due Diligence. The TRW board of directors' review of public disclosures by and about the business, financial condition and current business strategy of Northrop Grumman, the due diligence review by TRW management and TRW's financial, legal and accounting advisers of Northrop Grumman and its businesses and Northrop Grumman's historical stock price performance. The public disclosures regarding Northrop Grumman that were reviewed by TRW and its advisers included the proxy statements, registration statements and the annual, quarterly and other filings made by Northrop Grumman with the Securities and Exchange Commission, earnings releases and other press releases made by Northrop Grumman, information relating to prior acquisitions by Northrop Grumman and analysts reports regarding Northrop Grumman. In light of the information reviewed, TRW's board believed that an investment in Northrop Grumman common stock by TRW's shareholders likely would produce greater value than owning common stock of TRW, if it remained independent.

Opportunities for Shareholders. The fact that, after giving effect to the sale of TRW's Aeronautical Systems business, the merger will present an opportunity for TRW shareholders to participate in a company that is the nation's second largest defense contractor and, as shareholders of the combined business, to benefit from the following:

Any future growth of a combined business that has expertise as a prime or platform contractor in ships, carriers and submarines, piloted and unpiloted aircraft, and satellite systems supporting national security; and

The greater opportunity to participate, as a larger, more capable company following the merger, in the expected increased expenditures for United States defense procurement and research, development, test and evaluation, the budget for which is projected to increase at a 7.2% compound annual growth rate through 2006.

Northrop Grumman's Experience. Northrop Grumman's experience in delivering stockholder value, integrating businesses and successfully executing strategies. TRW's board took into account the results of prior acquisitions made by Northrop Grumman, including Litton Industries Inc. and Newport News, and the effect of these prior acquisitions on Northrop Grumman's earnings. TRW's board also took into account the general trend of increases in the trading price of Northrop Grumman's common stock following such acquisitions.

Terms and Conditions. The structure of the transaction and the terms and conditions of the proposed combination of Northrop Grumman and TRW, including:

the terms of the merger agreement, including the fact that the merger is intended to qualify as a reorganization under Section 368(a) of the Internal Revenue Code and is therefore not expected to be taxable to the shareholders of TRW (other than with respect to cash received in lieu of fractional shares);

the ability of TRW, prior to the consummation of the merger, to consider and negotiate unsolicited third party business combination proposals, subject to certain conditions;

the right of TRW's board, prior to the consummation of the merger, to terminate the merger agreement and accept a superior proposal, subject to the satisfaction of certain conditions and the payment of a termination fee to Northrop Grumman;

the ability of TRW, prior to the consummation of the merger, to take further steps to effect the separation of TRW's Automotive business; and

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the ability to consummate the merger within a reasonable period of time, including the likelihood of receiving necessary regulatory approvals in light of the commitments made by Northrop Grumman pursuant to the terms of the merger agreement in seeking such approvals and TRW management's assessment of the regulatory environment in the United States, Europe and the rest of the world.

The TRW board also identified and considered the following potentially negative factors in its deliberations:

Collar. The collar may negatively affect TRW shareholders in the following manner:

TRW shareholders should expect to only receive \$60.00 in value of Northrop Grumman common stock if the average closing price of a share of Northrop Grumman common stock is between \$112.00 and \$138.00 during the relevant pricing period, which would not have been the case had the exchange ratio been fixed at the highest ratio provided by the collar; and

TRW shareholders will be adversely affected by any decrease in the average closing price of a share of Northrop Grumman common stock below \$112.00 during the relevant pricing period, which would not have been the case had the consideration been based on a fixed value not subject to a collar.

Disruptions. The possible disruption to TRW's businesses that may result from the announcement of the transaction and the resulting distraction of management attention from the day-to-day operations of TRW's businesses.

Integration Risks. The difficulty inherent in integrating two businesses and the risk that the cost efficiencies, synergies and other benefits expected to be obtained in the transaction might not be fully realized.

Operating Restrictions. The restrictions contained in the merger agreement on the operation of TRW's businesses during the period between the signing of the merger agreement and the completion of the merger.

Termination Fee. The \$275 million termination fee to be paid to Northrop Grumman if the merger agreement is terminated under circumstances specified in the merger agreement. See THE MERGER AGREEMENT Termination Fee on page 97.

Consummation Risk. The possibility that the merger might not be completed and the effect of the resulting public announcement of termination of the merger agreement on:

the market price of TRW common stock;

TRW's operating results, particularly in light of the costs incurred in connection with the transaction, including the potential requirement to make a termination fee payment; and

TRW's ability to attract and retain key personnel, including a chief executive officer.

Regulatory. The possibility of significant costs, delays and non-consummation of the merger resulting from seeking regulatory approvals necessary for the consummation of the merger.

In its consideration of the proposed merger, TRW's board of directors also reviewed information relating to the two companies and the proposed merger, including:

Historical information concerning Northrop Grumman's and TRW's respective businesses, financial performance and condition, operations, technology, management and competitive position;

TRW's management's views as to the financial condition, results of operations and businesses of Northrop Grumman and TRW before and after giving effect to the merger;

Current financial market conditions and historical market prices, volatility and trading information with respect to Northrop Grumman common stock and TRW common stock; and

Discussions with TRW's senior management and financial advisers as to the result of their due diligence review of Northrop Grumman.

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Although the foregoing discussion sets forth all of the material factors considered by TRW's board of directors in reaching its recommendation, it may not include all of the factors considered by the board, and each director may have considered different factors. In view of the variety of factors and the amount of information considered, the board of directors did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. The determination was made after consideration of all of the factors as a whole and at numerous meetings.

TRW's board of directors (with one director absent) has unanimously determined that the merger agreement with Northrop Grumman is fair to and in the best interests of TRW's shareholders and believes that the merger represents an opportunity to enhance value for TRW's shareholders.

Accordingly, TRW's board of directors (with one director absent) unanimously recommends that the TRW shareholders vote FOR adoption of the merger agreement.

In considering the recommendation of TRW's board of directors with respect to the merger agreement, TRW shareholders should be aware that certain directors and officers of TRW have arrangements that cause them to have interests in the transaction that are different from, or are in addition to, the interests of TRW shareholders generally. See "THE MERGER" Interests of TRW Directors and Executive Officers in the Merger beginning on page 77.

Background of the Merger

From time to time, Northrop Grumman and TRW have had informal discussions regarding possible business combination transactions, including in-depth discussions between August and December 1998. No agreement, however, was reached during that time period. Between 1999 and 2001, there were limited contacts between Northrop Grumman and TRW, but no substantive discussions occurred.

In early October 2001, Mr. Kent Kresa, the Chief Executive Officer of Northrop Grumman, had one brief meeting and one telephone conversation with Mr. David M. Cote, then the Chairman, President and Chief Executive Officer of TRW, regarding possible discussions for a combination of the two companies. No discussions were pursued at that time.

On February 19, 2002, Northrop Grumman learned that Mr. Cote had resigned. Northrop Grumman determined that TRW's board of directors and shareholders might view favorably a merger or other combination of Northrop Grumman and TRW in view of the leadership issues arising from Mr. Cote's resignation.

On February 21, 2002, Northrop Grumman made a proposal to TRW to provide all of TRW's shareholders with \$47.00 in Northrop Grumman common stock for each share of TRW common stock, to be received in a tax-free merger transaction. On February 22, 2002, Northrop Grumman publicly disclosed the proposal.

On February 22, 2002, TRW's board of directors met with TRW's management and TRW's financial adviser, Goldman Sachs, and TRW's legal adviser, Skadden, Arps, Slate, Meagher & Flom LLP, to discuss Northrop Grumman's proposal.

On February 28, 2002, TRW's board of directors met with TRW's management and TRW's financial advisers, Goldman Sachs and Credit Suisse First Boston, and TRW's legal adviser to further assess Northrop Grumman's proposal. The board reviewed, among other things, Northrop Grumman's proposal, strategic alternatives and business opportunities available to TRW with its management and financial and legal advisers.

On March 3, 2002, TRW's board of directors met again to consider further and to discuss the response to Northrop Grumman's proposal. At the meeting, TRW's board reviewed the strategic alternatives and business opportunities considered at the February 28, 2002 meeting. After careful consideration, including consultation with its financial and legal advisers, the board unanimously concluded that Northrop Grumman's \$47.00 per share proposal was financially inadequate.

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On March 4, 2002, Northrop Grumman commenced an offer to exchange all of the outstanding shares of TRW common stock for \$47.00 in value of Northrop Grumman common stock per share of TRW common stock, based on a formula and subject to a collar. Northrop Grumman also offered to exchange Northrop Grumman common stock for shares of TRW convertible preferred stock based on a specified exchange ratio.

On March 4, 2002, Northrop Grumman also sent a letter to TRW requesting that TRW call a special meeting of TRW shareholders pursuant to Ohio's control share acquisition law. Under the Ohio control share acquisition law, Northrop Grumman was prohibited from acquiring 20% or more of TRW's outstanding capital stock pursuant to the offer to exchange without first obtaining the approval of TRW's shareholders at a special meeting called for that purpose. A special meeting of TRW shareholders pursuant to the Ohio control share acquisition law was called by TRW in response to Northrop Grumman's request and subsequently was held on May 3, 2002, as described below.

On March 4, 2002, Northrop Grumman filed a lawsuit in the United States District Court for the Northern District of Ohio against TRW, the Attorney General of Ohio, and the Director of Ohio's Department of Commerce. The lawsuit, which was filed contemporaneously with Northrop Grumman's commencement of the exchange offer, challenged the constitutionality of Ohio's anti-takeover statutes. On the same date, TRW filed a lawsuit in the United States District Court for the Southern District of Ohio against Northrop Grumman, the Attorney General of Ohio, the Director of Ohio's Department of Commerce and the Commissioner of Ohio's Division of Securities. The lawsuit filed by TRW sought a judgment that Ohio's anti-takeover statutes are constitutional.

On March 8, 2002, TRW's board of directors met with TRW's management and TRW's legal and financial advisers to discuss, among other matters, Northrop Grumman's offer and Northrop Grumman's preliminary proxy statement to solicit shareholder approval of Northrop Grumman's acquisition of TRW's outstanding capital stock in accordance with Ohio law.

On March 11, 2002, Northrop Grumman filed notification with the United States Department of Justice and the Federal Trade Commission of its intention to acquire TRW, in compliance with the Premerger Notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976. TRW filed its required forms with the Department of Justice and the Federal Trade Commission on March 26, 2002. On April 10, 2002, Northrop Grumman and TRW each received a request for additional information from the Department of Justice.

On March 12, 2002, TRW's board of directors held a special meeting to review Northrop Grumman's offer with management and TRW's legal and financial advisers. After discussion with TRW's management and its legal and financial advisers, TRW's board of directors unanimously rejected Northrop Grumman's offer. Based on the assessment of TRW's management, after consultation with TRW's financial advisers, that TRW's businesses in the aggregate had greater value than the offer, TRW's board directed management as part of its value enhancement plan to accelerate its plan to reduce TRW's indebtedness and then separate the Automotive business from TRW's other businesses. Accordingly, on March 13, 2002, TRW's board of directors issued a press release announcing the TRW board's unanimous rejection of Northrop Grumman's offer to exchange and filed a statement with the SEC recommending that TRW shareholders reject Northrop Grumman's offer to exchange. The same press release also announced TRW's value enhancement plan.

On March 18, 2002, Northrop Grumman filed a preliminary proxy statement in connection with TRW's annual shareholder meeting. The Northrop Grumman proxy statement (as filed in definitive form on April 1, 2002) stated that Northrop Grumman intended to propose three shareholder resolutions at TRW's annual shareholder meeting. The first resolution related to TRW providing Northrop Grumman non-public information relating to TRW, the second resolution related to a request that TRW establish a committee of independent directors to evaluate Northrop Grumman's offer, and the third resolution related to the TRW shareholders' ability to decide for themselves whether to exchange their TRW shares in Northrop Grumman's offer.

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On March 22, 2002, TRW's board of directors met with TRW's management and TRW's legal and financial advisers to discuss, among other matters, the Northrop Grumman shareholder proposals. After discussion with TRW's management and its legal and financial advisers, TRW's board of directors unanimously determined that Northrop Grumman's three shareholder proposals were not consistent with the board of directors' objective of enhancing shareholder value and were not in the best interests of TRW's shareholders.

On March 29, 2002, Northrop Grumman announced that it was extending its exchange offer until midnight on April 12, 2002.

On April 2, 2002, TRW began mailing to its shareholders a supplement to its proxy statement for its annual meeting of shareholders setting forth the recommendation of TRW's board of directors that TRW's shareholders vote against Northrop Grumman's three shareholder proposals and the reasons for such recommendation.

On April 5, 2002, TRW's board of directors held a special meeting at which it discussed, among other matters, pro forma financial information for TRW's proxy materials.

On April 15, 2002, Northrop Grumman amended its offer to exchange by (a) increasing its offer to exchange from \$47.00 to \$53.00 in value of Northrop Grumman common stock per share of TRW common stock, based on a formula and subject to a collar, (b) extending the offer to exchange from April 12, 2002 to May 3, 2002 and (c) adding a new condition to the offer to exchange requiring completion of a due diligence investigation of non-public information regarding TRW by Northrop Grumman.

On April 15, 2002, TRW's board of directors held a special meeting at which the board, among other matters, began to review the terms of Northrop Grumman's revised offer with management and TRW's legal and financial advisers.

On April 16, 2002, TRW's board of directors held another special meeting to review Northrop Grumman's revised offer with management and TRW's legal and financial advisers. At the meeting, TRW's board of directors again considered a separation of TRW's business units through a spin off of its Automotive business and a sale of TRW's Aeronautical Systems business, as well as a sale of all of TRW to a third party. After discussion with TRW's management and its legal and financial advisers, TRW's board of directors unanimously determined that Northrop Grumman's revised offer was inadequate.

On April 17, 2002, TRW issued a press release announcing the board's rejection of Northrop Grumman's revised offer. TRW's board of directors authorized management and its advisers to initiate a process to explore all strategic alternatives to create shareholder value at levels above Northrop Grumman's \$53.00 offer. In addition, TRW's board of directors authorized management to make certain confidential information relating to TRW available to third parties, including Northrop Grumman, upon the execution by such third parties of a confidentiality agreement satisfactory to TRW.

At TRW's annual shareholders meeting on April 24, 2002, TRW's shareholders did not approve Northrop Grumman's proposal that TRW establish a committee of independent directors to evaluate Northrop Grumman's \$53.00 offer or Northrop Grumman's proposal that TRW take all actions within its authority to let TRW shareholders decide for themselves whether to exchange their TRW stock for Northrop Grumman common stock. At this meeting, TRW's shareholders did approve Northrop Grumman's proposal to have TRW provide Northrop Grumman with non-public information about TRW.

Beginning in late April 2002, TRW and its financial and legal advisers initiated a formal process to provide information to and discuss proposals from parties interested in acquiring TRW. Between April 22 and May 5, 2002, TRW entered into confidentiality agreements with potential bidders, including Northrop Grumman. Pursuant to these agreements, TRW made confidential, non-public information available to potential bidders, and TRW's management presented information on TRW's businesses to assist potential bidders in their due diligence.

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On April 24, 2002, TRW's board of directors held a previously scheduled board meeting. At this meeting, TRW management provided the directors with an update of the status of negotiations with Northrop Grumman regarding a confidentiality agreement.

On May 3, 2002, TRW held the special meeting of its shareholders pursuant to the Ohio control share acquisition law to consider Northrop Grumman's proposal that the TRW shareholders authorize Northrop Grumman's acquisition of TRW shares pursuant to the offer to exchange. TRW's shareholders did not approve Northrop Grumman's proposal.

During May 2002, Northrop Grumman extended its exchange offer several times, with the last extension in May expiring at midnight on June 14, 2002. Beginning on May 5, 2002, Northrop Grumman commenced its due diligence review of TRW.

On June 3, 2002, TRW's board of directors met with TRW's management and its legal and financial advisers to further discuss TRW's strategic alternatives and its value enhancement plan. After discussion, TRW's board of directors instructed management to continue to pursue TRW's value enhancement plan and to continue to explore the sale of TRW as a whole through an auction process, the sale of TRW's Aeronautical Systems business and the spin off of TRW's Automotive business. The board of directors authorized management to sell TRW's Aeronautical Systems business and to continue its efforts to effect the separation of TRW's Automotive business, including the filing of a registration statement with the SEC. TRW's management and legal and financial advisers also reviewed with the board the status of the auction process relating to a possible sale of all of TRW.

On June 10, 2002, Goldman Sachs and Credit Suisse First Boston, financial advisers to TRW, sent a form of merger agreement and a letter setting forth certain procedures for the submission of a formal bid to acquire TRW by potential bidders, including Northrop Grumman, and requesting that formal bids be submitted on or before June 24, 2002.

Between June 13, 2002 and June 24, 2002, TRW and Northrop Grumman had discussions regarding several proposals made by Northrop Grumman to TRW regarding potential acquisition structures and terms; such proposals were sent by Northrop Grumman prior to the June 24, 2002 deadline for interested parties to submit proposals for a business combination with TRW. However, TRW was not prepared to enter into negotiations with respect to any of the proposals submitted by Northrop Grumman prior to the June 24, 2002 deadline. TRW also had conversations with other interested third parties regarding potential proposals during June 2002. During this period, TRW and its advisers provided confidential information to interested parties in data rooms, responded to additional due diligence requests, responded to questions regarding its business, discussed structures for business combinations that were suggested by interested parties and discussed the form of contract provided to interested parties.

On June 14, 2002, Northrop Grumman extended its exchange offer until midnight on June 21, 2002.

On June 18, 2002, TRW announced that it had reached a definitive agreement under which Goodrich Corporation would acquire TRW's Aeronautical Systems business for a gross purchase price of \$1.5 billion in cash.

On June 24, 2002, Northrop Grumman sent to TRW a new acquisition proposal to acquire TRW, including proposed revisions to the form of merger agreement sent by TRW on June 10, 2002. TRW also received bids from other interested parties for business combinations either involving TRW as a whole, or involving TRW following a separation of TRW's Automotive business.

On June 24, 2002, Northrop Grumman extended its exchange offer until midnight on June 28, 2002.

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On June 25, 2002, TRW's board of directors met and reviewed with TRW's management and legal and financial advisers the process for soliciting proposals and each of the proposals TRW had received. At the meeting, TRW's board of directors also reviewed the status of TRW's value enhancement initiatives. After careful analysis and discussions, TRW's board of directors determined to continue discussions with each of the interested parties to determine if the price and other terms of the proposals could be improved.

Between June 24, 2002 and June 27, 2002, there were a number of communications between representatives of Northrop Grumman and TRW concerning Northrop Grumman's acquisition proposals. From June 25th to June 27, 2002, TRW's management and legal and financial advisers also had further discussions with each of the other interested parties, and certain of the parties improved the terms and conditions of their proposals.

On June 27, 2002, TRW's board of directors met again to discuss the current terms and conditions of the proposals from each of the interested parties. After a discussion regarding the interim developments, TRW's board of directors determined to pursue discussions with only Northrop Grumman based upon the value of each proposal, the form of consideration proposed, the expected tax treatment of the proposed transactions, termination fees payable in the event that a more favorable transaction was presented to TRW following the execution of a definitive agreement and the timing and certainty risks associated with the proposed transactions.

On June 28, 2002, Northrop Grumman's exchange offer expired in accordance with its terms.

Between June 28, 2002 and June 30, 2002, Northrop Grumman and TRW conducted meetings in New York, New York during which the parties negotiated the terms of the definitive merger agreement. During this period, TRW and its legal, financial and accounting advisers updated TRW's due diligence review of Northrop Grumman, reviewed confidential, non-public information regarding Northrop Grumman and had discussions with Northrop Grumman's management regarding Northrop Grumman's businesses.

On June 30, 2002, TRW's board of directors met again with TRW's management and legal and financial advisers and discussed the terms and conditions of the proposed merger agreement with Northrop Grumman. At the meeting, each of Goldman Sachs and Credit Suisse First Boston rendered its opinion to the board of directors of TRW to the effect that, as of that date and based on and subject to the assumptions, qualifications and limitations described in their respective opinions, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of TRW common stock other than Northrop Grumman and its affiliates. Such opinions are attached hereto as Annexes D and E, respectively. Following a careful consideration of the proposed merger agreement, and after discussion with its financial and legal advisers, TRW's board of directors (with one director absent) unanimously determined that the terms and provisions of the merger agreement negotiated with Northrop Grumman were in the best interests of TRW's shareholders and approved the merger agreement. In addition, on June 30, 2002, Northrop Grumman's board of directors (with one director absent) unanimously approved the merger agreement. Thereafter, the merger agreement was executed by Northrop Grumman, TRW and Richmond Acquisition Corp.

On July 1, 2002, Northrop Grumman and TRW issued a joint press release announcing the merger agreement.

Opinions of Financial Advisers

Northrop Grumman's Advisers

In connection with Northrop Grumman's consideration of the proposed acquisition of TRW, Northrop Grumman received financial advice from Salomon Smith Barney and Stephens Financial Group. Each of Salomon Smith Barney and Stephens Financial Group has provided separately its opinion to Northrop Grumman's board of directors, each dated June 30, 2002, that as of that date, and subject to the qualifications and limitations and based on the considerations in each respective opinion, the exchange ratio to be used in the

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merger was fair, from a financial point of view, to Northrop Grumman. The opinions of Salomon Smith Barney and Stephens Financial Group are attached as Annexes B and C, respectively, to this joint proxy statement/prospectus and are incorporated herein by this reference.

Opinion of Salomon Smith Barney

Salomon Smith Barney was retained to act as a financial adviser to Northrop Grumman in connection with the proposed acquisition of TRW. Pursuant to Salomon Smith Barney's engagement letter with Northrop Grumman, Salomon Smith Barney rendered an oral opinion to Northrop Grumman's board of directors on June 30, 2002, subsequently confirmed in writing, to the effect that, based upon and subject to the assumptions, considerations and limitations set forth in its opinion, its work described in the opinion, its experience as investment bankers and other factors it deemed relevant, as of that date, the exchange ratio was fair, from a financial point of view, to Northrop Grumman. Except for this opinion, Salomon Smith Barney did not provide to Northrop Grumman or Northrop Grumman's board of directors any report, opinion or appraisal.

The full text of Salomon Smith Barney's opinion, which sets forth the assumptions made, general procedures followed, matters considered and limitations on the review undertaken by Salomon Smith Barney, is attached to this joint proxy statement/prospectus as Annex B. The summary of Salomon Smith Barney's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. **Stockholders are urged to read Salomon Smith Barney's opinion carefully and in its entirety. The fairness opinion was provided to Northrop Grumman's board of directors for its information and is directed only to the fairness from a financial point of view of the exchange ratio pursuant to the merger agreement to Northrop Grumman.**

Salomon Smith Barney has consented to the inclusion of its opinion and to the inclusion of the summary of its opinion in this joint proxy statement/prospectus. In giving such consent, Salomon Smith Barney does not concede that it comes within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended (the Securities Act), or the rules and regulations of the SEC thereunder, nor does it concede that it is an expert within the meaning of the term "expert" as used in the Securities Act or the rules and regulations of the SEC thereunder with respect to any part of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part.

In connection with rendering its opinion, Salomon Smith Barney, among other things:

reviewed a draft of the merger agreement dated June 29, 2002;

held discussions with certain senior officers, directors and representatives and advisers of Northrop Grumman and certain senior officers and representatives and advisers of TRW concerning the businesses, operations and prospects of Northrop Grumman and TRW;

examined certain publicly available business and financial information relating to Northrop Grumman and TRW;

reviewed certain financial forecasts and other information and data for Northrop Grumman and TRW which were provided to or otherwise discussed with Salomon Smith Barney by the managements of Northrop Grumman and TRW;

reviewed the financial terms of the merger as set forth in the draft merger agreement provided to it in relation to, among other things:

current and historical market prices and trading volumes of Northrop Grumman common stock and TRW common stock;

the historical and projected earnings and other operating data of Northrop Grumman and TRW; and

the capitalization and financial condition of Northrop Grumman and TRW;

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considered, to the extent publicly available, the financial terms of certain other similar transactions recently effected that Salomon Smith Barney considered relevant in evaluating the merger; and analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Salomon Smith Barney considered relevant in evaluating those of Northrop Grumman and TRW;

evaluated the pro forma financial impact of the merger on Northrop Grumman; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Salomon Smith Barney deemed appropriate in arriving at its opinion.

In rendering its opinion, Salomon Smith Barney assumed and relied, without assuming any responsibility for independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or furnished to or otherwise reviewed by or discussed with it and has further relied upon the assurances of managements of Northrop Grumman and TRW that they are not aware of any facts that would make any of such information inaccurate or misleading. With respect to financial forecasts provided to or otherwise reviewed by or discussed with Salomon Smith Barney, Salomon Smith Barney was advised by the managements of Northrop Grumman and TRW that such forecasts had been reasonably prepared on bases reflecting the best then currently available estimates and judgments of Northrop Grumman and TRW managements as to the future financial performance of Northrop Grumman and TRW, as the case may be. Salomon Smith Barney expressed no view with respect to such forecasts or the assumptions on which they were based. Salomon Smith Barney assumed that the merger will be treated as a tax-free reorganization for United States federal income tax purposes. Salomon Smith Barney did not make and was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Northrop Grumman or TRW, nor did it make any physical inspection of the properties or assets of Northrop Grumman or TRW. Salomon Smith Barney further assumed that the transactions contemplated by the agreement pursuant to which TRW agreed to sell TRW's Aeronautical Systems business to Goodrich Corporation would be consummated in accordance with the terms of that agreement and that the proceeds from the sale of TRW's Aeronautical Systems business will be used by TRW to reduce its indebtedness. Northrop Grumman advised Salomon Smith Barney, and Salomon Smith Barney assumed, that the final terms of the merger agreement would not vary materially from those set forth in the draft provided to it. Salomon Smith Barney further assumed that the merger would be consummated in a timely fashion in accordance with the terms of the merger agreement, without waiver of any of the conditions precedent to the merger contained in the merger agreement.

Salomon Smith Barney's opinion relates to the relative values of Northrop Grumman and TRW. It does not express any opinion as to what the value of Northrop Grumman common stock will be when issued pursuant to the merger or the price at which Northrop Grumman common stock will trade or otherwise be transferable subsequent to the merger. Salomon Smith Barney was not requested to consider, and its opinion did not address, the relative merits of the merger as compared to any alternative business strategies that might exist for Northrop Grumman or the effect of any other transaction in which Northrop Grumman might engage. Salomon Smith Barney's opinion necessarily was based on information available to it and financial, stock market, and other conditions and circumstances as they existed and were disclosed to Salomon Smith Barney as of the date of its opinion.

Salomon Smith Barney's advisory services and its opinion expressed herein were provided for the information of Northrop Grumman's board of directors in its evaluation of the merger, and Salomon Smith Barney's opinion is not intended to be and does not constitute a recommendation of the merger to Northrop Grumman's board of directors, Northrop Grumman or to anyone else, or a recommendation to any stockholder as to how such stockholder should vote on any matters relating to the merger.

The Salomon Smith Barney opinion to Northrop Grumman's board of directors as to the fairness, from a financial point of view, of the exchange ratio to Northrop Grumman, was one of many factors taken into consideration by Northrop Grumman's board of directors in making its decision to approve the merger

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agreement. The terms of the merger were determined through negotiations between Northrop Grumman and TRW, and were approved by Northrop Grumman's board of directors. Although Salomon Smith Barney provided advice to Northrop Grumman during the course of negotiations, the decision to enter into the merger agreement and to agree to the exchange ratio was solely that of Northrop Grumman's board of directors.

Financial Analyses of Salomon Smith Barney

The following is a summary of the material financial analyses performed by Salomon Smith Barney in arriving at its opinion evaluating the fairness of the exchange ratio as reflected in its letter dated as of June 30, 2002, to Northrop Grumman's board of directors. The financial analyses performed by Salomon Smith Barney were not provided or presented to Northrop Grumman's board of directors.

The summary includes information presented in tabular format. **In order to understand fully the financial analyses used by Salomon Smith Barney, these tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.** The following quantitative information, to the extent it is based on market data is, except as otherwise indicated, based on market data as it existed at or prior to June 28, 2002, and is not necessarily indicative of current or future market conditions. All calculations, forecasts and estimates set forth with respect to a specific year are based on such calendar year and not the fiscal year unless otherwise indicated.

In connection with arriving at its opinion, Salomon Smith Barney performed the following analyses of the exchange ratio: a historical exchange ratio analysis, a public company analysis, a precedent transactions analysis and a contribution analysis.

Historical Exchange Ratio Analysis

Salomon Smith Barney derived implied historical exchange ratios by dividing the closing price per share of TRW common stock by the closing price per share of Northrop Grumman common stock for each trading day in the period from June 28, 2001, through June 28, 2002. Salomon Smith Barney calculated the implied exchange ratio based on market prices as of June 28, 2002, to be 0.46x. Salomon Smith Barney considered the average implied exchange ratio for each of the following calendar periods ending June 28, 2002:

Last three months	0.45x
Last six months	0.43x
Last nine months	0.41x
Last twelve months	0.43x

Salomon Smith Barney noted that the lowest historical implied exchange ratio had been 0.28x on September 21, 2001, and the highest historical implied exchange ratio had been 0.55x on August 1, 2001.

Salomon Smith Barney also derived implied historical exchange ratios by dividing the closing price per share of TRW common stock by the closing price per share of Northrop Grumman common stock for each trading day in the period from February 21, 2001, through February 21, 2002, the last trading day prior to the public announcement of Northrop Grumman's proposal to TRW to commence merger negotiations. Salomon Smith Barney calculated the implied exchange ratio based on market prices as of February 21, 2002, to be 0.34x. Salomon Smith Barney considered the average implied exchange ratio for each of the following calendar periods ending February 21, 2002:

Last three months	0.39x
Last six months	0.37x
Last nine months	0.42x
Last twelve months	0.42x

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Salomon Smith Barney noted that the lowest historical implied exchange ratio had been 0.28x on September 21, 2001, and the highest historical implied exchange ratio had been 0.55x on August 1, 2001.

Based on the price per share of \$125.00 for Northrop Grumman's common stock on June 28, 2002, the exchange ratio would be 0.4800x. Pursuant to the merger agreement, in no event will the actual exchange ratio be less than 0.4348x or more than 0.5357x.

Public Company Analysis

Salomon Smith Barney compared separately financial and stock market information and forecast financial information for six selected publicly traded companies operating in the defense industry and six publicly traded companies operating in the automotive industry that Salomon Smith Barney deemed appropriate for comparison with financial and forecast financial information for the space and defense businesses of TRW and for Northrop Grumman and the Automotive business of TRW.

Defense Comparable Companies

The defense companies considered by Salomon Smith Barney were:

L-3 Communications Holdings, Inc.;

General Dynamics Corporation;

Lockheed Martin Corporation;

Raytheon Company;

Alliant Techsystems Inc.; and

Northrop Grumman Corporation.*

The forecast financial information used by Salomon Smith Barney for this group of selected comparable companies was based on Salomon Smith Barney's equity research estimates, except for estimates for earnings per share. The earnings per share, or EPS, estimates were based on First Call** estimates as of June 17, 2002. Calculations were made based on the closing price per share of each comparable company's common stock on June 28, 2002.

For each of the selected comparable companies, Salomon Smith Barney derived and compared, among other things:

the ratio of the closing price per common share of each company on June 28, 2002, to:

its estimated EPS for 2002 and 2003; and

the ratio of each company's firm value as of June 28, 2002, to:

its estimated revenues for 2002 and 2003;

its estimated earnings before interest, taxes, depreciation, amortization and pension income and expenses, which is referred to as EBITDAP, for 2002 and 2003; and

its estimated earnings before interest, taxes and pension income and expenses, which is referred to as EBITP, for 2002 and 2003.

* Used only for comparison with the space and defense businesses of TRW.

** First Call Corporation compiles and averages summaries of financial forecasts published by various investment banking firms. The information published by First Call Corporation is referred to in this document as First Call estimates.

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For this purpose, each company's firm value was calculated as the sum of the value of:

all common shares assuming the exercise of all in-the-money options, warrants and convertible securities at the stock price on June 28, 2002, less any proceeds from the assumed exercise of those options, warrants and convertible securities; plus

non-convertible indebtedness; plus

non-convertible preferred stock; plus

out-of-the-money convertible securities; plus

minority interests; minus

investments in unconsolidated affiliates and cash.

In making these calculations, Salomon Smith Barney made adjustments to earnings amounts for unusual and nonrecurring items.

The following table sets forth the results of the comparable defense companies analysis:

	Comparable Defense Companies at June 28, 2002 Closing Price		
	Range	Median	Mean
Ratio of closing common share price to:			
(a) Estimated EPS for 2002	18.2x 27.6x	22.0x	22.3x
(b) Estimated EPS for 2003	15.8x 22.4x	18.6x	18.9x
Ratio of firm value to:			
(a) Estimated revenues for 2002	1.14x 1.69x	1.45x	1.47x
(b) Estimated revenues for 2003	1.04x 1.57x	1.33x	1.35x
Ratio of firm value to:			
(a) Estimated EBITDAP for 2002	10.2x 13.2x	11.0x	11.4x
(b) Estimated EBITDAP for 2003	9.2x 11.5x	9.8x	10.1x
Ratio of firm value to:			
(a) Estimated EBITP for 2002	12.4x 16.6x	14.1x	14.2x
(b) Estimated EBITP for 2003	10.8x 13.9x	12.5x	12.4x

Automotive Comparable Companies

The automotive companies considered by Salomon Smith Barney were:

ArvinMeritor, Inc.;

Autoliv, Inc.;

Dana Corporation;

Johnson Controls, Inc.;

Lear Corporation; and

Magna International Inc.

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The forecast financial information used by Salomon Smith Barney for this group of selected comparable companies was based on Salomon Smith Barney's equity research estimates; except that the forecast financial information for ArvinMeritor, Inc. was based on Lehman Brothers published equity research estimates and all EPS estimates were based on Institutional Brokers Estimates System (also known as IBES***) estimates. Calculations were made based on the closing price per share of each comparable company's common stock on June 28, 2002. For each of the selected comparable companies Salomon Smith Barney derived and compared, among other things:

the ratio of the closing price per common share of each company on June 28, 2002, to:

its estimated EPS, for 2002 and 2003, and

the ratio of each company's firm value as of June 28, 2002, to:

its revenues for the last twelve-month period, referred to as LTM, prior to March 31, 2002, for which financial results were available;

its LTM EBITDAP, prior to March 31, 2002, for which financial results were available, and estimated EBITDAP for 2002 and 2003; and

its LTM EBITP, prior to March 31, 2002, for which financial results were available, and estimated EBITP for 2002 and 2003.

The firm value of each company was calculated in the same manner as for the defense comparable companies analysis above. In making these calculations, Salomon Smith Barney made adjustments to earnings amounts for unusual and nonrecurring items.

The following table sets forth the results of the comparable automotive companies analysis:

	Comparable Automotive Companies at June 28, 2002 Closing Price	
	Median	Mean
Ratio of closing common share price to:		
(a) Estimated EPS for 2002	10.7x	10.8x
(b) Estimated EPS for 2003	8.5x	9.2x
Ratio of firm value to:		
(a) LTM revenues	51.4%	56.4%
Ratio of firm value to:		
(a) LTM EBITDAP	5.9x	6.0x
(b) Estimated EBITDAP for 2002	5.4x	5.3x
(c) Estimated EBITDAP for 2003	5.1x	4.9x
Ratio of firm value to:		
(a) LTM EBITP	8.8x	10.5x
(b) Estimated EBITP for 2002	7.8x	8.3x
(c) Estimated EBITP for 2003	7.0x	7.4x

Based on the ratios derived for each group of comparable companies and the management estimates of TRW for each of the two business segments, Salomon Smith Barney established (1) a reference range for the implied firm value of TRW's space and defense businesses of \$5,500 million to \$6,600 million and (2) a reference range for the implied enterprise value of TRW's Automotive business of \$5,000 million to \$6,000 million. Salomon Smith Barney then combined the values derived for the space and defense businesses and the Automotive business of TRW to derive a total firm value range for TRW of \$10,500 million to \$12,600 million. Based on this total firm value range for TRW, Salomon Smith Barney derived the aggregate equity value for TRW by adding to the total TRW firm value, \$243 million of interests in unconsolidated

*** I/B/E/S International Inc. is a data service which monitors and publishes averages of earnings estimates produced by selected research analysts on publicly traded companies.

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subsidiaries and subtracting \$3,780 million of net indebtedness and \$74 million of minority interests. In deriving the aggregate equity value for TRW, Salomon Smith Barney assumed that \$1,500 million of proceeds from the sale of TRW's Aeronautical Systems business would be used to reduce TRW's indebtedness. From this aggregate equity value for TRW, Salomon Smith Barney derived an implied range of equity value per share for TRW common stock, utilizing the treasury stock method (which assumes all in-the-money options are exercised and that the proceeds are utilized to repurchase shares at market value) resulting in an assumed 130.7 million shares of TRW common stock outstanding, of \$53.00 to \$69.00. Salomon Smith Barney noted that the \$60 offer price was within this range. Also, based on the ratios derived from the comparable defense companies and the management estimates of Northrop Grumman, Salomon Smith Barney derived a reference range for the implied equity value per share of Northrop Grumman common stock of \$125.00 to \$160.00. Based on both of these ranges, Salomon Smith Barney derived an implied exchange ratio ranging from 0.3313x to 0.5520x and noted that the high and low ends of the collar of the exchange ratio were within such range.

Precedent Transactions Analysis

Salomon Smith Barney reviewed publicly available information for twelve completed acquisition transactions in the defense industry and nine such transactions in the automotive industry, all announced since November 21, 1997 and January 28, 1999, respectively, that it deemed appropriate in valuing each of the space and defense businesses and the Automotive business of TRW.

Defense Precedent Transactions

The precedent transactions considered by Salomon Smith Barney were the following (in each case, the acquirer's name is listed first and the acquired business' name is listed second):

- L-3 Communications Holdings, Inc. / Raytheon Company's Aircraft Integration Systems business;
- General Dynamics Corporation / Motorola, Inc.'s Integrated Information Systems Group business;
- Northrop Grumman Corporation / Aerojet-General's Electronic and Information Systems business;
- Northrop Grumman Corporation / Litton Industries Inc.;
- Northrop Grumman Corporation / Sterling Software (U.S.) Inc.;
- BAE SYSTEMS North America, Inc. / Lockheed Martin Corporation's Aerospace Electronics Systems business;
- Boeing Company / Hughes Electronics Corporation's Space and Communications business;
- Thomson-CSF SA / Racal Electronics PLC;
- British Aerospace plc / General Electric Co. PLC's defense and aerospace businesses;
- General Electric Co. PLC / Tracor Inc.;
- Litton Industries Inc. / Primark Corporation's subsidiary, TASC; and
- TRW Inc. / BDM International, Inc.

For each of these precedent transactions, Salomon Smith Barney derived the ratio of the firm value of the acquired business based on the consideration agreed to be paid in the transaction to:

- the LTM revenue of the acquired business prior to the announcement of the transaction for which financial results were available;
- the LTM earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA, of the acquired business prior to the announcement of the transaction for which financial results were available; and
- the LTM earnings before interest and taxes, which is referred to as EBIT, of the acquired company prior to the announcement of the transaction for which financial results were available.

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With respect to the financial information for the companies and businesses involved in the precedent transactions, Salomon Smith Barney relied on information in publicly available documents. The following table sets forth the results of these analyses.

	Range		Median		Mean	
Ratio of Firm Value to:						
(a) LTM Revenue	90.3%	197.9 %	117.4 %	125.4 %		
(b) LTM EBITDA	8.7x	17.3 x	10.9 x	11.4 x		
(c) LTM EBIT	10.5x	20.0 x	14.7 x	14.8 x		

Automotive Precedent Transactions

The precedent transactions considered by Salomon Smith Barney were the following (all transaction values are in excess of \$1 billion and in each case, the acquiror's name is listed first and the acquired business name is listed second):

Collins & Aikman Corporation / Textron Inc.'s Automotive business;

Heartland Industrial Partners, L.P. / Collins & Aikman Corporation (represents purchase of 31% of the company);

Faurecia SA / Sommer Allibert SA's automotive assets (SAI Automotive AG);

Smiths Industries plc / TI Group plc;

Heartland Industrial Partners, L.P. / MascoTech, Inc.;

BC Partners Inc. / Mark IV Industries, Inc.;

Siemens AG and Robert Bosch GmbH / Atecs Mannesmann AG;

Lear Corporation / United Technologies Automotive Inc.; and

TRW Inc. / LucasVarity plc.

For each of these precedent transactions, Salomon Smith Barney derived the ratio of the transaction value based on the consideration agreed to be paid in the transaction to:

the LTM revenue of the acquired business prior to the announcement of the transaction for which financial results were available;

the LTM EBITDA of the acquired business prior to the announcement of the transaction for which financial results were available; and

the LTM EBIT of the acquired business prior to the announcement of the transaction for which financial results were available.

With respect to the financial information for the companies and businesses involved in the precedent transactions, Salomon Smith Barney relied on information in publicly available documents. The following table sets forth the results of these analyses.

	Range		Median		Mean	
Ratio of Transaction Value to:						
(a) LTM Revenue	61.6%	118.3 %	81.0 %	87.1 %		
(b) LTM EBITDA	5.0x	8.7 x	7.4 x	7.0 x		
(c) LTM EBIT	7.0x	14.0 x	10.4 x	10.5 x		

Based on the ratios derived for the precedent transactions in each of the two business segments and financial information for TRW, Salomon Smith Barney established (1) a reference range for the implied enterprise value

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of TRW's space and defense businesses of \$5,700 million to \$6,800 million and (2) a reference range for the implied firm value of TRW's Automotive business of \$6,500 million to \$8,000 million. Salomon Smith Barney then combined the values for the above business segments to derive a total firm value range for TRW of \$12,200 million to \$14,800 million. Based on this total firm value range for TRW, Salomon Smith Barney derived an implied range of equity value per share for TRW common stock utilizing the same methodology as described under Public Company Analysis above, of \$66.00 to \$86.00. Based on this range and the range derived for the implied equity value per share for Northrop Grumman common stock above, Salomon Smith Barney derived an implied exchange ratio ranging from 0.4125x to 0.6880x and noted that the high and low ends of the collar of the exchange ratio were within such range.

Contribution Analysis

Salomon Smith Barney analyzed and considered the relative contribution of each of Northrop Grumman and TRW to the pro forma merged entity with respect to certain financial data based on estimates of managements of Northrop Grumman and TRW, including:

- estimated revenues for 2002 and 2003;
- estimated EBITDAP for 2002 and 2003;
- estimated EBITP for 2002 and 2003;
- estimated net income for 2002 and 2003; and
- estimated total assets as of December 31, 2002.

In performing this analysis, Salomon Smith Barney did not take into account any anticipated cost savings, revenue enhancements or other potential effects of the merger. Based on (1) each company's relative estimated contribution in each category; (2) total firm value for Northrop Grumman of \$19,901 million from which Salomon Smith Barney derived (a) a total equity value for Northrop Grumman by subtracting \$5,110 million of net indebtedness, \$19 million of minority interests and \$350 million of convertible preferred stock and (b) an aggregate equity value per share of Northrop Grumman common stock by utilizing the treasury stock method, resulting in an assumed 115.3 million shares of Northrop Grumman common stock outstanding on a fully diluted basis; and (3) total firm value for TRW of \$11,940 million from which Salomon Smith Barney derived (x) a total equity value for TRW by adding to the firm value \$245 million of interests in unconsolidated subsidiaries and subtracting \$5,283 million of net indebtedness and \$74 million of minority interests and (y) an implied equity value per share of TRW common stock by utilizing the treasury stock method and a 52-week average trading price of \$43.51 for TRW common stock, resulting in an assumed 128.3 million shares of TRW common stock outstanding on a fully diluted basis, Salomon Smith Barney derived an approximate implied exchange ratio for each of the above categories as set forth in the table below.

	Northrop Grumman Contribution	TRW Contribution	Implied Exchange Ratio
Revenues			
2002	51.5%	48.5%	0.851x
2003	53.1%	46.9%	0.775x
EBITDAP			
2002	51.2%	48.8%	0.867x
2003	52.8%	47.2%	0.787x
EBITP			
2002	54.0%	46.0%	0.735x
2003	56.0%	44.0%	0.650x
Net Income			
2002	62.2%	37.8%	0.545x
2003	62.9%	37.1%	0.530x
Total Assets	58.1%	41.9%	0.573x

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Based on its analysis, Salomon Smith Barney noted that the implied exchange ratios ranged from a high of 0.867x to a low of 0.530x and that such low of 0.530x was marginally below the high end of the collar of the exchange ratio.

Accretion/Dilution Analysis

Salomon Smith Barney analyzed and considered the impact of the merger on the estimated EPS of Northrop Grumman for 2003, assuming that the merger would be completed at an exchange ratio of 0.4800x, which is based on the \$125.00 closing price per share of Northrop Grumman common stock on June 28, 2002, and assuming proceeds of \$1.5 billion from the sale of TRW's Aeronautical Systems business. Estimated EPS for each of Northrop Grumman and TRW for 2003 were based on their respective management estimates. In performing this analysis, Salomon Smith Barney did not take into account any anticipated cost savings, revenue enhancements or other potential effects of the merger. The analysis indicated that the merger would be modestly accretive to estimated EPS of Northrop Grumman in 2003.

Discounted Cash Flow Analysis

Salomon Smith Barney performed a separate discounted cash flow analysis for each of the space and defense businesses and the Automotive business of TRW using TRW management's financial forecasts. For purposes of this analysis, Salomon Smith Barney used a range of weighted average cost of capital of 9.50% to 10.50% and ranges of terminal values based on multiples of projected EBITDAP ranging from 9.5x to 10.5x in the case of TRW's space and defense businesses and 5.0x to 6.0x in the case of TRW's Automotive business and derived reference ranges of implied firm value for each of the space and defense businesses and the Automotive business of TRW of \$6,100 million to \$6,900 million and \$6,400 million to \$7,500 million, respectively.

Salomon Smith Barney then combined the values for the above business segments to derive a total firm value range for TRW of \$12,500 million to \$14,400 million, and from that range, derived an implied equity value per share for TRW common stock utilizing the same methodology as described under "Public Company Analysis" above, of \$68.00 to \$83.00. Salomon Smith Barney noted that this range was above Northrop Grumman's offer of \$60.00 in Northrop Grumman common stock per share of TRW common stock.

General

The preparation of fairness opinions is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. Salomon Smith Barney made no attempt to assign specific weights to particular analyses or factors it considered, but rather made qualitative judgments as to the significance and relevance of all the analyses and factors considered and determined to give its fairness opinion as described above. Accordingly, Salomon Smith Barney believes that its analyses, and the summary set forth above, must be considered as a whole and that selecting portions of the analyses and of the factors considered by Salomon Smith Barney without considering all of the analyses and factors could create a misleading or incomplete view of the processes underlying the analyses performed by Salomon Smith Barney and its opinion. With regard to the public company and precedent transactions analyses summarized above, Salomon Smith Barney selected comparable public companies and precedent transactions on the basis of various factors, including the size and similarity of the relevant companies and transactions as compared to Northrop Grumman, the space and defense businesses and the Automotive business of TRW and the merger, respectively; however, no company or transaction utilized as a comparison in these analyses is identical to Northrop Grumman or the space and defense businesses or the Automotive business of TRW or the merger, respectively. As a result, these analyses are not purely mathematical, but also take into account differences in financial and operating characteristics of the subject companies and other factors that could affect the public trading value of the subject companies to which Northrop Grumman and the space and defense businesses and the Automotive business of TRW are being compared.

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In its analyses, Salomon Smith Barney made numerous assumptions and considered a number of factors with respect to Northrop Grumman and TRW, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of either Northrop Grumman or TRW. Any estimates contained in Salomon Smith Barney's analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by these analyses. Estimates of values of companies do not purport to be appraisals or necessarily to reflect the prices at which companies may actually be sold. Because these estimates are inherently subject to uncertainty, none of Northrop Grumman or TRW, Northrop Grumman's board of directors, Salomon Smith Barney or any other person assumes responsibility if future results or actual values differ materially from the estimates.

Salomon Smith Barney's analyses were conducted solely as part of Salomon Smith Barney's consideration of the fairness of the exchange ratio in the merger for the purpose of arriving at its opinion and were not provided to Northrop Grumman's board of directors.

Salomon Smith Barney is an internationally recognized investment banking firm engaged in, among other things, the valuation of businesses and their securities in connection with mergers and acquisitions, restructurings, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. Northrop Grumman selected Salomon Smith Barney to act as its financial adviser on the basis of Salomon Smith Barney's international reputation and Salomon Smith Barney's familiarity with Northrop Grumman. Salomon Smith Barney and its affiliates (including Citigroup Inc. and its affiliates) have in the past provided and are currently providing financial advisory, investment banking and financing services to Northrop Grumman and TRW unrelated to the merger, for which Salomon Smith Barney and its affiliates have received and will receive customary fees.

In the ordinary course of its business, Salomon Smith Barney and its affiliates may actively trade or hold the securities of both Northrop Grumman and TRW for its own account and for the account of customers and, accordingly, may at any time hold a long or short position in those securities. Salomon Smith Barney and its affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Northrop Grumman and TRW and their respective affiliates.

Pursuant to the terms of an engagement letter, Northrop Grumman agreed to pay Salomon Smith Barney an aggregate fee of \$22.5 million for its services rendered in connection with the merger, \$17.5 million of which have been earned and \$5 million of which will become payable upon consummation of the merger. Northrop Grumman also has agreed to reimburse Salomon Smith Barney for its reasonable travel and other expenses incurred in connection with its engagement, including the reasonable fees and expenses of its outside counsel, and to indemnify Salomon Smith Barney against specific liabilities and expenses relating to or arising out of its engagement, including liabilities under the federal securities laws.

In the past two years, Salomon Smith Barney was engaged by Northrop Grumman to perform the following investment banking services pursuant to which it received the compensation indicated in the following parentheses, excluding the fees it has earned, and will earn, in connection with the consummation of the merger: joint bookrunning manager for an offering of six million 7.25% Equity Security Units of Northrop Grumman (\$8 million) and an offering of eight million shares of Northrop Grumman common stock (\$9.3 million), co-manager for an offering of \$750 million of Northrop Grumman 7.125% notes due 2011 and \$750 million of Northrop Grumman 7.750% notes due 2031 (\$0.8 million), financial adviser to Northrop Grumman in its acquisitions of Newport News Shipbuilding Inc. (\$13 million) and Litton Industries Inc. (\$17.5 million) and as financial adviser to Northrop Grumman in connection with three other acquisitions (\$10.3 million in the aggregate).

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Opinion of Stephens Financial Group

Stephens Financial Group (referred to as SFG) was engaged to provide financial advisory services to Northrop Grumman in connection with the merger. Pursuant to SFG's engagement letter with Northrop Grumman, SFG provided an oral opinion to Northrop Grumman's board of directors on June 30, 2002, subsequently confirmed in writing, to the effect that, based upon and subject to the various assumptions, considerations and limitations set forth in its opinion, its work summarized below, its experience in investment banking and other factors it deemed relevant, as of that date, the exchange ratio was fair, from a financial point of view, to Northrop Grumman. Except for this opinion, SFG did not provide to Northrop Grumman or Northrop Grumman's board of directors any report, opinion or appraisal with respect to the exchange ratio.

The full text of SFG's opinion, which sets forth the assumptions made, information relied upon, general procedures followed, matters considered and limitations on the review undertaken by SFG, is attached to this joint proxy statement/prospectus as Annex C. The summary of SFG's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. **Stockholders are urged to read SFG's opinion carefully and in its entirety. The fairness opinion was provided to Northrop Grumman's board of directors for its information and is directed only to the fairness, from a financial point of view, of the exchange ratio pursuant to the merger agreement to Northrop Grumman.**

SFG has consented to the inclusion of its opinion and to the inclusion of the summary of its opinion in this joint proxy statement/prospectus. In giving such consent, SFG does not concede that it comes within the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the SEC thereunder, nor does it concede that it is an expert within the meaning of the term "expert" as used in the Securities Act or the rules and regulations of the SEC thereunder with respect to any part of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part.