

07 Feb 03

## **Northrop Grumman Selected by U.K. Ministry of Defence for Next Phase of WATCHKEEPER Unmanned System Development**

EL SEGUNDO, Calif., Feb. 7, 2003 -- Northrop Grumman Corporation (NYSE:NOC) has been selected by the United Kingdom Ministry of Defence to continue its development of WATCHKEEPER, a network-enabled unmanned system that will deliver an integrated image intelligence, targeting and exploitation capability to meet the U.K. commander's critical information needs.

The WATCHKEEPER program has a potential value of more than \$1.2 billion (800 million Pounds).

The Northrop Grumman industry team is led by Northrop Grumman ISS International Inc., a wholly owned subsidiary, and includes a combination of U.S. and U.K. companies. The team recently completed the system definition phase of WATCHKEEPER and will now continue with the system integration and assurance phase. The team has been working closely with the Ministry of Defence for two years to define a solution that fills the U.K. warfighter's need for intelligence, surveillance, target acquisition and reconnaissance (ISTAR) with a balanced approach to deliver the best capability at the lowest risk.

"The Ministry of Defence's selection of the Northrop Grumman industry team recognizes the validity of the network-centric, system-of-systems approach we have proposed for the WATCHKEEPER program," said Marty Dandridge, executive vice president and general manager, Unmanned Systems. "As we enter this critical phase, our experience in integrating proven unmanned systems will be critical to the design of a robust system that is flexible and agile enough to meet the evolving requirements of our U.K. customer."

Northrop Grumman is evaluating several unmanned systems to meet the requirements of the WATCHKEEPER systems architecture, including the U.S. Navy RQ-8A Fire Scout system presently in the flight test phase of engineering and manufacturing development.

Northrop Grumman's international industry team includes the company's Electronic Systems sector, Baltimore, Md.; its Information Technology sector, Herndon, Va., and Northrop Grumman IT Europe, based in Southampton, U.K.

General Dynamics U.K. Ltd., St. Leonards-on-Sea, East Sussex, provides world-class expertise in U.K. battlefield digitization; and STASYS, Farnham, Surrey, supports concept of operations, operational analysis and U.K. Army doctrine. U.K.-based Detica Limited, Guildford, Surrey, provides requirements assessment and analysis. Ultra Electronics, Greenford, Middlesex, is the leading developer in the U.K. of datalink systems analysis and definition.

General Dynamics U.K. Ltd. is responsible for the ground control segment. General Dynamics brings expertise as prime contractor for the U.K.'s BOWMAN C4I program, principal supplier for the ASTOR ground station, as well as its extensive work in the U.K.'s battlefield digitization initiative.

"As the WATCHKEEPER Ground Element integrator, General Dynamics will build on the company's recent successes in BOWMAN, Digitization and ASTOR. We intend to deliver programs that enhance synergy through a networked approach in the U.K. battlespace to optimize the benefit to both the MoD and to our rapidly growing C4ISTAR business," said Larry Johnson, president and managing director of General Dynamics UK Ltd.

Northrop Grumman will continue to build on an extensive modeling and simulation environment to evaluate and refine the WATCHKEEPER capability. To that end, it has entered discussions with BAE SYSTEMS to join the Northrop Grumman-led team. BAE SYSTEMS' participation would augment the team's synthetic environment capability in the area of U.K.-centric operations.

Northrop Grumman's focus on command, control, communications, computers and intelligence (C4I) is key to interoperability with other U.K. and NATO ISTAR assets such as ASTOR, Attack Helicopter and maritime forces.

"Our team is committed to work in partnership with the MoD," said **Ralph Starace, Northrop Grumman WATCHKEEPER program manager**. "We continue to explore world-class industrial capability that can further complement our team's strengths and offer the best value to our customer."

Northrop Grumman Corporation is a \$25 billion global defense company, headquartered in Los Angeles, Calif. Northrop Grumman provides technologically advanced, innovative products, services and solutions in systems integration, defense electronics, information technology, advanced aircraft, shipbuilding and space technology. With approximately 120,000 employees and operations in all 50 states and 25 countries, Northrop Grumman serves U.S. and international military, government and commercial customers.

CONTACT: Northrop Grumman Corporation

Jim Hart

(310) 331-3616 or

(310) 466-5509 (cell)

Cynthia Curiel

(858) 518-9722