



NORTHROP GRUMMAN CORPORATION (NOC) – SPIN-OFF DISTRIBUTION

DESCRIPTION:

Northrop Grumman Corporation (NOC) has announced a distribution of Huntington Ingalls Industries, Inc. (HII) Common Shares, payable to shareholders of record on Wednesday, March 30, 2011. The distribution ratio is one (1) HII Common Share for every six (6) NOC Common Shares. Cash will be paid in lieu of fractional HII Shares. The payable date is Thursday, March 31, 2011. **The ex-distribution date for this spin-off will be Thursday, March 31, 2011.**

Huntington Ingalls Industries, Inc. is currently trading when issued on the NYSE under the symbol HII WI.

Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below Northrop Grumman Corp. options will be adjusted as follows.

Adjustment Date:	Thursday, March 31, 2011
Option Symbol:	NOC becomes NOC1
Underlying Security:	NOC becomes NOC1
CUSIP:	446413106. 666807102
Contract Multiplier:	1
Strike Prices:	unchanged
New Multiplier:	100 (e.g. Premium of 1.00 = \$100)
Settlement Allocation:	10%, 90%
New Deliverable:	1) 100 Northrop Grumman Corporation (NOC) Common Shares 2) 16 (New) Huntington Ingalls Industries, Inc. (HII) Common Shares 3) Cash in lieu of approximately .6666 fractional HII shares

GTC Order Cancellation:

On Wednesday, March 30, 2011, immediately after the BOX close, all resting orders for NOC in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the adjusted NOC1 series, the BOX Participant will need to reenter the orders before the open on Thursday, March 31, 2011.

Pricing Considerations: The underlying price for NOC1 will be determined as follows:
 $\text{NOC1} = \text{NOC} + .16 (\text{HII}) + \text{cash in lieu of .6666 fractional HII shares}$

Additional Exchange Info:

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
NOC	C/P	45.00	04/16/2011	NOC1	C/P	45.00	04/16/2011
NOC	C/P	50.00	04/16/2011	NOC1	C/P	50.00	04/16/2011
NOC	C/P	55.00	04/16/2011	NOC1	C/P	55.00	04/16/2011
NOC	C/P	60.00	04/16/2011	NOC1	C/P	60.00	04/16/2011
NOC	C/P	65.00	04/16/2011	NOC1	C/P	65.00	04/16/2011
NOC	C/P	70.00	04/16/2011	NOC1	C/P	70.00	04/16/2011
NOC	C/P	75.00	04/16/2011	NOC1	C/P	75.00	04/16/2011
NOC	C/P	80.00	04/16/2011	NOC1	C/P	80.00	04/16/2011
NOC	C/P	85.00	04/16/2011	NOC1	C/P	85.00	04/16/2011

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
NOC	C/P	90.00	04/16/2011	NOC1	C/P	90.00	04/16/2011
NOC	C/P	95.00	04/16/2011	NOC1	C/P	95.00	04/16/2011
NOC	C/P	35.00	05/21/2011	NOC1	C/P	35.00	05/21/2011
NOC	C/P	40.00	05/21/2011	NOC1	C/P	40.00	05/21/2011
NOC	C/P	45.00	05/21/2011	NOC1	C/P	45.00	05/21/2011
NOC	C/P	50.00	05/21/2011	NOC1	C/P	50.00	05/21/2011
NOC	C/P	55.00	05/21/2011	NOC1	C/P	55.00	05/21/2011
NOC	C/P	60.00	05/21/2011	NOC1	C/P	60.00	05/21/2011
NOC	C/P	65.00	05/21/2011	NOC1	C/P	65.00	05/21/2011
NOC	C/P	70.00	05/21/2011	NOC1	C/P	70.00	05/21/2011
NOC	C/P	75.00	05/21/2011	NOC1	C/P	75.00	05/21/2011
NOC	C/P	80.00	05/21/2011	NOC1	C/P	80.00	05/21/2011
NOC	C/P	85.00	05/21/2011	NOC1	C/P	85.00	05/21/2011
NOC	C/P	35.00	08/20/2011	NOC1	C/P	35.00	08/20/2011
NOC	C/P	40.00	08/20/2011	NOC1	C/P	40.00	08/20/2011
NOC	C/P	45.00	08/20/2011	NOC1	C/P	45.00	08/20/2011
NOC	C/P	50.00	08/20/2011	NOC1	C/P	50.00	08/20/2011
NOC	C/P	55.00	08/20/2011	NOC1	C/P	55.00	08/20/2011
NOC	C/P	60.00	08/20/2011	NOC1	C/P	60.00	08/20/2011
NOC	C/P	65.00	08/20/2011	NOC1	C/P	65.00	08/20/2011
NOC	C/P	70.00	08/20/2011	NOC1	C/P	70.00	08/20/2011
NOC	C/P	75.00	08/20/2011	NOC1	C/P	75.00	08/20/2011
NOC	C/P	80.00	08/20/2011	NOC1	C/P	80.00	08/20/2011
NOC	C/P	85.00	08/20/2011	NOC1	C/P	85.00	08/20/2011
NOC	C/P	90.00	08/20/2011	NOC1	C/P	90.00	08/20/2011
NOC	C/P	40.00	11/19/2011	NOC1	C/P	40.00	11/19/2011
NOC	C/P	45.00	11/19/2011	NOC1	C/P	45.00	11/19/2011
NOC	C/P	50.00	11/19/2011	NOC1	C/P	50.00	11/19/2011
NOC	C/P	55.00	11/19/2011	NOC1	C/P	55.00	11/19/2011
NOC	C/P	60.00	11/19/2011	NOC1	C/P	60.00	11/19/2011
NOC	C/P	65.00	11/19/2011	NOC1	C/P	65.00	11/19/2011
NOC	C/P	70.00	11/19/2011	NOC1	C/P	70.00	11/19/2011
NOC	C/P	75.00	11/19/2011	NOC1	C/P	75.00	11/19/2011
NOC	C/P	80.00	11/19/2011	NOC1	C/P	80.00	11/19/2011
NOC	C/P	85.00	11/19/2011	NOC1	C/P	85.00	11/19/2011
NOC	C/P	90.00	11/19/2011	NOC1	C/P	90.00	11/19/2011
NOC	C/P	30.00	01/21/2012	NOC1	C/P	30.00	01/21/2012
NOC	C/P	35.00	01/21/2012	NOC1	C/P	35.00	01/21/2012
NOC	C/P	40.00	01/21/2012	NOC1	C/P	40.00	01/21/2012
NOC	C/P	45.00	01/21/2012	NOC1	C/P	45.00	01/21/2012
NOC	C/P	50.00	01/21/2012	NOC1	C/P	50.00	01/21/2012
NOC	C/P	55.00	01/21/2012	NOC1	C/P	55.00	01/21/2012
NOC	C/P	60.00	01/21/2012	NOC1	C/P	60.00	01/21/2012
NOC	C/P	65.00	01/21/2012	NOC1	C/P	65.00	01/21/2012
NOC	C/P	70.00	01/21/2012	NOC1	C/P	70.00	01/21/2012

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NOC	C/P	85.00	01/21/2012	NOC1	C/P	85.00	01/21/2012
NOC	C/P	90.00	01/21/2012	NOC1	C/P	90.00	01/21/2012

Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.