

November/December
1999



I would like to take this opportunity to thank each of you for your efforts during this particularly trying year, and to extend my best wishes for a joyous holiday season and a happy and prosperous New Year to you and your families.

Chris Bernhardt
President
Litton Data Systems

Litton Data Systems

TODAY

Litton Wins Strategic Agreement with Tokheim

Litton Data Systems – San Diego has completed a multi-year purchasing agreement to provide Tokheim Corporation with advanced, sunlight-readable, touch-interactive, thermally managed and price-competitive display solutions for the fuel dispenser market. The purchase agreement calls for an initial delivery of up to 10,000 smart display units.

Litton's multi-year purchase agreement further establishes a Tokheim relationship that will drive market de-

mand for best-value fuel-dispenser solutions. According to Lou Kelly, "Data Systems – San Diego has long demonstrated technical leadership in display product design, and this agreement furthers our global influence for providing advanced technical solutions to the marketplace. This new product will allow the petroleum industry to enter the e-Commerce competition."

Tokheim, located in Fort Wayne, Indiana, is the largest independent fuel dispensing systems company, with 42 offices worldwide. Today, Tokheim is completing its first century of fuel-dispenser product leadership. □

Litton COO Addresses DSD Management Club



During an address in October to the Management Club at the Radisson Hotel in Agoura Hills, Litton Industries' Executive Vice President and Chief Operating Officer Harry Halamandaris

expressed his confidence in a bright future for Data Systems Division.

After prefacing his remarks with a statement reminding the audience that, to the extent his remarks were not statements of historical fact, they could be considered forward-looking statements within the meaning of the Private Securities Reform Act of 1995, that such forward-looking statements involve known and unknown risks and uncertainties that could cause the Company's actual actions or results to differ materially from those discussed in such forward-looking statements, and that the Company does not undertake any obligation to publicly release any revisions to forward-looking statements to reflect subsequent changes in expectations or occurrences of unanticipated events, Mr. Halamandaris presented an overview of Litton since 1994, following the commercial entities spin-off into Western Atlas. A combination of sound internal investment and acquisitions, capitalization on technical capabilities and market leadership in many of the business areas represented by the various divisions has contributed to Litton's sustained financial growth. Because Litton has remained financially strong during difficult times, Mr. Halamandaris feels it is well positioned for future growth.

Integral to the future success of the corporation are the six strategies being spearheaded by senior leadership - Value Metrics chaired by Litton CFO Mike Steuert; Productivity Improvement chaired by Larry Frame, Advanced Electronics group executive; Technology Excellence chaired by Mr. Halamandaris; Corporate Synergies chaired by Don



Congratulating the San Diego Tokheim APEX project team is (far

left) Lou Kelly, Vice President and General Manager of Litton's San Diego facility. The Tokheim APEX team is led by Bud Carte, Director for Display Products IPT, and Kevin Govea, the Program Manager. Team members included in the photograph, left to right, are Kevin Govea, Randy Blanchard, Mike Sanoian, Bud Carte, Judd Stewart, Bert Kramer and Tim Harrington. John Wencel was not available for the photograph.

Litton Newsbriefs

Litton Acquires TEC Electrical Components Group

Litton Industries, Inc. announced the completion of the purchase of all outstanding stock of TEC Electrical Components Group Ltd. of Middlesex, England. With approximately 100 employees, TEC Electrical Components reported annual revenues of approximately \$8.6 million US in its fiscal year ended March 31, 1999. Founded 43 years ago by THORN-EMI, TEC Electrical Components is a long established manufacturer and supplier of electrical connectors to the military, aerospace and commercial industries. Its customer base includes the military of the United Kingdom, and the British

aerospace/defense companies of British Aerospace, GEC-Marconi and Racal. TEC Electrical Components will be part of Litton's Electronic Components & Materials Group.

PRC Awarded \$70 Million Total Army Personnel System Contract

PRC was awarded a five-year indefinite delivery/indefinite quantity (ID/IQ) contract to serve as the program integrator for the Total Army Personnel System (TOPSYS)-3 by the Defense Supply Service-Washington. The potential total value of the contract to Litton is approximately \$70 million over the contract period. The contract calls for PRC to continue to develop,

Continued on page 5

Continued on page 6

Data Systems Honors Veterans



(From left) Touching tributes to America's veterans were given by Jerry Fire, Tim Tobin, Debbie Castillo, Jerry German and Paul Smith



Over 120 employees attended this "Second Annual" Veterans Day tribute.

Over 120 Litton employees honored our veterans in a ceremony sponsored by veterans Jerry German, Paul Smith and Mark Gentry, along with the Business Development Center team. The ceremony was held "at the eleventh hour of the eleventh day in the eleventh month" to commemorate the signing of the WWI armistice. Armistice Day was made a legal holiday in 1938, and President Dwight D. Eisenhower unified this celebration with the "V-E" and "V-J" remembrances from WW II to create the Veterans Day holiday in 1958.

Litton veterans Tim Tobin, Debbie Castillo, Jerry Fire, Jerry German and Paul Smith expressed their heartfelt thanks

to the veterans who have served and sacrificed for our country.

Army veteran Tim Tobin read the poem "In Flanders Field," and related how the Army had brought "discipline, training, and later, a knowledge of survival skills that allows me to be here today." Air Force veteran Debbie Castillo, like others, would answer the call again. Navy veteran Jerry Fire told the stories of two American POW heroes, Senator John McCain and Admiral James Stockdale. Former Marine Jerry German put the record straight. It was NOT John Wayne, but Gunnery Sergeant Dan Daly, two-time Congressional Medal of Honor winner, who in-

spired his troops onward with: "Come on, you sons a bitches...do you want to live forever?" And Paul Smith emphasized the core values of duty, integrity, ethics, honor, courage and loyalty.

The ceremony was highlighted by Division President Chris Bernhardt cutting the Veterans Day cake, and offering the first piece to the oldest veteran present, Mr. Jack Wales, and the second to the youngest veteran, Ms. Angela Norville.

Everyone then feasted on food and refreshments provided by BDC staffers Becky Humphries, Pat Brown, Elsie Becica and Libby Wales. The Presentation Center also featured a "Wall of Honor" listing 250 of the Division's veterans, along with Veterans Day posters from the past 21 years. □



First to be offered cake were the oldest and youngest veterans present. Jack Wales and Angela Norville are shown above with Division President Chris Bernhardt (far left) and BDC Director Jerry German (far right).



Becky Humphries donated a quilt honoring the joint services to Jerry German.

Eight Honored by ICARE in Ocean Springs



Mirra Johnson was nominated by Richard Schutte for assuming additional job responsibilities outside her normal scope of duties to support key Purchasing and Subcontracts departmental tasks.

Deannie Kuebler was nominated by Dave Robertson for dry-running test procedures and creating the requirements trace documents to support the UK TACC ISR build 4 software demonstration and validate the formal sell-off of the ISR software.

Mississippi State University co-op students **Travis Singleton** (right) and **Garrett Garriga** (left) were nominated by Ernie Pettis for demonstrating initiative, leadership and teamwork during the deployment and migration to the AutoTime timekeeping system at the Ocean Springs facility. □



From July through September, eight more Ocean Springs' employees have been presented with ICARE awards in

recognition of their outstanding efforts by Data Systems Ocean Springs Vice President and General Manager David Johnson.



Shannon Swiney (left) and **Darla Barr** (right) were nominated by Dave Robertson for the extra effort they put forth in preparing the UK TACC ISR Build 4 software for formal test and sell-off to the customer.



Bill Hill was nominated by Blair Sherwood for his exemplary efforts in migrating legacy Dataflex and Access data, enabling the BaaN transition plan to remain on schedule.



Tinker Sykes was nominated by Dave Robertson for preparing the UK TACC program SRS (Software Requirements Specification) for successful discussions with the customer, resulting in the acceptance of the SRS Revision D as the new contract baseline.

Newsbriefs

continued from page 2

enhance and maintain systems, sub-systems and databases for the Total Army Personnel System in support of the Army Personnel Command. This ID/IQ contract is open to the Total Army Personnel Command, the Army Reserve Personnel Command, the Army National Guard and the Deputy Chief of Staff for Personnel Field Operating Agencies.

Sheldon Named Business Development VP

Litton Industries announced the appointment of Frederick L. Sheldon, 50, as staff vice president of business development. In this newly created position, Mr. Sheldon reports to Mr. Harry Halamandaris, Litton executive vice president and chief operating officer, Electronics and Information Systems. Prior to joining Litton, Mr. Sheldon was division director for Boeing Company's sensor and electronic product business since 1996. He has held a number of positions with Boeing and the heritage Rockwell Defense business over the past 14 years, including division director of business development and strategic management for the Autonetics divisions, director of strategic management for defense electronics and division director of business development and advanced programs for the Tactical Missile division. Mr. Sheldon was awarded a Bachelor of Science degree in engineering from Cleveland State University in 1971. □

Social Security Wage Base/401K Limit Increase in 2000

The Social Security Administration has announced an increase to the Social Security (OASDI) taxable wage base for 2000 to \$76,200 - a \$3,600 increase from 1999's wage base of \$72,600.

The Social Security tax rate will remain at 6.2%, with a maximum Social Security tax of \$4,742.40 to be withheld from paychecks.

The Social Security taxable wage base is recalculated each year based on the average increase in wages. The pattern over the last ten years is as follows:

Tax Year	Wage Base	Change From Previous Year
1990	\$51,300	6.80%
1991	\$53,400	4.10%
1992	\$55,500	3.93%
1993	\$57,600	3.79%
1994	\$60,600	5.21%
1995	\$61,200	0.99%
1996	\$62,700	2.45%
1997	\$65,400	4.31%
1998	\$68,400	4.59%
1999	\$72,600	6.14%
2000	\$76,200	4.96%

The Medicare tax rate will remain at 1.45%, keeping the combined FICA tax rate for 2000 at 7.65%.

The maximum annual deferral that employees may make into 401 (K) plans for 2000 is \$10,500, up from \$10,000 in 1999. □

Data Systems Adopts Business Casual Attire Policy

In an Information Bulletin dated November 12, 1999, Division President Chris Bernhardt announced to employees the implementation of an every day casual business attire policy.

Dress standards were relaxed for the first time in the spring of 1997 when a 'test period' was approved for Friday casual days. The response was overwhelming positive and so, in October of that year, Friday casual day became a permanent policy.

With businesses increasingly adopting a more relaxed attitude towards business attire, management decided the time was right to expand the popular policy.

Certain guidelines have been established as to what constitutes appropriate casual attire for a business environment. Clothing and grooming should be neat, clean and in good taste. Denim pants, sweatpants, shorts, tennis shoes and casual sandals are not appropriate. Safety concerns must also be kept in mind. Employees working on the production floor or in labs are required to wear protective clothing in compliance with the company's safety policies.

Cotton slacks are acceptable, as are polo shirts, shirts with a collar, banded-collar shirts or turtlenecks. Men are not required to wear ties; women are not required to wear nylons. Open-toed shoes are not appropriate for men. Dress sandals or open-toed shoes are appropriate for women unless their work requires them to be on the production floor or in a lab.

When meeting with visitors or customers, employees should adhere to the standards of the visitors or customers. If the visitors or customers are dressed in professional business attire, employees should dress in a similar manner.

If you have questions regarding the appropriate business casual attire for your position, please consult with your supervisor. □

Ocean Springs Holds Family Picnic

The weather was simply spectacular on October 16 when Data Systems' employees, families and friends gathered at the Gulf Islands National Seashore in Ocean Springs for a fun-filled Family Picnic sponsored by the Management Club.

Chief Cook and Bottle Washer Mike Burton, aka Management Club President, donned apron and mitts and took up his position behind the barbecue grill, much to the delight of all the youngsters who were working up appetites in the moonwalk, water balloon toss and baseball activities. Other events included a horseshoe tournament, volleyball tournament, basketball and Bingo.

Management Club Member Ed Brennan happily took home the door prize of a Brinkman Gas Smoker. □

In the Spotlight



Last month's mystery employee was Senior Engineering Technician Lawrence Benjamin.

Lawrence, who's adjusting to his recent move from the Moorpark facility to Agoura, enjoys his job because of the variety of assignments it affords him. In any given week, he may be involved with testing equipment, troubleshooting problems, doing electrical or mechanical assembly or working on prototypes or shelters. He admits that he likes to work to his own rhythm, but says, "I know I have a job to do and I try to do the best I can." He's comfortable in his present position and says that while he isn't seeking a leadership position, he does enjoy helping people whenever he is able. Lawrence was recognized in August 1997 with an ICARE award for his leadership of the Operations CIS team which stayed on schedule through a number of manufacturing problems. He is especially proud to be associated with the CIS program, which has made significant progress during the last several years in terms of cutting costs and staying on schedule. He is currently very excited about the work he has begun on a new CIS generation prototype. Another accomplishment in which he takes pride was his work in 1990 as the lead technician on the refurbishing of the Saudi antenna and shelter which was completed ahead of schedule.



Lawrence says that even as a small child, he had a talent for taking things apart, figuring out how they work and putting them back together. Although he enjoys sports and did participate in track at Manual Arts High, his favorite class was machine shop. Following graduation, he enlisted in the Air Force, where he received training in electronics and served in the capacity of a defensive fire control technician mechanic. Lawrence was stationed stateside, but did have the opportunity to make a couple of short, but very enjoyable trips abroad to England. After leaving the service, Lawrence returned to school and earned his A.S. degree in Electronics.

Lawrence is married and the father of five children, ranging in age from 3 to 17. He and his wife, Lynelle, met as children in their home town of New Orleans

through their mothers who were good friends. Lawrence and his family moved to Los Angeles when he was ten; he and Lynelle were reunited when her family moved here about nine years later, and dated for five years before tying the knot. The family makes their home in North Hills, where Lawrence serves as the building manager.

Lawrence tries to balance his leisure time between his wife, his children and his favorite pastimes. He enjoys playing dominoes, chess, card games and going to the movies. He also makes it a point to stay in close

contact with his two brothers and six sisters. Activities with his own family include bowling, library night and taking trips together. He believes that one of his most important responsibilities as a father is to give his children a happy childhood and make sure they have opportunities to become involved in activities that interest them. "I believe you get back what you give. I want to build a solid, lasting relationship with my children and hope they will remember their childhood as a time of fun when I was always there for them, supporting their activities and giving them opportunities to experience many different things."

Lawrence thinks his co-workers would describe him as someone who is always smiling and upbeat. He says his philosophy on life was largely shaped by watching his grandmother and mother worry themselves, he believes, into early deaths. "I try to be realistic. I don't waste time worrying about things, especially those I can't control. I always hope for the best, but make sure I'm prepared for the worst."

Our next mystery employee has worked in four organizations since joining Data Systems in the early 1980's. Her current position requires a lot of planning for the future. She met her husband at work. Do you know who she is?

Please submit all entries to Data Systems Today Spotlight Contest at M/S 15-22 by January 5, 2000. Include your name, employee number, location and extension. A total of ten winners will be chosen at random from all correct entries. Winners will each receive a pair of movie tickets to an Edwards, General, Pacific, AMC, Mann or United Artist theater. All current Data Systems' employees are eligible to participate. □

Halamandaris

Continued from page 2

Lepore, Electronic Components and Materials group executive; People chaired by COO of Litton Ship Systems, Jerry St. Pé; and Value Growth chaired by Mike Brown, Litton President, Chairman and CEO.

Turning to the challenges currently facing Data Systems, Mr. Halamandaris

assured the audience that the corporation has full confidence in Division management and is working closely with them to gain a better understanding of our business and evaluate options which would help to increase DSD's base. Promising programs on the horizon include the Area Air Defense Commander (AADC) theater air and missile defense system for the U. S. Navy; the Joint Warning and Report-

ing Network (JWARN) automated nuclear, biological and chemical alerting and reporting system, and the Egyptian Navy Fast Missile Craft (ENFMC) program, integrating the ship's entire suite of electronics equipment. He believes DSD is the preeminent C³ contractor in the world, but cautioned that we must be very aggressive in our technology and processes and take the necessary steps to remain competitive. □

Milestones

Congratulations to the following employees who celebrated their anniversaries during the months of November and December. Employees with 20, 25, 30 and 35 years of service are invited to be pictured here.

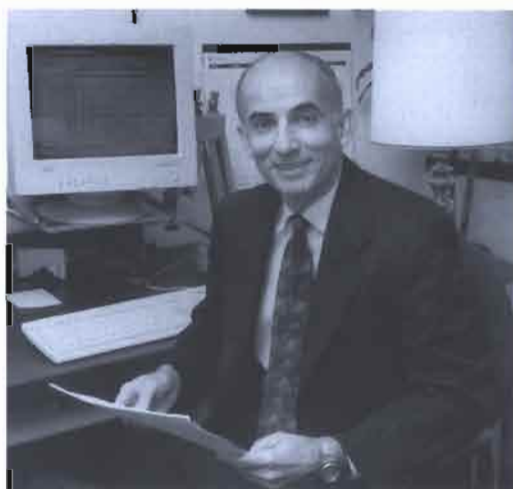
35 years: Ilmar Jankalns.

20 years: Donald McBurney, Dr. Charles Mitchell, Jarrell Mitcham.

15 years: Bruce Bell, Peggy Doonan, Patricia Rice, Kevin Schweder.

10 years: Mary Casillas, Liza Gonzales, Bob Harrison, Rod Rancik, Rick Wheeler.

5 years: Teresa Alzona, Robert D'Alo, Gary Hall, Michael Le Vantine, James Mayhew, Stuart Moy, Jaime Olivas, James Ruegsegger. □



Richard Franco

30 years, Manager, Division Cost Control, Administration

STANDARDS OF CONDUCT: POLITICAL CONTRIBUTIONS

This month's article is on Political Contributions, item 11 in Data Systems' "Standards of Conduct" booklet.

Litton's Data Systems Division has established a policy which prohibits the Division from making political contributions in violation of any applicable law or regulation. This includes contributions which are made to political parties or individual candidates, foreign or domestic. Contributions include, but are not limited to, money, property and service donations, and the purchase of tickets to fund-raising events. This policy does not restrict individual employee contributions or political activity. For instance, this policy does not apply to contributions to registered political action

committees, such as the Litton Employees Political Assistance Committee (LEPAC). It is important to note that these contributions are made by an employee and never by the Division. The Division is prohibited from using intermediaries to make political contributions on behalf of the Division, and employees are prohibited from seeking reimbursement from the Division for personal contributions. Employees are required to report any perceived violation of this Standard to Division management. Any questions concerning this Standard should be addressed to your immediate supervision or Division Counsel.

Additional information regarding Political Contributions may be found in Division Standard Practice 1000, "Standards of Conduct." □

Promotions

Congratulations go to the following employees.

Executive Staff: Deborah Diotte to Secretary to the President. □

On Board

Data Systems welcomes the following new employees.

Engineering: Karen Kikuchi
San Diego: Joseph Gallo. □

Bargainmart

Employees and retirees of Data Systems may use this column free of charge. Ads are limited to one per person each edition and may be extended to another upon request.

Ads must be fewer than 25 words and will include home phone numbers only (except Rideshare). Ads not meeting these requirements will not be published nor will they be returned. Send ads to Employee Services at M/S 15-22.

Deadline for the next issue: January 5.

FOR SALE

EPSON EQUITY 1 COMPUTER w/ monitor/keyboard, Brother HR20 printer. 2 monitors/2 keyboards. \$125 for all. Call Marjorie (818) 765-7044.

OTHER

LOWEST LONG DISTANCE CALLING EVER! 4.9¢/min between 100 major metro areas or 6.9¢/min within 48 states. 24hrs/7days/week from any phone! Call (818) 466-2440. □

ETC Notes

Gift Certificate Drawing

Congratulations to Sandi Martinez who won the \$100.00 J.C. Penney certificate in the monthly drawing for September. □

Hotline

Employees may call the Division "Hotline" with any questions or comments or perceived noncompliance with the "Standards of Conduct."

Moorpark/
Agoura Hills.....818-706-4669
Other Ca.....1-800-843-5165
Outside Ca.....1-800-237-0934 □



A publication of Litton Systems, Inc.
Data Systems Division
29851 Agoura Road, Agoura Hills, CA 91301
(818) 707-4335

Published monthly for employees of
Litton Data Systems

by **Human Resources**
Thomas M. Kelly,
Vice President, Business Services
Ellen R. Gilbert
Human Resources Administrator

Photography
Production

Graphic Communications
Equal Opportunity Employer