

Lockheed Martin Agrees To Acquire OAO Corporation

PRNewswire

GREENBELT, Md., and CHERRY HILL, N.J.

OAO Corporation and Lockheed Martin Technology Services announced today the signing of a definitive agreement under which Lockheed Martin Technology Services will acquire the outstanding stock of OAO. Lockheed Martin Technology Services is a business unit of the Lockheed Martin Corporation. Terms of the transaction were not disclosed.

OAO Corporation is a leading provider of information technology solutions to the federal government. Employing over 2,000 professionals, the company delivers a full spectrum of information technology solutions in highly sophisticated security-sensitive environments. Revenues in 2000 were in excess of \$200 million.

Lockheed Martin Technology Services will combine one of its companies, Lockheed Martin Information Support Services, with OAO to create a new organization within the business area. The new company is positioned for continued growth in the rapidly expanding federal information technology market. The federal IT market is projected to increase from \$36 billion this year to more than \$60 billion in 2006, and it represents an important element in Lockheed Martin's growth strategy. Linda Gooden, currently President of Information Support Services, will lead the newly formed organization.

"We are very excited about the opportunity to have OAO join with us in our pursuits in the growing federal information technology services market," said Michael F. Camardo, executive vice president, Lockheed Martin Technology Services. "This acquisition is an excellent strategic fit with our Information Support Services business and we look forward to leveraging the combined capabilities and services of these two successful organizations."

"By joining with Lockheed Martin, OAO will achieve its strategic vision to position itself to capitalize on the growing opportunities for information technology outsourcing in the public sector," said Cecile Barker, chairman, chief executive officer and founder of OAO. "OAO has enjoyed nearly 30 years of success as a private organization and we are looking forward to continuing that success as part of a world class organization like Lockheed Martin."

The transaction is subject to government approvals, including review under the Hart-Scott-Rodino Antitrust Improvements Act and satisfaction of other customary conditions. It is expected to close before the end of 2001. Fleet M&A Advisors, a division of Fleet Securities, Inc., acted as financial advisor to OAO Corporation in connection with this transaction.

Headquartered in Bethesda, Maryland, Lockheed Martin is a global enterprise principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. The Corporation's core businesses are systems integration, space, aeronautics, and technology services. Lockheed Martin had 2000 sales surpassing \$25 billion.

Lockheed Martin Technology Services is a leading provider of U.S. federal technology services offering a broad range of management, engineering, technical, scientific, logistic, and information services primarily to government agencies in the United States. Technology Services employs approximately 35,000 people at over 400 locations worldwide with 2000 sales exceeding \$2 billion.

LOCKHEED MARTIN SAFE HARBOR STATEMENT: Statements in this press release, including the statements relating to projected future events and financial performance, could be considered forward-looking statements under the federal securities laws. Sometimes these statements will contain words such as "believes," "expects," "intends," "plans" and other similar words. These statements are not guarantees of our future performance and are subject to risks, uncertainties and other important factors that could cause our actual performance or achievements to be materially different from those we may project. In addition to the factors set forth in our 2000 Form 10-K and other filings with the Securities and Exchange Commission (<http://www.sec.gov/>), the following factors could affect the forward-looking statements contained in this press release: timing of regulatory process, conditions imposed by regulatory agencies, ability to obtain consent from

persons doing business with OAO, the political and economic climate domestically, the ability to obtain or the timing of obtaining future government awards and approvals, the availability of government funding and customer requirements, economic conditions, competitive environment, timing of awards and contracts. These are only some of the numerous factors which may affect the forward-looking statements in this press release.

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