Lockheed Martin To Exit Global Telecommunications Services Business

** Reinforces Focus on Core Businesses and Customers * Announces a Nonrecurring and Unusual Charge of $1.7 Billion * Reaffirms 2001 and 2002 Recurring Earnings & Cash Flow Outlook*

Lockheed Martin Corporation today announced plans to exit its Global Telecommunications services business. As a result, the Corporation will reassign certain of the former Lockheed Martin Global Telecommunications (LMGT) businesses and investments to other operating segments of Lockheed Martin, sell the remaining operations, position investments for monetization, and eliminate the LMGT administrative structure. The Corporation will begin implementing these actions immediately.

"In view of continuing overcapacity in the telecommunications industry worldwide, and deteriorating business and economic conditions in Latin America, we no longer anticipate that the LMGT businesses as a whole will be able to generate sufficient returns to justify continued investment. As a result, we are reducing our exposure to this market," said Vance Coffman, chairman and chief executive officer of Lockheed Martin. "We must continue to focus on core business performance, customer satisfaction, profitable growth and attractive returns on investments to grow shareholder value."

Based on preliminary information and assessments, the Corporation expects to recognize after-tax nonrecurring and unusual charges in the fourth quarter of 2001 totaling $1.7 billion, or $3.96 per share ($2.0 billion on a pretax basis) related to these actions. The estimated charges reflect impairment in the values of certain LMGT businesses and investments, goodwill (approximately $1.2 billion) and other assets as well as costs associated with infrastructure reductions, including severance, and facilities. Included in this charge is approximately $255 million ($400 million pretax) related to a write-down of the Corporation's investment in Astrolink International LLC and other associated costs, as disclosed in Lockheed Martin's Form 10-Q for the third quarter of 2001.

The cash impact of the fourth quarter charge is not expected to be material and should amount to less than 2 percent of the total charge. Previous guidance for 2001 and 2002 free cash flow and recurring earnings is unaffected by these actions. Recurring earnings guidance includes the results of operations for all businesses and investments until their ultimate disposal. With this charge, management does not anticipate any further goodwill impairment charges associated with the Corporation's adoption of Statement of Financial Accounting Standards No. 142, "Accounting for Goodwill and Other Intangible Assets" in January 2002.

Approximately 650 LMGT positions will be eliminated as a result of these actions. These employees will have the opportunity to apply for job openings with Lockheed Martin operating companies. To date, about one third have accepted or have been extended offers.

Actions announced today include the following:

* LMGT's Systems & Technology line of business and its COMSAT General telecommunications unit will be realigned with the Space Systems business area. The strengths of these units in network systems engineering and integration, along with their advanced satellite communications technologies, will complement Space Systems' capabilities. The combined annual revenue for these two units is approximately $150 million.

* LMGT's Enterprise Solutions-U.S. commercial information technology business will be realigned with the Corporation's Technology Services business area. This action, along with the recently announced acquisition of OAO Corporation, will further leverage the Corporation's IT capabilities and enhance offerings to the government and large enterprise commercial customers. Enterprise Solutions-U.S.'s annual revenue is approximately $300 million.

LMGT's remaining operating businesses will be evaluated for divestiture and its equity investments positioned for monetization. In the interim, the operating businesses will be reported as discontinued operations, and the investments will be included in the Corporate and Other segment for financial reporting purposes. Discontinued operating businesses and divestiture candidates include: Satellite Services (COMSAT Mobile Communications, World Systems and Lockheed Martin Intersputnik); and Enterprise Solutions- International (providing telecommunications network services primarily in Latin America). The disposition of these assets will be subject to valuation, negotiation, and appropriate Corporate approval. The Corporation previously announced that it had

reached an agreement to sell the COMSAT Mobile Communications operations (which provides global service via the Inmarsat system) to Telenor of Norway for $116.5 million in cash. The sale is anticipated to close by year-end and is not expected to have a material earnings impact.

LMGT's equity investments to be reported in the Corporate and Other segment include: INTELSAT (24% ownership), Inmarsat (14% ownership), New Skies, N.V. (14% ownership), ACeS International (33% ownership), Americom Asia-Pacific (50% ownership) and Astrolink International (31% ownership).

As a result of these actions, the Corporation prospectively will report its results in four core operating segments: Systems Integration, Aeronautics, Space Systems, and Technology Services. The Corporation plans to file a Form 8-K to conform its historical segment results based on these actions.

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.

SAFE HARBOR:

NOTE: Statements in this press release, including statements relating to projected future performance, are considered forward looking statements under federal securities laws. Sometimes these statements will contain words such as "believes," "expects," "intends," "plans," "estimates," "outlook," "forecast," or other similar words. These statements are not guarantees of 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.

Our actual financial results will likely be different from those projected due to the inherent nature of projections and may be better or worse than projected. Given these uncertainties, you should not rely on forward-looking statements. Forward-looking statements also represent our estimates and assumptions only as of the date that they are made. We expressly disclaim a duty to provide updates to forward-looking statements, and the estimates and assumptions associated with them, after the date of this press release to reflect events or circumstances, changes in expectations or the occurrence of anticipated events.

In addition to the factors set forth in our 2000 Form 10-K and other more recent filings with the Securities and Exchange Commission (http://www.sec.gov/), the following factors could affect our forward-looking statements: our ability to achieve or quantify savings for our customers or ourselves through our global cost-cutting program and other financial management programs; the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to program reviews or revisions to strategic objectives (including changes in priorities to respond to recent terrorist threats or to improve homeland protection); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally (including economic disruption caused by terrorist threats); program performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; and the outcome of contingencies (including completion of acquisitions and divestitures, litigation and environmental remediation efforts). Our ability to monetize assets or businesses placed in discontinued operations will depend upon market and economic conditions, negotiation of acceptable terms with prospective purchasers and other factors, and may require receipt of various regulatory or governmental approvals. In addition, realization of the value of the Corporation's investments in equity securities may be affected by the investee's ability to obtain adequate funding and execute its business plan, general market conditions, industry considerations specific to the investee's business, and/or other factors. These are only some of the numerous factors that may affect the forward-looking statements contained in this press release.

LOCKHEED MARTIN CORPORATION
Earnings (Loss) Per Share
Preliminary and Unaudited

	YEAR ENDED DECEMBER 31, 2000		NINE MONTHS ENDED SEPTEMBER 30, 2001	
	Previously Reported	Restated	Previously Reported	Restated
Earnings (Loss) Per Share from Continuing Operations	($1.05)	($0.95)	$1.15	$0.52
Discontinued Operations				

Gain on Sale of IMS	-	-	-	0.72
Loss from Operations (1)	-	(0.10)	-	(0.09)
Total	-	(0.10)	-	0.63
Earnings (Loss) Per Share Before Extraordinary Item	(1.05)	(1.05)	1.15	1.15
Extraordinary Item - Loss on Early Extinguishment of Debt	(0.24)	(0.24)	(0.08)	(0.08)
Earnings (Loss) Per Share	($1.29)	($1.29)	$1.07	$1.07

(1) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

LOCKHEED MARTIN CORPORATION
Earnings (Loss) Per Share
Preliminary and Unaudited

	THREE MONTHS ENDED MARCH 31, 2001		THREE MONTHS ENDED JUNE 30, 2001	
	Previously Reported	Restated	Previously Reported	Restated
Earnings (Loss) Per Share from Continuing Operations	$0.25	$0.30	$0.33	$0.34
Discontinued Operations				
Gain on Sale of IMS	-	-	-	-
Loss from Operations (1)	-	(0.05)	-	(0.01)
Total	-	(0.05)	-	(0.01)
Earnings (Loss) Per Share Before Extraordinary Item	0.25	0.25	0.33	0.33
Extraordinary Item - Loss on Early Extinguishment of Debt	-	-	-	-
Earnings (Loss) Per Share	$0.25	$0.25	$0.33	$0.33

(1) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

LOCKHEED MARTIN CORPORATION
Earnings (Loss) Per Share
Preliminary and Unaudited

	THREE MONTHS ENDED SEPTEMBER 30, 2001		NINE MONTHS ENDED SEPTEMBER 30, 2001	
	Previously Reported	Restated(2)	Previously Reported	Restated(3)
Earnings (Loss) Per Share from Continuing Operations	$0.57	($0.12)	$1.15	$0.52
Discontinued Operations				
Gain on Sale of IMS	-	0.72	-	0.72
Loss from Operations (1)	-	(0.02)	-	(0.09)
Total	-	0.70	-	0.63
Earnings (Loss) Per Share Before Extraordinary Item	0.57	0.58	1.15	1.15
Extraordinary Item - Loss on				

Early Extinguishment of Debt	(0.08)	(0.08)	(0.08)	(0.08)
Earnings (Loss) Per Share	$0.49	$0.50	$1.07	$1.07

(1) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

(2) Restated earnings per share amounts for the third quarter of 2001 were computed using the average number of shares outstanding due to the restated loss from continuing operations. Previously reported earnings per share amounts were computed using the weighted average number of shares plus the effect of dilutive stock options.

(3) Restated earnings per share amounts for the nine months ended September 30, 2001 differ from the sum of the quarterly restated earnings per share amounts. The effect of dilutive stock options were included in the computation of restated earnings per share amounts for the nine month period and were excluded from the restated earnings per share amounts for the third quarter of 2001.

LOCKHEED MARTIN CORPORATION
Earnings (Loss) Per Share
Preliminary and Unaudited

	THREE MONTHS ENDED MARCH 31, 2000		THREE MONTHS ENDED JUNE 30, 2000		THREE MONTHS ENDED SEPTEMBER 30, 2000	
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported	Restated(2)
Earnings (Loss) Per Share from Continuing Operations	$0.14	$0.15	$0.11	$0.11	($1.74)	($1.73)
Discontinued Operations Loss from Operations (1)	-	(0.01)	-	-	-	(0.01)
Earnings (Loss) Per Share Before Extraordinary Item	0.14	0.14	0.11	0.11	(1.74)	(1.74)
Extraordinary Item - Loss on Early Extinguishment of Debt	-	-	-	-	-	-
Earnings (Loss) Per Share	$0.14	$0.14	$0.11	$0.11	($1.74)	($1.74)

(1) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

(2) Restated earnings per share amounts for the year ended December 31, 2000 differ from the sum of the quarterly restated earnings per share amounts. The effect of dilutive stock options were included in the computation of restated earnings per share amounts for the twelve month period and were excluded from the restated earnings per share amounts for the third quarter of 2000.

LOCKHEED MARTIN CORPORATION
Earnings (Loss) Per Share
Preliminary and Unaudited

	THREE MONTHS ENDED DECEMBER 31, 2000		YEAR ENDED DECEMBER 31, 2000	
	Previously Reported	Restated(2)	Previously Reported	Restated(2)
Earnings (Loss) Per Share from Continuing Operations	$0.44	$0.50	($1.05)	($0.95)
Discontinued Operations Loss from Operations (1)	-	(0.06)	-	(0.10)
Earnings (Loss) Per Share Before Extraordinary Item	0.44	0.44	(1.05)	(1.05)
Extraordinary Item - Loss on Early Extinguishment of Debt	(0.23)	(0.23)	(0.24)	(0.24)
Earnings (Loss) Per Share	$0.21	$0.21	($1.29)	($1.29)

(1) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

(2) Restated earnings per share amounts for the year ended December 31, 2000 differ from the sum of the quarterly restated earnings per share amounts. The effect of dilutive stock options were included in the computation of restated earnings per share amounts for the twelve month period and were excluded from the restated earnings per share amounts for the third quarter of 2000.

LOCKHEED MARTIN CORPORATION
Reconciliation of Pro Forma Earnings (Loss) Per Share (1)
Preliminary and Unaudited

	YEAR ENDED DECEMBER 31, 2000		NINE MONTHS ENDED SEPTEMBER 30, 2001	
	Previously Reported	Restated	Previously Reported	Restated
Earnings (Loss) Per Share from Continuing Operations	($1.05)	($0.95)	$1.15	$0.52
Nonrecurring and Unusual Items in Continuing Operations				
Gain on Sale of IMS (2)	-	-	(0.72)	-
Loss on Loral Space Investment	-	-	0.55	0.55
Gain on Sales of Surplus Real Estate	(0.05)	(0.05)	(0.17)	(0.17)
Loss on Americom Asia-Pacific Investment	-	-	0.15	0.15
Net Loss on Divestitures and Other	0.07	0.07	0.01	0.01
Loss on AES Divestiture	2.18	2.18	-	-
Gain on Control Systems Divestiture	(0.45)	(0.45)	-	-
Loss on Globalstar Guarantee	0.23	0.23	-	-
Loss on ACeS Investment	0.19	0.19	-	-
Effect of Reversal of Calcomp Charge	(0.05)	(0.05)	-	-
	2.12	2.12	(0.18)	0.54
Pro Forma Earnings Per Share from Continuing Operations	1.07	1.17	0.97	1.06

Net Operating Loss Per Share from Discontinued Operations (3)	-	(0.10)	-	(0.09)
Pro Forma Earnings Per Share (1)	$1.07	$1.07	$0.97	$0.97

(1) Excludes nonrecurring and unusual items.

(2) For restatement purposes, the gain on the sale of IMS is reported as discontinued operations.

(3) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

LOCKHEED MARTIN CORPORATION
Reconciliation of Pro Forma Earnings (Loss) Per Share (1)
Preliminary and Unaudited

	THREE MONTHS ENDED MARCH 31, 2001		THREE MONTHS ENDED JUNE 30, 2001	
	Previously Reported	Restated	Previously Reported	Restated
Earnings (Loss) Per Share from Continuing Operations	$0.25	$0.30	$0.33	$0.34
Nonrecurring and Unusual Items in Continuing Operations				
Gain on Sale of IMS (2)	-	-	-	-
Loss on Loral Space Investment	-	-	-	-
Gain on Sales of Surplus Real Estate	(0.17)	(0.17)	-	-
Loss on Americom Asia-Pacific Investment	0.15	0.15	-	-
Net Loss on Divestitures and Other	-	-	-	-
	(0.02)	(0.02)	-	-
Pro Forma Earnings Per Share from Continuing Operations	0.23	0.28	0.33	0.34
Net Operating Loss Per Share from Discontinued Operations (3)	-	(0.05)	-	(0.01)
Pro Forma Earnings Per Share (1)	$0.23	$0.23	$0.33	$0.33

(1) Excludes nonrecurring and unusual items.

(2) For restatement purposes, the gain on the sale of IMS is reported as discontinued operations.

(3) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

LOCKHEED MARTIN CORPORATION
Reconciliation of Pro Forma Earnings (Loss) Per Share (1)
Preliminary and Unaudited

	THREE MONTHS ENDED SEPTEMBER 30, 2001		NINE MONTHS ENDED SEPTEMBER 30, 2001	
	Previously Reported	Restated(4)	Previously Reported	Restated(5)

Earnings (Loss) Per Share from Continuing Operations	$0.57	($0.12)	$1.15	$0.52
Nonrecurring and Unusual Items in Continuing Operations				
Gain on Sale of IMS (2)	(0.71)		(0.72)	-
Loss on Loral Space Investment	0.54	0.55	0.55	0.55
Gain on Sales of Surplus Real Estate	-	-	(0.17)	(0.17)
Loss on Americom Asia-Pacific Investment	-	-	0.15	0.15
Net Loss on Divestitures and Other	0.01	0.01	0.01	0.01
	(0.16)	0.56	(0.18)	0.54
Pro Forma Earnings Per Share from Continuing Operations	0.41	0.44	0.97	1.06
Net Operating Loss Per Share from Discontinued Operations (3)	-	(0.02)	-	(0.09)
Pro Forma Earnings Per Share (1)	$0.41	$0.42	$0.97	$0.97

(1) Excludes nonrecurring and unusual items.

(2) For restatement purposes, the gain on the sale of IMS is reported as discontinued operations.

(3) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

(4) Restated earnings per share amounts for the third quarter of 2001 were computed using the average number of shares outstanding due to the restated loss from continuing operations. Previously reported earnings per share amounts were computed using the weighted average number of shares plus the effect of dilutive stock options.

(5) Restated earnings per share amounts for the nine months ended September 30, 2001 differ from the sum of the quarterly restated earnings per share amounts. The effect of dilutive stock options were included in the computation of restated earnings per share amounts for the nine month period and were excluded from the restated earnings per share amounts for the third quarter of 2001.

LOCKHEED MARTIN CORPORATION
Reconciliation of Pro Forma Earnings (Loss) Per Share (1)
Preliminary and Unaudited

	THREE MONTHS ENDED MARCH 31, 2000		THREE MONTHS ENDED JUNE 30, 2000		THREE MONTHS ENDED SEPTEMBER 30, 2000	
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported	Restated(4)
Earnings (Loss) Per Share from Continuing Operations	$0.14	$0.15	$0.11	$0.11	($1.74)	($1.73)
Nonrecurring and Unusual Items in Continuing Operations						
Gain on						

Sales of Surplus Real Estate	(0.03)	(0.03)	-	-	(0.01)	(0.01)
Net Loss on Divesti-tures and Other	0.01	0.01	-	-	0.05	0.05
Loss on AES Divestiture	-	-	-	-	2.42	2.42
Gain on Control Systems Divestiture	-	-	-	-	(0.44)	(0.44)
Loss on Globalstar Guarantee	-	-	0.23	0.23	-	-
Loss on ACeS Investment	-	-	-	-	-	-
Effect of Reversal of Calcomp Charge	-	-	(0.05)	(0.05)	-	-
	(0.02)	(0.02)	0.18	0.18	2.02	2.02
Pro Forma Earnings Per Share from Continuing Operations	0.12	0.13	0.29	0.29	0.28	0.29
Net Operating Loss Per Share from Discontinued Operations (3)	-	(0.01)	-	-	-	(0.01)
Pro Forma Earnings Per Share (1)	$0.12	$0.12	$0.29	$0.29	$0.28	$0.28

(1) Excludes nonrecurring and unusual items.

(2) For restatement purposes, the gain on the sale of IMS is reported as discontinued operations.

(3) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

(4) Due to the impact that the issuance of Lockheed Martin shares in the merger with COMSAT had on the weighted average number of shares outstanding used in computing earnings per share, the earnings per share effects of individual transactions may be different for the third quarter versus the year ended December 31, 2000.

LOCKHEED MARTIN CORPORATION
Reconciliation of Pro Forma Earnings (Loss) Per Share (1)
Preliminary and Unaudited

	THREE MONTHS ENDED DECEMBER 31, 2000		YEAR ENDED DECEMBER 31, 2000	
	Previously Reported	Restated	Previously Reported	Restated(4)
Earnings (Loss) Per Share from Continuing Operations	$0.44	$0.50	($1.05)	($0.95)

Nonrecurring and Unusual Items in Continuing Operations				
Gain on Sales of Surplus Real Estate	(0.01)	(0.01)	(0.05)	(0.05)
Net Loss on Divestitures and Other	0.01	0.01	0.07	0.07
Loss on AES Divestiture	(0.24)	(0.24)	2.18	2.18
Gain on Control Systems Divestiture	-	-	(0.45)	(0.45)
Loss on Globalstar Guarantee	-	-	0.23	0.23
Loss on ACeS Investment	0.18	0.18	0.19	0.19
Effect of Reversal of Calcomp Charge	-	-	(0.05)	(0.05)
	(0.06)	(0.06)	2.12	2.12
Pro Forma Earnings Per Share from Continuing Operations	0.38	0.44	1.07	1.17
Net Operating Loss Per Share from Discontinued Operations (3)	-	(0.06)	-	(0.10)
Pro Forma Earnings Per Share (1)	$0.38	$0.38	$1.07	$1.07

(1) Excludes nonrecurring and unusual items.

(2) For restatement purposes, the gain on the sale of IMS is reported as discontinued operations.

(3) Includes discontinued operations of LMGT (Satellite Services - World Systems, Mobile Communications and Lockheed Martin Intersputnik; and Enterprise Solutions - International) and Lockheed Martin IMS Corporation.

(4) Due to the impact that the issuance of Lockheed Martin shares in the merger with COMSAT had on the weighted average number of shares outstanding used in computing earnings per share, the earnings per share effects of individual transactions may be different for the third quarter versus the year ended December 31, 2000.

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