Lockheed Martin Agrees To Acquire The SYTEX Group, Inc.

Purchase Will Strengthen Company's Fed. IT and Tech. Support Service Offerings

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BETHESDA, Md.

Lockheed Martin Corporation has entered into a definitive agreement to acquire The SYTEX Group, Inc. (TSGI). TSGI, based in Doylestown, Pa., provides information technology solutions and technical support services to the U.S. Department of Defense and other federal agencies. Lockheed Martin has agreed to pay net consideration of $462 million after taking into consideration $13 million of net cash being acquired. The transaction is expected to be immediately accretive to earnings per share.

TSGI, through its three operating divisions, is focused on technology engineering and systems integration; Command & Control, Communications, Computers and Intelligence; information operations/information warfare; network security solutions; security assistance and training; and integrated logistics and business management systems. The acquisition will strengthen Lockheed Martin's capabilities in information technology and technical services and expand its range of federal information technology customers.

Approximately 85 percent of TSGI's current revenue is generated from Department of Defense and intelligence community customers with the remainder predominately from other U.S. government agencies. TSGI revenue was approximately $425 million in 2004, nearly 50% above its 2003 results.

"The acquisition of TSGI is another step forward in value creation through our strategy of disciplined growth and strategic cash deployment," said Bob Stevens, Lockheed Martin's President and Chief Executive Officer. "TSGI's talented employees and expertise in the areas of information technology and technical services will enable Lockheed Martin to provide expanded core capabilities to a wider group of customers."

"This transaction represents a tremendous opportunity for the employees and customers of The SYTEX Group," said Syd Martin, TSGI CEO and founder. "We are a great company, with exceptional employees. TSGI will become an essential part of an expanded Lockheed Martin information technology services capability. Our clients will have access to dramatically expanded capabilities, while our employees will have greater professional opportunities. This is truly a win-win combination."

The transaction is subject to government approvals, including a review under the Hart-Scott-Rodino Antitrust Improvements Act and satisfaction of other closing conditions. It is expected that the transaction will close in early 2005.

Founded in 1988, TSGI employs more than 3000 people in the United States and overseas. Lockheed Martin Information Technology, based in Seabrook, Md., will manage the TSGI business.

Headquartered in Bethesda, Md., Lockheed Martin employs about 130,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. The corporation reported 2004 sales of $35.5 billion.

For additional information, visit our website: http://www.lockheedmartin.com/

LOCKHEED MARTIN SAFE HARBOR STATEMENT: Statements in this press release, including the statements relating to projected future financial performance, are considered forward-looking statements under the federal securities laws. Sometimes these statements will contain words such as "anticipates," "expects," "plans," "projects," "estimates," "outlook," "forecast," "guidance," "assumes," and other similar words. These statements are not guarantees of the Corporation's future performance and are subject to risks, uncertainties and other important factors that could cause the Corporation's actual performance or achievements to be materially different from those the Corporation may project.

The Corporation's actual 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 the Corporation's estimates and assumptions only as of the date that they were made. The Corporation expressly disclaims 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 the occurrence of subsequent events, changed circumstances or changes in the Corporation's

expectations.

In addition to the factors set forth in the Corporation's 2003 Form 10-K and quarterly reports filed on Form 10-Q with the Securities and Exchange Commission (http://www.sec.gov/), the following factors could affect the Corporation's forward-looking statements: 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 in response to terrorist threats or to improve homeland security); the competitive environment; economic business and political conditions domestically and internationally; program performance; the timing and customer acceptance of product deliveries; performance issues with key suppliers and subcontractors; customer and other regulatory reaction to the proposed acquisition and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts). These are only some of the numerous factors that may affect the forward-looking statements contained in this press release.

SOURCE: Lockheed Martin Corporation

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