Lockheed Martin Announces Pricing Terms For Exchange Offer

Lockheed Martin Corporation today announced the pricing terms for Lockheed Martin's new series of 6.15% Notes due 2036 (the "new notes") that Lockheed Martin is offering to exchange, together with a cash payment, for a portion of its outstanding 8.50% Debentures due 2029 (the "2029 notes"), 8 3/8% Senior Debentures due 2024 (as successor in interest to Loral Corporation) (the "2024 notes") and 8 3/8% Senior Debentures due 2023 (as successor in interest to Loral Corporation) (the "2023 notes" and, together with the 2029 notes and the 2024 notes, the "old notes") pursuant to the exchange offer announced on July 31, 2006.

The total exchange price for each $1,000 principal amount of the 2029 notes tendered (and not validly withdrawn) and accepted by Lockheed Martin, using an exchange offer yield of 5.906 percent, will be $1,325.59, consisting of $1,000 principal amount of new notes and $326.41 in cash. The total exchange price for each $1,000 principal amount of the 2024 notes tendered (and not validly withdrawn) and accepted by Lockheed Martin, using an exchange offer yield of 5.906 percent, will be $1,269.48, consisting of $1,000 principal amount of new notes and $270.30 in cash. The total exchange price for each $1,000 principal amount of the 2023 notes tendered (and not validly withdrawn) and accepted by Lockheed Martin, using an exchange offer yield of 5.906 percent, will be $1,256.76, consisting of $1,000 principal amount of new notes and $257.58 in cash. Holders who tendered their old notes after 5:00 p.m., New York City time, on August 11, 2006 (the "early tender date"), will receive, for each $1,000 principal amount of such notes tendered, the applicable total exchange price less the early participation payment of $30.00 as specified in the Offering Memorandum dated July 31, 2006 and the related letter of transmittal. Tendered notes will be subject to the acceptance priority levels set forth in the Offering Memorandum.

The interest rate on the new notes will be 6.15 percent. The yield on the new notes will be 6.156 percent and the issue price of the new notes will be $999.18, which has been determined by reference to the bid-side yield on the designated benchmark security as of the pricing time, which was 5.006 percent. Holders who exchange their 2029 notes, 2024 notes and 2023 notes will also receive accrued interest on the notes to the settlement date, or $21.01, $17.45 and $10.47, respectively, per $1,000 principal amount of the notes exchanged.

The exchange offer is only made, and copies of the offering documents will only be made available, (1) to holders of the old notes who have certified certain matters to Lockheed Martin, including their status as "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933 (the "Securities Act"), or (2) outside the United States, to holders of old notes who are non-U.S. persons in compliance with Regulation S under the Securities Act. The exchange offer is scheduled to expire at 12:00 midnight, New York City time, on August 25, 2006, unless extended. The exchange of the old notes for new notes and cash consideration is currently scheduled to occur on August 30, 2006, or as soon as practicable thereafter.

The new notes have not been registered under the Securities Act or any state securities laws. Therefore, the new notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

This press release is not an offer to sell or a solicitation of an offer to buy any security. The exchange offer is being made solely by the Offering Memorandum and related letter of transmittal and only to such persons and in such jurisdictions as is permitted under applicable law.

SOURCE: Lockheed Martin Corporation

Web site: http://www.lockheedmartin.com/

Company News On-Call: http://www.prnewswire.com/comp/534163.html

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