Lockheed Martin Announces Sale Of Its Interests In International Launch Services And LKEI

Lockheed Martin announced today the proposed sale of its ownership interests in Lockheed Khrunichev Energia International, Inc. (LKEI) and ILS International Launch Services, Inc. (ILS) to Space Transport Inc. Terms of the transaction were not disclosed.

LKEI was formed as a joint venture between Lockheed Martin and two Russian companies, Khrunichev State Research and Production Space Center ("Khrunichev") and S.P. Korolev Rocket and Space Corporation Energia, to sell Proton launch services to commercial customers around the world. LKEI under the brand ILS currently provides sales, marketing and mission management support for launches of both the Lockheed Martin-built Atlas and Khrunichev- built Proton and Angara rockets to commercial customers.

To date, ILS has launched 37 commercial Protons and has a backlog for 11 additional launches.

Following the sale, ILS, which will no longer be affiliated with Lockheed Martin, will continue to market the Krunichev-built Proton and Angara launch vehicles to commercial clients and expects to provide all the same sales, contracting, licensing, mission management and customer support services. Lockheed Martin will retain all rights related to the commercial Atlas vehicle and will continue to offer commercial Atlas launch services through its subsidiary, Lockheed Martin Commercial Launch Services.

Consummation of the proposed transaction remains subject to completion of regulatory review and other closing conditions. Completion of the transaction is expected to occur in the fourth quarter of 2006 and is not expected to have a material effect on Lockheed Martin's ongoing financial condition, results of operations or cash flow.

ILS is based in McLean, Va., a suburb of Washington, D.C., and is expected to continue operations from that location.

Headquartered in Bethesda, Md., Lockheed Martin employs about 135,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The corporation reported 2005 sales of $37.2 billion.

Lockheed Martin Safe Harbor Statement / Forward-Looking Statements:

Some of the statements contained in this press release may be considered "forward-looking statements" under the federal securities laws. Forward- looking statements include, but are not limited to statements regarding the timing and likelihood of closing. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward- looking statements. Potential risks and uncertainties include, but are not limited to, our ability to complete regulatory review, achieve contemplated financial outcomes, and other risks and uncertainties detailed from time to time in Lockheed Martin's filings with the Securities and Exchange Commission. All information in this release is as of September 6, 2006. Lockheed Martin disclaims any duty to update forward-looking statements to reflect subsequent events, actual results or changes in expectations.

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

SOURCE: Lockheed Martin Corporation

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

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

---