

FTC Gives Clearance To United Launch Alliance

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BETHESDA, Md.

Lockheed Martin today confirmed that United Launch Alliance, L.L.C. (ULA), its joint venture with the Boeing Co., had received anti-trust clearance from the Federal Trade Commission (FTC). The clearance is subject to compliance with a consent order that both parties have approved and which upon closing of the transaction will govern certain activities of ULA, Lockheed Martin and Boeing.

ULA would combine the production, engineering, test and launch operations associated with U.S. government launches of Boeing Delta and Lockheed Martin Atlas rockets. The purpose for combining the Atlas and Delta operations is to reduce the cost of meeting the national security and civil expendable launch vehicle needs of the United States. ULA would be structured as a 50-50 joint venture between Boeing and Lockheed Martin.

The action by the FTC will allow Boeing and Lockheed Martin to finalize closing documents and work toward setting a closing date.

Upon closing Michael Gass, vice president and general manager of Lockheed Martin Space Transportation, will become ULA president and CEO. Dan Collins, vice president of Boeing Expendable Launch Systems, will serve as chief operating officer. These leaders will report to a six-member board of directors, each company appointing three directors.

ULA headquarters will be in Denver with most engineering and administrative activities consolidated at Lockheed Martin's Space Systems Company facilities. Major assembly and integration operations will be located primarily at Boeing's manufacturing and assembly facility in Decatur, Ala. As part of the joint venture, the companies' launch facilities at Cape Canaveral Air Force Station in Florida and Vandenberg Air Force Base in California will provide flexibility for meeting launch requirements on East and West coasts.

ULA is expected to have about 3800 employees at sites in Colorado, Alabama, Florida, California and Texas.

Following the closing of ULA, Boeing and Lockheed Martin have agreed to dismiss all civil litigation against each other related to a previous competition for launches under the Air Force EELV program.

Headquartered in Bethesda, Md., Lockheed Martin employs about 140,000 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 expectation of closing of the transaction; the expected costs savings arising out of the transaction; the ability to quantify and demonstrate cost savings; uncertainties involved in advanced technological products and services; and future performance, reliability and mission assurance. These forward-looking statements are subject to a number of 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: completion of closing documentation, the risk that the cost savings arising out of the transaction may be less than anticipated; continued funding and customer demand for expendable launch vehicles, the complexities of successfully integrating two workforces; the difficulty in retaining critical skill employees and other risks and uncertainties detailed from time to time in each company's filings with the Securities and Exchange Commission. All information in this release is as of October 3, 2006. Lockheed Martin disclaims any duty to update forward-looking statements to reflect subsequent events, actual results or changes in expectations.

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