

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MAY 10, 1996

\$1,500,000,000

LOCKHEED MARTIN CORPORATION

\$500,000,000 6.625% Notes Due 1998
\$550,000,000 7.45% Notes Due 2004
\$450,000,000 7.70% Notes Due 2008

GUARANTEED BY
LOCKHEED MARTIN TACTICAL SYSTEMS, INC.
Interest payable June 15 and December 15

The 6.625% Notes Due 1998, 7.45% Notes due 2004, and 7.70% Notes Due 2008 are herein referred to as the "Offered Debt Securities." The payment of the principal of and interest on the Offered Debt Securities will be fully and unconditionally guaranteed by Lockheed Martin Tactical Systems, Inc. ("Tactical Systems" or the "Guarantor"), a wholly owned subsidiary of the Corporation. The guarantees of Tactical Systems in respect of the Offered Debt Securities are herein referred to as the "Guarantees." The Offered Debt Securities are not redeemable prior to maturity. See "Description of Offered Debt Securities."

The Offered Debt Securities will be represented by one or more Global Securities registered in the name of the nominee of The Depository Trust Company ("DTC"). Interests in the Global Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Except as provided herein, Offered Debt Securities in definitive form will not be issued. The Offered Debt Securities will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity for the Offered Debt Securities will therefore settle in immediately available funds.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds to Corporation(1)(2)
Per 6.625% Note Due 1998.....	99.987%	.325%	99.662%
Per 7.45% Note Due 2004.....	99.818%	.625%	99.193%
Per 7.70% Note Due 2008.....	99.972%	.675%	99.297%
Total.....	\$1,498,808,000	\$8,100,000	\$1,490,708,000

(1) Plus accrued interest from June 15, 1996.
(2) Before deduction of expenses payable by the Corporation estimated at \$1,100,000.

The Offered Debt Securities are offered by the several Underwriters when, as and if issued by the Corporation, delivered to and accepted by the Underwriters and subject to their right to reject orders in whole or in part. It is expected that the delivery of the Offered Debt Securities, in book-entry form, will be made through the facilities of DTC on or about June 26, 1996, against payment in immediately available funds.

Merrill Lynch & Co.

Morgan Stanley & Co.
Incorporated

The date of this Prospectus Supplement is June 21, 1996.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OFFERED DEBT SECURITIES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE CORPORATION

The following summary of the business of the Corporation is qualified in its entirety by and should be read together with the more detailed information and financial statements included or incorporated by reference in this Prospectus Supplement and the Prospectus.

The Corporation, which was incorporated in Maryland on August 29, 1994, to effect the combination of the businesses of Martin Marietta Corporation and Lockheed Corporation, is a diversified enterprise principally engaged in the conception, research, development, design, manufacture and integration of advanced technology products and services. The Corporation conducts its principal business through six major operating sectors: Space & Strategic Missiles; Aeronautics; Information & Technology Services; Electronics; Energy & Environment; and Tactical Systems. The Tactical Systems Sector consists of the defense electronics and systems integration businesses of the former Loral Corporation recently acquired by the Corporation (the "Loral Transaction"). See "Recent Developments--Loral Transaction." Those businesses currently are being conducted through Tactical Systems, a wholly owned subsidiary of the Corporation.

The Corporation, a Maryland corporation, and Tactical Systems, a New York corporation, maintain their principal executive offices at 6801 Rockledge Drive, Bethesda, Maryland 20817 (telephone number (301) 897-6000).

RECENT DEVELOPMENTS

LORAL TRANSACTION

On January 7, 1996, the Corporation and its wholly-owned subsidiary, LAC Acquisition Corporation ("LAC"), entered into an Agreement and Plan of Merger (the "Loral Merger Agreement") with Loral Corporation ("Loral") pursuant to which LAC agreed to commence a tender offer to purchase all the issued and outstanding shares of common stock of Loral (together with the associated preferred stock purchase rights) for an aggregate consideration of \$38 per share, net to the Seller in cash, without interest (the "Tender Offer"). The Tender Offer was made as part of a series of transactions that resulted in (i) the distribution, to stockholders of Loral immediately prior to the consummation of the Tender Offer, of shares of capital stock in Loral Space & Communications, Ltd. ("Loral SpaceCom"), a newly-formed Bermuda company, which now owns and manages substantially all of Loral's former space and satellite telecommunications interests, including Loral's direct and indirect interests in Globalstar, L.P. and Space Systems/Loral, Inc. and certain other assets of Loral, and (ii) the acquisition by the Corporation of Loral's defense electronics and systems integration businesses.

In accordance with the terms of the Tender Offer and the Loral Merger Agreement, on April 23, 1996, LAC purchased approximately 94.5% of the outstanding shares of common stock of Loral. On April 29, 1996, in accordance with the terms of the Loral Merger Agreement, LAC merged with and into Loral and pursuant thereto each remaining share of common stock of Loral not owned by LAC was converted into the right to receive \$38, each outstanding share of common stock of LAC was converted into shares of common stock of Loral, and Loral changed its name to Lockheed Martin Tactical Systems, Inc. As a result of these transactions, Tactical Systems became a wholly owned subsidiary of the Corporation.

In connection with the transactions contemplated by the Loral Merger Agreement and the related agreements between the Corporation and Loral, the Corporation acquired shares of preferred stock of Loral SpaceCom that are convertible into 20% of Loral SpaceCom's common stock on a fully diluted basis. The Corporation's ownership of the preferred stock of Loral SpaceCom is subject to certain limitations and restrictions set forth in the terms and conditions of the preferred stock and in agreements between the Corporation and Loral SpaceCom.

On April 18, 1996, in connection with the early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act by the United States Federal Trade Commission (the "FTC"), the Corporation entered into an agreement containing consent order (the "Consent Agreement") with the FTC. The Consent Agreement obligates the Corporation to enter into a proposed consent order (the "Consent Order"), subject to a 60-day public notice and comment period and final approval of the Consent Order by the FTC. Under the Consent Agreement, the terms of the proposed Consent Order are applicable to the Corporation during the 60-day public review period and until the final Consent Order is entered or withdrawn. The terms of the proposed Consent Order provide for the Corporation to divest its systems engineering and technical services contract with the Federal Aviation Administration; prohibit the Corporation from providing certain technical services or information to Space Systems/Loral, a subsidiary of Loral SpaceCom; restrict participation and compensation of persons who serve as directors or officers of both the Corporation and Loral SpaceCom; limit the Corporation's ownership of Loral SpaceCom; and require "firewalls" to limit information flow about competitors' military aircraft and unmanned aerial vehicles.

In connection with the consummation of the Tender Offer and the transactions contemplated by the Loral Merger Agreement, the Corporation entered into revolving credit facilities (the "Credit Facilities") with a syndicate of commercial banks that provide for loans in an aggregate amount of up to \$10 billion. The Credit Facilities consist of a 364-day unsecured revolving credit facility in the amount of \$5 billion and a 5-year unsecured revolving credit facility in the amount of \$5 billion. The funds for the consummation of the Tender Offer and the transactions contemplated by the Loral Merger Agreement were provided through the issuance of commercial paper and through borrowings under the Credit Facilities. Management of the Corporation is in the process of evaluating potential near-term actions that may permit the Corporation to reduce its long-term debt, including but not limited to the disposition of non-core businesses and surplus properties.

RECENT FINANCING

On May 21, 1996, the Corporation completed an offering (the "Recent Financing") of \$3,500,000,000 aggregate principal amount of debt securities consisting of \$500,000,000 of 6.55% Notes Due 1999, \$750,000,000 of 6.85% Notes Due 2001, \$750,000,000 of 7.25% Notes Due 2006, \$600,000,000 of 7.65% Debentures Due 2016, \$600,000,000 of 7.75% Debentures Due 2026, and \$300,000,000 of 7.20% Debentures Due 2036 (collectively, the "Previously Offered Securities"). The Previously Offered Securities are unsecured obligations of the Corporation, and will rank pari passu with the Offered Debt Securities. The payment of the principal of and interest on the Previously Offered Securities is fully and unconditionally guaranteed by Tactical Systems. The guarantees of Tactical Systems in respect of the Previously Offered Securities are unsecured obligations of Tactical Systems. The net proceeds from the sale of the Previously Offered Securities were used to repay indebtedness incurred in connection with the consummation of the Loral Transaction, for the working capital requirements of the Corporation and its subsidiaries, and for general corporate purposes.

INTERNAL REORGANIZATION

On January 28, 1996, the Corporation consummated an internal reorganization pursuant to which its wholly-owned subsidiaries, Martin Marietta Technologies, Inc., Martin Marietta Corporation, Lockheed Sanders Corporation, Lockheed Missiles and Space Company, Inc. and Lockheed Corporation, were merged in a series of transactions into the Corporation. As a result, the businesses previously conducted by those former subsidiaries and the Corporation now are conducted by the Corporation.

USE OF PROCEEDS

The net proceeds from the sale of the Offered Debt Securities, estimated to be \$1,492,930,917 (with accrued interest and after estimated expenses), will be used to repay indebtedness incurred in connection with the consummation of the Loral Transaction, for the working capital requirements of the Corporation and its subsidiaries, and for general corporate purposes. The indebtedness to be repaid represents a portion of the indebtedness incurred upon the issuance of commercial paper, which currently bear interest at a weighted average rate of 5.59% per annum with a weighted average maturity of 22 days.

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation (i) as of March 31, 1996, (ii) as adjusted to reflect the consummation of the Loral Transaction and the Recent Financing on a pro forma basis, and (iii) as further adjusted to reflect on a pro forma basis the issuance of the Offered Debt Securities and the application of the estimated proceeds therefrom to repay a portion of the indebtedness incurred in connection with the Loral Transaction.

	AS OF MARCH 31, 1996		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED
	(IN MILLIONS)		
Short-term debt and current maturities of long-term debt.....	\$ 598	\$ 1,230	\$ 1,230
Long-term debt:			
6.625% Notes Due 1998.....	--	--	500
7.45% Notes Due 2004.....	--	--	550
7.70% Notes Due 2008.....	--	--	450
Other.....	3,003	11,860(a)	10,360(a)
Total long-term debt.....	3,003	11,860	11,860
Stockholders' equity:			
Series A preferred stock.....	1,000	1,000	1,000
Common stock.....	199	199	199
Additional paid-in capital.....	711	711	711
Retained earnings.....	5,025	5,025	5,025
Unearned ESOP shares.....	(279)	(279)	(279)
Total stockholders' equity.....	6,656	6,656	6,656
Total capitalization.....	\$10,257	\$ 19,746	\$19,746

(a) Includes debt securities issued in the Recent Financing and commercial paper classified as long-term debt.

RATIO OF EARNINGS TO FIXED CHARGES

For the three months ended March 31, 1996, the unaudited ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends of the Corporation were 6.0 and 4.7, respectively. On a pro forma basis, assuming the transactions contemplated by the Loral Merger Agreement had occurred on January 1, 1996, the unaudited ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for the three months ended March 31, 1996, would have been 2.7 and 2.5, respectively.

For purposes of computing the ratio of earnings to fixed charges, earnings represent earnings from continuing operations before income taxes plus interest expense on indebtedness, amortization of debt discount and premium, and the portion of rent expense deemed representative of an interest factor, less undistributed earnings of unconsolidated subsidiaries. Fixed charges include interest on indebtedness (whether expensed or capitalized), amortization of debt discount and premium, and the portion of rent expense deemed representative of an interest factor. Combined fixed charges and preferred stock dividends include fixed charges as described above and preferred stock dividends on a pretax basis.

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined condensed financial statements have been prepared by the Corporation's management from the historical consolidated financial statements of the Corporation and of Tactical Systems (formerly Loral Corporation and Subsidiaries--Retained Business). The unaudited pro forma combined condensed statement of earnings reflects adjustments as if the Loral Transaction had occurred on January 1, 1995. The unaudited pro forma combined condensed balance sheet reflects adjustments as if the Loral Transaction had occurred on December 31, 1995. See "--Note 1--Basis of Presentation." The unaudited pro forma adjustments described in the accompanying notes are based upon preliminary estimates and certain assumptions that management of the Corporation believes are reasonable in the circumstances.

The unaudited pro forma combined condensed financial statements are not necessarily indicative of financial position or results of operations that would have resulted if the Loral Transaction had occurred on the applicable dates indicated above. Moreover, they are not intended to be indicative of future results of operations or financial position. The unaudited pro forma combined condensed financial statements should be read in conjunction with the historical consolidated financial statements of the Corporation and related notes thereto, and the historical financial statements of Tactical Systems and related notes thereto, both of which are incorporated by reference in the Prospectus.

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1995

	LOCKHEED MARTIN	TACTICAL SYSTEMS	RECLASS- IFICATIONS	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
(IN MILLIONS, EXCEPT PER SHARE DATA)					
Net sales.....	\$22,853	\$6,179	\$--	\$(173)(e)	\$28,859
Cost and expenses					
Cost of sales.....	20,881	5,494	30	(173)(e) 169 (f)	26,401
Merger related and consolidation expenses..	690	--	--	--	690
Earnings from operations...	1,282	685	(30)	(169)	1,768
Other income and expenses, net.....	95	12	--	--	107
Interest expense.....	1,377 288	697 118	(30) --	(169) 482 (g)	1,875 888
Earnings before income taxes.....	1,089	579	(30)	(651)	987
Income tax expense.....	407	220	(30)	(178)(h)	419
Net earnings.....	\$ 682	\$ 359	\$--	\$(473)	\$ 568
Earnings per common share:					
Assuming no dilution.....	\$ 3.28	N/A			\$ 2.69
Assuming full dilution...	\$ 3.05	N/A			\$ 2.55

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET

AS OF DECEMBER 31, 1995

	LOCKHEED MARTIN	TACTICAL SYSTEMS	RECLASSIFICATIONS	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
(IN MILLIONS)					
ASSETS					
Current assets:					
Cash and cash equivalents.....	\$ 653	\$ 227	\$ --	\$ --	\$ 880
Receivables.....	3,876	--	1,053	--	4,929
Inventories.....	2,804	--	445	--	3,249
Contracts in process..	--	1,376	(1,376)	--	--
Other current assets..	844	296	(122)	--	1,018
Total current assets.....	8,177	1,899	--	--	10,076
Property, plant and equipment.....	3,165	1,287	--	--	4,452
Intangible assets related to contracts and programs acquired..	1,808	--	--	700 (b)	2,508
Cost in excess of net assets acquired.....	2,817	1,774	--	5,725 (b)	10,316
Other assets.....	1,681	621	158	467 (b)(c)	2,927
	<u>\$17,648</u>	<u>\$5,581</u>	<u>\$ 158</u>	<u>\$ 6,892</u>	<u>\$30,279</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Customer advances and amounts in excess of costs incurred.....	\$ 1,570	\$ 446	\$ --	\$ --	\$ 2,016
Debt (short-term and current maturities)..	722	1	--	621 (d)	1,344
Other current liabilities.....	2,999	750	--	830 (b)	4,579
Total current liabilities.....	5,291	1,197	--	1,451	7,939
Long-term debt.....	3,010	1,869	--	7,000 (d)	11,879
Post-retirement benefit liabilities.....	1,778	603	165	(107)(b)	2,439
Other liabilities.....	1,136	196	(7)	264 (b)	1,589
Stockholders' equity					
Series A preferred stock.....	1,000	--	--	--	1,000
Common stock.....	199	--	--	--	199
Additional paid-in-capital.....	683	--	--	--	683
Retained earnings.....	4,838	--	--	--	4,838
Unearned ESOP shares..	(287)	--	--	--	(287)
Net assets.....	--	1,716	--	(1,716)(b)	--
Total stockholders' equity.....	6,433	1,716	--	(1,716)	6,433
	<u>\$17,648</u>	<u>\$5,581</u>	<u>\$ 158</u>	<u>\$ 6,892</u>	<u>\$30,279</u>

See accompanying notes to unaudited pro forma combined condensed financial statements.

NOTES TO UNAUDITED PRO FORMA

COMBINED CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma combined condensed statement of earnings presents the historical results of operations of the Corporation and Tactical Systems for the year ended December 31, 1995, with pro forma adjustments as if the Loral Transaction had occurred on January 1, 1995. The unaudited pro forma combined condensed balance sheet presents the historical balance sheets of the Corporation and Tactical Systems as of December 31, 1995, with pro forma adjustments as if the Loral Transaction had been consummated as of December 31, 1995, in a transaction accounted for as a purchase in accordance with generally accepted accounting principles.

Certain reclassifications have been made to the historical financial statements of the Corporation and Tactical Systems to conform to the unaudited pro forma combined condensed financial statement presentation.

2. PRO FORMA ADJUSTMENTS

The following adjustments are provided to reflect the Loral Transaction on a pro forma basis (in millions):

- (a) To record the consideration assumed to be exchanged for Tactical Systems (financed by the issuance of debt):

Obligation for all of the Loral common shares.....	\$6,884
Estimated transaction costs.....	125

	\$7,009
	=====

- (b) To adjust the assets and liabilities of Tactical Systems to their estimated fair values (such estimated fair values are subject to possible adjustment from future valuation analyses):

Net assets of Tactical Systems at December 31, 1995.....	\$1,716
Fair value adjustments:	
Intangible assets related to contracts and programs acquired.....	700
Prepaid pension assets.....	(145)
Other current liabilities.....	(830)
Post-retirement benefit liabilities.....	107
Deferred income tax liabilities.....	(264)
Cost in excess of net assets acquired.....	5,725

	\$7,009
	=====

- (c) To record the Corporation's \$612 million investment in Loral SpaceCom financed by the issuance of debt.

- (d) To record the assumed issuance of debt to finance the Loral Transaction:

Long-term debt obligations.....	\$7,000
Short-term debt obligations.....	621

	\$7,621
	=====

- (e) To eliminate intercompany sales and cost of sales. No adjustments have been made to eliminate the related intercompany profit in ending inventories and the net intercompany receivables and payables at December 31, 1995 as such amounts are not material.

- (f) To record the amortization of estimated intangible assets related to contracts and programs acquired (over an estimated life of 12 years) and estimated cost in excess of net assets acquired (over an estimated life of 40 years), net of the state income tax benefit on the net pro forma adjustments.
- (g) To record estimated interest expense (at a blended interest rate approximating 6.3%) resulting from the assumed issuance of debt obligations.
- (h) To record the federal income tax effect, using a 35% statutory rate, on the net pro forma adjustments.

The accompanying unaudited pro forma combined condensed financial statements do not include the effects of any estimated transition or restructuring costs which may be incurred in connection with integrating the operations of Tactical Systems into the Corporation. It is not feasible at this time to estimate these costs. Similarly, no effects for changes in costs related to Tactical Systems employee pension and post-retirement benefits have been included as such changes cannot be estimated at this time.

The unaudited pro forma combined condensed statement of earnings does not reflect any net cost savings or economies of scale that management believes would have been achieved had the Loral Transaction occurred on January 1, 1995.

3. COMPUTATION OF PRO FORMA EARNINGS PER SHARE

(In millions, except per share data)

FOR THE YEAR ENDED
DECEMBER 31, 1995

Assuming No Dilution	
Net earnings.....	\$ 568
Less preferred stock dividends.....	60

Net earnings attributable to common stock.....	\$ 508
	=====
Weighted average number of common shares outstanding.....	189
	=====
	\$2.69
	=====
Assuming Full Dilution	
Net earnings.....	\$ 568
	=====
Weighted average number of common shares outstanding.....	189
Assumed conversion of Series A Preferred Stock.....	29
Dilutive effect of stock options (Treasury stock method).....	5

	223
	=====
	\$2.55
	=====

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Lockheed Martin Corporation

The selected historical financial information as of and for the years ended December 31, 1995, 1994 and 1993 presented below has been derived from the Corporation's audited consolidated financial statements incorporated by reference in the Prospectus. The selected historical financial information as of and for the three months ended March 31, 1996 and 1995 has been derived from the Corporation's unaudited financial statements incorporated by reference in the Prospectus and, in the opinion of the Corporation's management, includes all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of its financial position, results of operations and cash flows. The information is qualified in its entirety by, and should be read in conjunction with, those consolidated financial statements and related footnotes thereto.

THREE MONTHS ENDED		YEAR ENDED DECEMBER 31,		
MARCH 31,				
1996	1995	1995	1994	1993

(IN MILLIONS, EXCEPT
PER SHARE AMOUNTS)

INCOME STATEMENT DATA:

Net sales					
Space & Strategic Missiles.....	\$ 1,670	\$ 1,852	\$ 7,521	\$ 6,719	\$ 7,293
Aeronautics.....	1,299	1,768	6,617	7,091	6,601
Information & Technology Services.....	1,093	1,035	4,528	4,271	3,712
Electronics.....	867	810	3,294	4,055	4,092
Energy, Materials and Other (a).....	180	179	893	770	699
Total.....	\$ 5,109	\$ 5,644	\$22,853	\$22,906	\$22,397

Operating profit					
Space & Strategic Missiles.....	\$ 226	\$ 181	\$ 431	\$ 476	\$ 507
Aeronautics.....	108	140	394	511	479
Information & Technology Services.....	51	47	269	228	145
Electronics.....	94	89	261	456	331
Energy, Materials and Other (a).....	23	(145)	22	308	122
Total.....	\$ 502	\$ 312	\$ 1,377	\$ 1,979	\$ 1,584

Net earnings.....	\$ 272	\$ 137	\$ 682	\$ 1,018	\$ 829
Earnings per common share, assuming full dilution.....	\$ 1.22	\$.62	\$ 3.05	\$ 4.66	\$ 3.75

CASH FLOW DATA:

Depreciation and amortization....	\$ 214	\$ 222	\$ 921	\$ 937	\$ 936
Expenditures for property, plant and equipment.....	123	127	531	509	536
Dividends on common and preferred stock.....	85	70	314	274	260

AS OF		AS OF	
MARCH 31,			
1996	1995	DECEMBER 31,	
		1995	1994

(IN MILLIONS)

BALANCE SHEET DATA:

Cash and cash equivalents.....	\$ 156	\$ 653	\$ 639
Total assets.....	17,682	17,648	18,049
Total debt.....	3,601	3,732	3,879
Stockholders' equity.....	6,656	6,433	6,086

(a) Includes Energy and Environment Sector, Materials and businesses not

included in the other business segments.

Lockheed Martin Tactical Systems, Inc.

The selected financial information as of and for the fiscal years ended March 31, 1996, 1995 and 1994 presented below has been derived from Tactical Systems' audited consolidated financial statements incorporated by reference in the Prospectus. The information is qualified in its entirety by, and should be read in conjunction with, those consolidated financial statements and related footnotes thereto.

YEAR ENDED
MARCH 31,

1996 1995 1994

(IN MILLIONS)

INCOME STATEMENT DATA:

Sales.....	\$6,123	\$5,484	\$4,009
Operating income.....	737	565	401
Net income.....	384	296	232

CASH FLOW DATA:

Depreciation and amortization.....	\$ 267	\$ 250	\$ 178
Capital expenditures.....	117	123	103

AS OF
MARCH 31,

1996 1995

(IN MILLIONS)

BALANCE SHEET DATA:

Cash and cash equivalents.....	\$ 277	\$ 126
Total assets.....	5,983	4,558
Total debt.....	1,868	1,316
Net assets.....	1,769	1,435

BUSINESS OF THE CORPORATION

The Corporation is a diversified enterprise principally engaged in the conception, research, development, design, manufacture and integration of advanced technology products and services. Prior to the consummation of the Loral Transaction, the Corporation conducted its principal business through five major operating sectors: Space & Strategic Missiles; Aeronautics; Information & Technology Services; Electronics; and Energy & Environment.

Space & Strategic Missiles Sector

The Space & Strategic Missiles Sector's activities include the design, development, engineering and production of civil, commercial and military space systems, including spacecraft, space launch vehicles and supporting ground systems and services; satellites; strategic fleet ballistic missiles; tactical missile systems electronics and instrumentation; remote sensing technology; space- and ground-based strategic systems; and surface- and space-based information and communications systems.

Major programs of the Space & Strategic Missiles Sector include the Titan IV expendable launch vehicle, the Trident II submarine launched fleet ballistic missile, the Atlas expendable launch vehicle and the production of various government and commercial satellites including environmental monitoring satellites, military and civilian communications satellites and the THAAD ground-based theater air defense system. Through the Space & Strategic Missiles Sector, the Corporation is also involved in a partnership with Russian aerospace firms with world-wide rights to Russia's Proton rocket. The Space & Strategic Missiles Sector is also engaged in a substantial amount of classified activities.

Aeronautics Sector

The Aeronautics Sector is involved in the design, development, engineering and production of fighter, bomber, special mission, airlift, antisubmarine warfare, reconnaissance and surveillance and high performance aircraft; systems for military operations; aircraft controls and subsystems; thrust reversers and shipboard vertical launching systems; and aircraft modification and maintenance and logistics for military and civilian customers.

The Corporation is the prime contractor on the F-16 "Fighting Falcon" fighter aircraft and on the Air Force's F-22 air superiority fighter program and produces the C-130 series military airlift aircraft. The Corporation is also involved in upgrading aircraft, including the U-2 and SR-71 reconnaissance aircraft, the F-117 fighter bomber and the C130J military airlift aircraft, and designs, produces and supports missile launching systems such as the Vertical Launching System for the U.S. Navy and international customers. Activity in the commercial aircraft business continues in the areas of maintenance and modifications through the Corporation's Aircraft Services Company and production of thrust reversers for commercial jet engines. Through the Skunk Works, the Aeronautics Sector performs a substantial amount of classified work.

Information & Technology Services Sector

The Information & Technology Services Sector is involved in the development and operation of large, complex information systems; designing, manufacturing and marketing computer graphics products; developing and manufacturing high capacity data storage products; electronics manufacturing services; and providing advanced transportation systems and services, and payload integration, astronaut training and flight operations support.

The Corporation's CalComp, Access Graphics and MountainGate businesses are involved in commercial markets for computer graphics, hardware distribution and data storage devices. The Corporation's Commercial Electronics Company provides electronics contract manufacturing services for companies in the computer, telecommunications and medical instruments industries and also is a leading provider of electronic toll collection services and office automation services. The Corporation also performs processing services for NASA's space

shuttle program and produces the Space Shuttle's external tank, provides engineering and test analysis services to NASA and operates the Knolls Atomic Power Laboratory, a government-owned research and development facility of the U.S. Naval Nuclear Propulsion Program.

Electronics Sector

The Electronics Sector's activities primarily relate to the design, development, engineering and production of high performance electronic systems for undersea, shipboard, land-based and airborne applications. Major product lines include advanced technology missiles, night navigation and targeting systems for aircraft; submarine and surface ship combat systems; airborne, ship and land-based radar; radio frequency, infrared, and electro-optical countermeasure systems; surveillance systems; control systems; ordnance; and aircraft component manufacturing and assembly.

The Corporation is the prime contractor for the U.S. Navy's AEGIS fleet air defense system and the primary contractor for the AN/BSY-2 submarine combat system for the Seawolf attack submarine. The Electronics Sector also produces the Target Acquisition Designation Sight/Pilot Night Vision Sensor (TADS/PNVS), the Hellfire II antitank missile and the Trident II Submarine Program's fire control and guidance systems.

Energy & Environment Sector

The Energy & Environment Sector is responsible for the Corporation's energy and environmental businesses, including the management of various U.S. Department of Energy (DoE) activities. The Corporation is the largest management and operations contractor within the DoE's system of laboratories and other facilities and manages, among other facilities, the Sandia National Laboratories, the Idaho National Engineering Laboratory and the Oak Ridge National Laboratory.

Other

On February 24, 1994, an initial public offering of the common stock of Martin Marietta Materials, Inc. ("Materials") was consummated and 8,797,500 shares of common stock (representing approximately 19% of the shares outstanding) were sold. Materials carries on its operations through two divisions, Aggregates and Magnesia Specialties. The Aggregates division is the United States' second largest producer of aggregates for the construction of highways and other infrastructure projects and for the commercial and residential construction industries. Through its Magnesia Specialties Division, Materials manufactures and markets magnesia-based products, including refractory products for the steel industry and chemical products for industrial, environmental and agricultural uses.

In addition to the above activities, the Corporation also has real estate subsidiaries in Florida and Maryland, operates research laboratories and carries on other miscellaneous activities.

The Corporation's total negotiated backlog at December 31, 1995, was \$41.1 billion, which included both unfilled firm orders for the Corporation's products for which funding has been both authorized and appropriated by the customer (Congress, in the case of the United States Government customers) and firm orders for which funding has not been appropriated. The following table shows total backlog by business segment at the end of each of the last three years:

	DECEMBER 31,		
	1995	1994	1993
	(IN MILLIONS)		
Space & Strategic Missiles.....	\$16,261	\$15,920	\$14,052
Aeronautics.....	14,775	16,146	19,822
Information & Technology Services.....	4,669	4,855	5,526
Electronics.....	5,412	5,238	6,087
Energy, Materials and Other(a).....	8	73	23
	\$41,125	\$42,232	\$45,510
	=====	=====	=====

(a)Includes Energy and Environment Sector, Materials and businesses not included in the other business segments.

The Corporation is engaged in a number of classified programs that cannot be referred to specifically, but are included in its consolidated financial statements. The nature of and business risks associated with classified programs do not differ materially from those of the Corporation's other government programs and products.

Approximately 69% of the Corporation's sales in 1995, excluding foreign military sales, were to the United States government. During that period, sales to foreign governments, including sales made through the United States government, accounted for approximately 13% of revenues and sales to commercial customers accounted for approximately 18% of revenues.

BUSINESS OF TACTICAL SYSTEMS

The businesses acquired by the Corporation in connection with the consummation of the transactions contemplated by the Loral Merger Agreement now constitute the sixth operating sector of the Corporation, Tactical Systems. Tactical Systems' business consists primarily of electronic combat; command, control, communications and intelligence ("C/3/I") and reconnaissance; training and simulation; tactical weapons; systems integration; and space businesses. Tactical Systems supplies electronic systems, components and services to the United States Government and foreign governments for defense and non-defense applications.

Electronic Combat Business

The Electronic Combat business produces the ALR/ALQ family of radar warning receivers; electronic countermeasures (radar jamming) equipment; forward looking radar; missile defense systems; and provides systems integration for the Merlin and LAMPS helicopters. These products have applications in major defense systems for primary tactical aircraft, and provide force multiplying protection, countermeasure and precision targeting/tracking equipment required for smaller military force size and upgrades. In general, the systems produced by the Electronic Combat business protect United States and allied aircraft and provide anti-submarine and anti-surface warfare, airborne early warning and electronic support measure capabilities.

Command, Control, Communications and Intelligence and Reconnaissance Business

The C/3/I and Reconnaissance business offers systems integration, operations management and engineering services, post deployment systems support, military satellite communication terminals, information processing and display hardware, information management software, and secured tactical communications instruments to

address a broad spectrum of strategic and tactical C/3/I requirements. The services and products provided by the C/3/I and Reconnaissance business include engineering support, systems integration, and operations/maintenance for the United States Air Force satellite control network; software and hardware support for the Air Force's global positioning system; aircraft displays; and synthetic aperture radar systems. These products and services have application in the areas of communications and force control equipment allowing command centers to monitor and process real-time troop movement and improving effectiveness and reducing casualties of reduced military forces.

Training and Simulation Business

The Training and Simulation business provides simulated, realistic battlefield synthetic environments that assist air, land and sea military forces in order to achieve and maintain combat readiness and to aid in the establishment and validation of military requirements for new systems and their upgrades. The Training and Simulation business produces weapons systems simulators and distributed interactive simulators, including force-to-force combat training systems, full-fidelity cockpit and weapons systems trainers, laser guided training missiles, and support services for weapons platforms. These products have applications in maintaining and improving the readiness and effectiveness of smaller military forces, and improving the abilities of allied military forces through cost-efficient computer simulation. The operational flight and weapons systems trainers produced by Tactical Systems simulate the United States Navy's F-15 and F-15E jet aircraft avionics under combat conditions.

Tactical Weapons Business

The Tactical Weapons business produces a variety of weaponry products, such as the Multiple-Launch Rocket System (MLRS) for the United States Army and allied forces; the Army Tactical Missile System (ATACMS), and the Patriot Advanced Capability Missile (PACIII) formerly known as the Extended Range Interceptor (ERINT). These products and systems provide essential troop and firepower support capabilities and precision extended-strike capabilities with smart weapons. The Tactical Weapons business also offers guidance programs, including the Digital Scene Matching Area Correlation (DSMAC) System and produces the Sidewinder air-to-air missile, the AIM-9M and the AIM-9P.

Systems Integration Business

The Systems Integration business focuses on integrating complex hardware and software systems for the United States Department of Defense, as well as a broad range of federal and foreign government organizations, including the Federal Aviation Administration, the United States Department of Commerce, the United States Department of Justice, the Internal Revenue Service, the United States Postal Service and the United Kingdom's Civil Aviation Authority.

The Systems Integration business also includes network and data base systems for the NEXRAD weather-detection system for the National Oceanic and Atmospheric Administration, which is being designed to make critical Doppler radar data continuously available throughout the United States. This business also produces a medical diagnostic imaging system, involving the implementation of high-volume data storage and retrieval technologies into the medical marketplace for the Department of Defense, Veterans Administration, university medical centers or other private health care facilities.

Space Business

The Space business provides engineering services supporting mission control systems for NASA's manned and unmanned space flight, and develops and produces computers, scientific instruments, sensors, cameras and power systems for spacecraft. The Space business also performs Safety Reliability and Quality Assurance testing for NASA's Space Shuttle and International Space Station programs, and is involved in designing, developing and integrating various other space systems.

Other

Tactical Systems also is engaged in a number of classified programs that cannot be referred to specifically, but are included in its consolidated financial statements. The nature of and business risks associated with classified programs do not differ materially from those of Tactical Systems' other government programs and products.

DESCRIPTION OF OFFERED DEBT SECURITIES

The following description of the particular terms of the Offered Debt Securities supplements and, to the extent inconsistent therewith, supersedes, insofar as such description relates to the Offered Debt Securities, the description of the Debt Securities set forth in the Prospectus, to which description reference is hereby made. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Prospectus or the Indenture.

The Offered Debt Securities are unsecured and unsubordinated obligations of the Corporation and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Corporation. The Guarantees are unsecured and unsubordinated obligations of Tactical Systems and will rank pari passu with all other unsecured and unsubordinated indebtedness of Tactical Systems. The 6.625% Notes Due 1998, the 7.45% Notes Due 2004 and the 7.70% Notes Due 2008 will mature on June 15, 1998, June 15, 2004 and June 15, 2008, respectively. The Offered Debt Securities will bear interest at the rates per annum shown on the cover page of this Prospectus Supplement. Interest on the 6.625% Notes Due 1998, the 7.45% Notes Due 2004 and the 7.70% Notes Due 2008 will be payable semi-annually on June 15 and December 15 of each year (each a "Note Interest Payment Date") commencing December 15, 1996, to the person for whose account the Offered Debt Securities (or any predecessor Offered Debt Securities) are held at the close of business on the June 1 and December 1, as the case may be, next preceding such Note Interest Payment Date. Interest on the Offered Debt Securities will be computed on the basis of a 360-day year of twelve 30-day months.

MANDATORY REDEMPTION, SINKING FUND

The Offered Debt Securities will not be redeemable by the Corporation prior to their maturity and will not be entitled to the benefit of a sinking fund.

DEFEASANCE

The provisions of the Indenture relating to defeasance and covenant defeasance described under the caption "Description of Debt Securities--Defeasance" in the Prospectus shall apply to the Offered Debt Securities.

BOOK-ENTRY SECURITIES

The Offered Debt Securities will be issued in the form of global securities. The Global Securities will be deposited with, or on behalf of DTC (the "Depositary"), and registered in the name of the Depositary or a nominee thereof. Unless and until it is exchanged in whole or in part for Offered Debt Securities in definitive form, no Offered Debt Security may be transferred except as a whole by the Depositary to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor.

The Depositary has advised the Corporation as follows: The Depositary is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. The Depositary was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in participants' accounts thereby eliminating the need for

physical movement of securities certificates. The Depository's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own the Depository. Access to the Depository's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to the Depository are on file with the Securities and Exchange Commission.

UNDERWRITING

Under the terms and subject to the conditions contained in an Underwriting Agreement dated June 21, 1996 (the "Underwriting Agreement") and a Pricing Agreement dated June 21, 1996 (the "Pricing Agreement"), the Underwriters named below (the "Underwriters") have severally but not jointly agreed to purchase from the Corporation the following respective principal amounts of the Offered Debt Securities:

UNDERWRITER -----	PRINCIPAL AMOUNT OF 6.625% NOTES DUE 1998 -----	PRINCIPAL AMOUNT OF 7.45% NOTES DUE 2004 -----	PRINCIPAL AMOUNT OF 7.70% NOTES DUE 2008 -----
CS First Boston Corporation.....	\$100,000,000	\$110,000,000	\$ 90,000,000
Bear, Stearns & Co. Inc.	100,000,000	110,000,000	90,000,000
Goldman, Sachs & Co.	100,000,000	110,000,000	90,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	100,000,000	110,000,000	90,000,000
Morgan Stanley & Co. Incorporated.....	100,000,000	110,000,000	90,000,000
	-----	-----	-----
	\$500,000,000	\$550,000,000	\$450,000,000
	=====	=====	=====

The Underwriting Agreement and Pricing Agreement provide that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all the Offered Debt Securities if any are purchased. The Underwriting Agreement provides that, in the event of a default by an Underwriter, in certain circumstances the purchase commitments of non-defaulting Underwriters may be increased or the Underwriting Agreement may be terminated.

The Corporation has been advised by the Underwriters that the Underwriters propose to offer the Offered Debt Securities to the public initially at the public offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession of .20% of the principal amount of the 6.625% Notes Due 1998, .375% of the principal amount of the 7.45% Notes Due 2004 and .40% of the principal amount of the 7.70% Notes Due 2008, and the Underwriters and such dealers may allow a discount of .125% of the principal amount of the 6.625% Notes Due 1998, .25% of the principal amount of the 7.45% Notes Due 2004 and .25% of the principal amount of the 7.70% Notes Due 2008 on sales to certain other dealers. After the initial public offering, the public offering prices and concessions and discounts to dealers may be changed by the Underwriters.

The Offered Debt Securities are new issues of securities with no established trading market. The Underwriters have advised the Corporation that they intend to act as market makers for the Offered Debt Securities. However, the Underwriters are not obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Offered Debt Securities. The Offered Debt Securities will not be listed on any national securities exchange.

The Corporation intends to use more than 10% of the net proceeds from the sale of the Offered Debt Securities to repay outstanding commercial paper. CS First Boston Corporation and affiliates of Goldman, Sachs & Co. and Merrill Lynch & Co. are primary dealers of the Corporation's commercial paper and are affiliated with members of the National Association of Securities Dealers, Inc. (the "NASD") who will participate in the offering of the Offered Debt Securities as underwriters. Accordingly, the offering is being made in compliance with the requirements of Section 44(c)(8) of Article III of the Rules of Fair Practice of the NASD.

The Corporation and the Guarantor have agreed to indemnify the Underwriters against certain liabilities, including certain civil liabilities under the Securities Act, or to contribute to certain payments that the Underwriters may be required to make in respect thereof.

From time to time, the Underwriters have provided various investment banking and other services to the Corporation for which they have received customary compensation.

VALIDITY OF OFFERED DEBT SECURITIES

The validity of the Offered Debt Securities will be passed on for the Corporation by Miles & Stockbridge, a Professional Corporation, Baltimore, Maryland. The validity of the Guarantees relating to the Offered Debt Securities will be passed on for Tactical Systems by William J. LaSalle, Vice President and General Counsel of the Corporation's Tactical Systems Sector. Certain legal matters will be passed on for the Underwriters by Cravath, Swaine & Moore, New York, New York.

EXPERTS

The consolidated balance sheets of Loral Corporation and Subsidiaries--Retained Business as of March 31, 1996 and 1995 and the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended March 31, 1996, included in the Corporation's Current Report on Form 8-K filed with the Commission on June 18, 1996, which are incorporated herein by reference, have been audited by Coopers & Lybrand L.L.P., independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements of Loral Corporation and Subsidiaries--Retained Business are incorporated herein by reference in reliance upon the report of Coopers & Lybrand L.L.P. given upon the authority of said firm as experts in accounting and auditing.

PROSPECTUS

\$5,000,000,000

LOCKHEED MARTIN CORPORATION

DEBT SECURITIES

GUARANTEED BY

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

Lockheed Martin Corporation (the "Corporation") from time to time may offer debt securities in one or more series (the "Debt Securities"), which Debt Securities may consist of debentures, notes or other evidences of indebtedness, in an amount sufficient to result in an aggregate initial offering price not to exceed \$5,000,000,000 (or the equivalent in foreign denominated currency or units based on or relating to currencies, including European Currency Units). The Debt Securities may be offered as separate series in amounts, at prices, and on terms to be determined by market conditions at the time of sale. The Debt Securities may be issued in registered form without coupons. All or a portion of the Debt Securities may be evidenced by a Global Security or Global Securities. The Debt Securities will be fully and unconditionally guaranteed by Lockheed Martin Tactical Systems, Inc., a wholly owned subsidiary of the Corporation ("Tactical Systems" or the "Guarantor"). The guarantees of Tactical Systems in respect of the Debt Securities are herein referred to as the "Guarantees." The Debt Securities and the Guarantees will be unsecured obligations of the Corporation and Tactical Systems, respectively.

The accompanying Prospectus Supplement sets forth with regard to the Debt Securities in respect of which this Prospectus is being delivered the title, aggregate principal amount, denominations (which may be in United States dollars, in any other currency or in units based on or relating to currencies, including European Currency Units), maturity, rate (which may be fixed or variable) and time of payment of any interest, any terms for redemption at the option of the Corporation or the holder, any terms for sinking fund payments, any listing on a securities exchange, the initial public offering price and any other terms in connection with the offering and sale of the Debt Securities or a series of the Debt Securities.

The Corporation may sell Debt Securities to or through underwriters or dealers, and also may sell Debt Securities directly to other purchasers or through agents. If underwriters are used in the sale, the Debt Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of such firms. See "Plan of Distribution." The accompanying Prospectus Supplement sets forth the names of any underwriters, dealers or agents involved in the sale of the Debt Securities in respect of which this Prospectus is being delivered, the principal amounts, if any, to be purchased by underwriters or dealers, and the compensation, if any, of those underwriters, dealers or agents. The net proceeds to the Corporation from the sale of the Debt Securities in respect of which this Prospectus is being delivered are set forth in the Prospectus Supplement. See "Plan of Distribution" for possible indemnification arrangements for underwriters, dealers and agents.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is May 10, 1996.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR IN AN APPLICABLE PROSPECTUS SUPPLEMENT IN CONNECTION WITH ANY OFFER MADE BY THIS PROSPECTUS AND SUCH PROSPECTUS SUPPLEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION OR ANY UNDERWRITER, DEALER, AGENT OR OTHER PERSON. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CORPORATION SINCE THE DATE HEREOF OR THEREOF OR THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THIS PROSPECTUS AND ANY PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.

AVAILABLE INFORMATION

The Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 5th Street, N.W., Washington, D.C. 20549, and at the following regional offices of the Commission: New York Office, Seven World Trade Center, 13th Floor, New York, New York 10048; and Chicago Office, Citicorp Center, Suite 1400, 500 West Madison Street, Chicago, Illinois 60661. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 5th Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, such reports, proxy statements and other information can be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. Tactical Systems comprises the portion of Loral Corporation that the Corporation acquired on April 23, 1996, and is the successor by name change to Loral Corporation. It is not anticipated that Tactical Systems will continue to file reports, proxy statements and other information with the Commission under the Exchange Act. In the event that Tactical Systems does not file reports, proxy statements and other information with the Commission under the Exchange Act, summarized financial information in respect of Tactical Systems may be included in the footnotes to the audited consolidated financial statements of the Corporation included in the Corporation's Annual Reports on Form 10-K filed pursuant to Section 13 of the Exchange Act.

The Corporation and Tactical Systems have filed with the Commission a Registration Statement on Form S-3 (together with all amendments, documents incorporated by reference and exhibits, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Debt Securities and the Guarantees offered hereby. This Prospectus and the Prospectus Supplement, which constitute a part of the Registration Statement, do not contain all the information set forth in the Registration Statement, certain parts of which are contained in exhibits to the Registration Statement or otherwise have been omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the Registration Statement and to the documents incorporated therein by reference. Copies of the Registration Statement are on file at the offices of the Commission and may be obtained upon payment of the fees prescribed by the Commission, or examined without charge at the public reference facilities of the Commission described above.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The Corporation's Annual Report on Form 10-K for the year ended December 31, 1995, and Current Reports on Form 8-K filed with the Commission on January 12, 1996, April 5, 1996, and May 2, 1996 (as amended on May 8, 1996), are incorporated by reference herein and made a part hereof. All documents filed by the Corporation and Tactical Systems with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Debt Securities shall be deemed to be incorporated by reference and to be a part of this Prospectus from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such a statement. A statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Corporation will provide, without charge, to each person to whom this Prospectus is delivered, upon written or oral request, a copy of any and all of the documents incorporated herein by reference other than exhibits to such documents (unless such exhibits are specifically incorporated by reference in such documents). Requests should be directed to Lockheed Martin Corporation, 6801 Rockledge Drive, Bethesda, Maryland 20817, Attention: Corporate Secretary, (301) 897-6000.

THE CORPORATION

The Corporation, which was incorporated in Maryland on August 29, 1994, to effect the combination of the businesses of Martin Marietta Corporation and Lockheed Corporation, is a diversified enterprise principally engaged in the conception, research, development, design, manufacture and integration of advanced technology products and services. The Corporation conducts its principal business through six major operating sectors: Space & Strategic Missiles; Aeronautics; Information & Technology Services; Electronics; Energy & Environment; and Tactical Systems. The Tactical Systems Sector consists of the businesses acquired by the Corporation on April 23, 1996, in connection with the acquisition of Loral Corporation.

The Corporation's and Tactical Systems' principal executive offices are located at 6801 Rockledge Drive, Bethesda, Maryland 20817. The telephone number of the Corporation and Tactical Systems is (301) 897-6000.

USE OF PROCEEDS

Except as otherwise stated in the Prospectus Supplement in respect of which this Prospectus is being delivered, the net proceeds from the sale of the Debt Securities offered by the Corporation will be added to the general funds of the Corporation and will be available to repay debt incurred in connection with the acquisition of Tactical Systems and for the general corporate purposes of the Corporation and its subsidiaries, which may include but are not limited to working capital, capital expenditures, consolidation expenses, business acquisitions and the refinancing of indebtedness.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends for each of the last five fiscal years.

	YEAR ENDED DECEMBER 31				
	1995	1994	1993	1992	1991

	1995 1994 1993 1992 1991				

	(UNAUDITED)				
Ratio of earnings to fixed charges.....	4.2	5.6	4.8	5.3	4.6
Ratio of earnings to combined fixed charges and preferred stock dividends(a).....	3.3	4.4	4.0	5.3	4.6

(a) Shares of preferred stock were issued on April 2, 1993. Prior to that date no shares of preferred stock were outstanding.

On a pro forma basis, assuming the transactions contemplated by the Loral Merger Agreement had occurred on January 1, 1995, the unaudited ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for the year ended December 31, 1995, would have been 2.0 and 1.8, respectively.

For purposes of computing the ratio of earnings to fixed charges, earnings represent earnings from continuing operations before income taxes plus interest expense on indebtedness, amortization of debt discount and premium, and the portion of rent expense deemed representative of an interest factor, less undistributed earnings of unconsolidated subsidiaries. Fixed charges include interest on indebtedness (whether expensed or capitalized), amortization of debt discount and premium, and the portion of rent expense deemed representative of an interest factor. Combined fixed charges and preferred stock dividends include fixed charges as described above and preferred stock dividends on a pretax basis.

DESCRIPTION OF DEBT SECURITIES

The following description of the Debt Securities sets forth certain general terms and provisions of the Debt Securities and the Guarantees to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement (the "Offered Debt Securities"), including the nature of any variation from the following general provisions applicable to the Offered Debt Securities, will be described in the Prospectus Supplement relating to the Offered Debt Securities.

The Offered Debt Securities are to be issued in one or more series under an indenture (the "Indenture") between the Corporation, Tactical Systems, as Guarantor, and First Trust of Illinois, National Association, as Trustee (the "Trustee"), a copy of which is filed as an exhibit to the Registration Statement. The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indenture, including definitions of certain terms. Provisions of or defined terms in the Indenture that are used in this Prospectus are incorporated by reference.

GENERAL

The Indenture does not limit the aggregate principal amount of debentures, notes or other evidences of indebtedness that may be issued thereunder and provides that Debt Securities may be issued in one or more series in an aggregate principal amount which may be authorized from time to time by the Corporation. The Debt Securities will be unsecured obligations of the Corporation and will rank equally with all other unsecured and unsubordinated indebtedness of the Corporation. Payment of principal of (premium, if any) and interest, if any, on the Debt Securities will be guaranteed by Tactical Systems. See "Description of Debt Securities--Guaranties." The Guarantor also is guarantor of the Corporation's obligations under the principal revolving credit facilities of the Corporation.

Reference is made to the Prospectus Supplement for the following terms of the Offered Debt Securities: (1) the title of the Offered Debt Securities; (2) the price (expressed as a percentage of the aggregate principal amount thereof) at which the Offered Debt Securities will be issued; (3) any limit on the aggregate principal amount of the Offered Debt Securities or the series of which the Offered Debt Securities are a part; (4) the date or dates (or manner of determining the same) on which the Offered Debt Securities will mature; (5) the rate or rates (which may be fixed or variable) per annum (or the method or methods by which such rate or rates will be determined) at which the Offered Debt Securities will bear interest, if any, and the date or dates from which such interest will accrue; (6) the date or dates on which interest, if any, will be payable and the record dates for such interest payment dates; (7) if the trustee in respect of the Offered Debt Securities is other than the Trustee (or any successor thereto), the identity of the trustee; (8) the place or places where the principal of (and premium, if any) and interest, if any, on the Offered Debt Securities will be payable and each office or agency where the Offered Debt Securities may be presented for transfer or exchange; (9) any mandatory or optional sinking fund or purchase fund or similar provision and the terms and conditions thereof; (10) any provisions relating to the date after which, the circumstances under which, the price or prices at which, and the currency or currency unit in which, the Offered Debt Securities may, pursuant to any optional or mandatory redemption or conversion provisions, be redeemed or converted at the option of the Corporation or of the Holder and certain other terms and provisions of such optional or mandatory redemption or conversion; (11) if the Offered Debt Securities are denominated in other than United States dollars, the currency or currencies (including composite currencies) in which the Offered Debt Securities are denominated; (12) the index, if any, used to determine the amount of payments of principal of (and premium, if any) or interest, if any, on the Offered Debt Securities; (13) if payments of principal (and premium, if any) or interest, if any, in respect of the Offered Debt Securities are to be made in a currency other than United States dollars or the amount of such payments are to be determined with reference to an index based on a currency or currencies other than that in which the Offered Debt Securities are denominated, the currency or currencies (including composite currencies) in which such payments are to be made, or the manner in which such amounts are to be determined, respectively; (14) if the amount payable upon acceleration of the Offered Debt Securities is other than the full principal amount, the portion of the principal amount payable upon acceleration; (15) any provisions relating to the conversion of Offered Debt Securities into

Debt Securities of another series; (16) any provisions restricting defeasance of the Offered Debt Securities; (17) if any additional or special events of default are applicable to the Offered Debt Securities, the terms and conditions of such events of default; (18) if the Offered Debt Securities will be issued, in whole or in part, in the form of one or more temporary or permanent Global Securities, the identity of the depositary for such Global Securities and certain other terms and conditions relating to the Global Securities; and (19) any other terms of the Offered Debt Securities and the Guarantees not inconsistent with the provisions of the Indenture.

Unless otherwise indicated in the Prospectus Supplement in respect of which this Prospectus is being delivered, principal of (and premium, if any) and interest, if any, on the Offered Debt Securities (other than Offered Debt Securities issued as Global Securities) will be payable, and the Offered Debt Securities (other than Offered Debt Securities issued as Global Securities) will be exchangeable and transfers thereof will be registrable, at the office of the Trustee and at any other office maintained from time to time by the Corporation for such purpose, provided that, at the option of the Corporation, payment of interest may be made by check mailed to the address of the holder as it appears in the register of the Offered Debt Securities.

Unless otherwise indicated in the Prospectus Supplement relating thereto, the Offered Debt Securities will be issued only in fully registered form, without coupons, in denominations of \$1,000 or any integral multiple thereof. For certain information about Debt Securities issued in global form, see "Description of Debt Securities--Global Securities." The Corporation may charge a reasonable fee for any transfer or exchange of the Offered Debt Securities and may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Debt Securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate will be sold at a discount below their stated principal amount. One or more series of Debt Securities may be floating rate Debt Securities, exchangeable for fixed rate Debt Securities. Special United States federal income tax considerations applicable to any such discounted or floating rate Debt Securities or to certain Debt Securities issued at par which are treated as having been issued at a discount for United States federal income tax purposes will be described in the Prospectus Supplement in respect of which this Prospectus is being delivered, if applicable.

Debt Securities may be issued, from time to time, with the principal amount (and premium, if any) payable on the applicable principal payment date, or the amount of interest, if any, payable on the applicable interest payment date, to be determined by reference to one or more currency exchange rates, commodity prices, equity indices or other factors. In such cases, Holders may receive a principal amount (and premium, if any) on any principal payment date, or a payment of interest, if any, on any interest payment date, that is greater than or less than the amount of principal (and premium, if any) or interest, if any, payable on such dates, depending upon the value on such dates of the applicable currency, commodity, equity index or other factor. Information as to the methods for determining the amount of principal (and premium, if any) or interest, if any, payable on any date, the currencies, commodities, equity indices or the other factors to which the amount payable on such date is linked and certain additional tax considerations applicable to the Offered Debt Securities will be set forth in the Prospectus Supplement in respect of which this Prospectus is being delivered, if applicable.

All monies paid by the Corporation to the Trustee or a Paying Agent for the payment of principal of (or premium, if any) or interest, if any, on any Offered Debt Security that remain unclaimed at the end of two years will be repaid to the Corporation, unless otherwise prohibited by mandatory provisions of applicable escheat or abandoned or unclaimed property law, and the Holder of such Debt Security will thereafter look only to the Corporation for payment thereof.

The Indenture does not limit the amount of additional unsecured indebtedness that the Corporation, the Guarantor or any of their Subsidiaries may incur. Unless otherwise specified in the resolutions or any supplemental indenture establishing the terms of the Offered Debt Securities, the terms of the Offered Debt Securities or the covenants contained in the Indenture do not afford holders of the Offered Debt Securities protection in the event of a highly leveraged or other similar transaction involving the Corporation, the Guarantor

or any of their Subsidiaries, or any other transaction resulting in a decline in the ratings on or credit quality of the Offered Debt Securities, that may adversely affect Securityholders. See "Description of Debt Securities--Certain Covenants."

GUARANTEES

Tactical Systems will guarantee the due and punctual payment of the principal of (and premium, if any) or interest, if any, in respect of the Debt Securities, when and as the same shall become due and payable, whether by declaration thereof or otherwise. The Guarantor will be subrogated to all rights of the Holders of the Debt Securities against the Corporation in respect of any amounts paid by the Guarantor pursuant to the provisions of the Indenture; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until the principal of (and premium, if any) and interest, if any, on all Offered Debt Securities has been paid.

The obligations of the Guarantor are limited to the largest amount that will result in the obligations of the Guarantor under the Guarantees not being subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

Although Holders of the Offered Debt Securities will be direct creditors of the Guarantor by virtue of the Guarantees, existing or future creditors could attempt to avoid or subordinate the Guarantees, in whole or in part, under applicable fraudulent conveyance laws. In the event that any of the Guarantees are voided as a fraudulent conveyance or held unenforceable for any other reason, the claims of the Holders of such Offered Debt Securities against the Guarantor would be subject to the prior payment of all liabilities of the Guarantor.

GLOBAL SECURITIES

Debt Securities of any series may be issued, in whole or in part, in the form of one or more Global Securities that will be deposited with a depository (the "Depository") or with a nominee for a Depository identified in the Prospectus Supplement relating to such series. Unless and until it is exchanged in whole or in part for Debt Securities in definitive registered form, a Global Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any nominee to a successor Depository or a nominee of any successor.

The specific terms of the depository arrangement with respect to any series of Debt Securities to be represented by a Global Security will be described in the Prospectus Supplement relating to such series. The Corporation, however, anticipates that the provisions set forth below generally will apply to such depository arrangements.

Upon the issuance of a Global Security, the Depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by such Global Security to the accounts of persons that have accounts with such Depository ("participants"). The accounts to be credited shall be designated by any underwriters or agents participating in the distribution of such Debt Securities or by the Corporation if the Debt Securities are offered and sold directly by the Corporation. Ownership of beneficial interest in a Global Security will be limited to participants or persons that hold interests through participants, but the Corporation has no obligations to any persons that hold interests through participants. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depository for such Global Security (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants). The laws of some states require that certain purchasers of securities take physical delivery of the securities into definitive form. Such limits and laws may impair the ability to transfer beneficial interest in a Global Security.

As long as the Depository or its nominee is the registered owner of such Global Security, the Depository or its nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by the Global Security for all purposes under the Indenture. Except as set forth below, owners of beneficial

interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such Debt Securities in definitive form and will not be considered the owners or holders thereof under the Indenture.

Payments of principal (and premium, if any) and interest, if any, on Debt Securities represented by a Global Security registered in the name of a Depository or its nominee will be made to such Depository or its nominee, as the case may be, as the registered owner of such Global Security. Neither the Corporation, the Guarantor, the Trustee, any Paying Agent nor the Security Registrar for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in such Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Corporation expects that the Depository for any Debt Securities represented by a Global Security, upon receipt of any payment of principal (and premium, if any) or interest, if any, in respect of a permanent Global Security will, except as provided below, immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of the Depository. The Corporation also expects that payments by participants to owners of beneficial interests in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street names" and will be the responsibility of such participants.

If the Depository for any Debt Securities represented by a Global Security is at any time unwilling or unable to continue as Depository and a successor Depository is not appointed by the Corporation within 90 days, the Corporation will issue Debt Securities in definitive form in exchange for such Global Security. In addition, the Corporation may at any time and in its sole discretion determine not to have any of the Debt Securities of a series represented by one or more Global Securities and, in such event, will issue in exchange therefor Debt Securities of such series in definitive form. Further, if the Corporation so specifies with respect to the Debt Securities of a series, an owner of a beneficial interest in a Global Security representing Debt Securities of that series may, on terms acceptable to the Corporation and the Depository for such Global Securities, receive Debt Securities of such series in a definitive form. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery in definitive form of Debt Securities of the series represented by the Global Security equal in principal amount to such beneficial interest and to have such Debt Securities registered in its name. Debt Securities of such series so issued in definitive form will be issued in denominations, unless otherwise specified by the Corporation, of \$1,000 and integral multiples thereof if the Debt Securities of such series are denominated in United States dollars.

AMENDMENT, SUPPLEMENT AND WAIVER

Subject to certain exceptions, the Indenture or the Debt Securities of any series may be amended or supplemented without notice but with the written consent of the Holders of not less than a majority in principal amount of the then outstanding Debt Securities of each affected series and such Holders may waive compliance by the Corporation or the Guarantor of any provisions of the Indenture or the Debt Securities or the related Guarantees; provided, however, that no such modification, amendment or waiver may, without the consent of the Holder of each outstanding Debt Security affected thereby, (a) reduce the amount of Debt Securities of any series whose holders must consent to an amendment, supplement or waiver, (b) reduce the rate of or extend the time for payment of interest on any Debt Security, (c) reduce the principal of (or premium, if any) or extend the fixed maturity of any Debt Security, (d) reduce the portion of the principal amount of a Discounted Security payable upon acceleration of its maturity, or (e) make any Debt Security payable in a currency or currency unit other than that stated in the Debt Security. Any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Debt Securities of the affected series, except a default in payment of principal (or premium, if any) or interest, if any, or in respect of other provisions requiring the consent of the Holder of each such Debt Security of that series in order to amend.

Without the consent of any Securityholder, the Corporation and the Trustee may amend or supplement the Indenture or the Debt Securities of any series without notice (a) to cure any ambiguity, omission, defect or inconsistency, (b) to provide for uncertificated Debt Securities in addition to or in place of certificated Debt Securities, (c) to evidence the succession of another corporation to the Corporation or the Guarantor and to provide for the assumption of the Corporation's or the Guarantor's obligations under the Debt Securities or the Guarantees, as the case may be, and the Indenture by a successor, (d) to appoint a trustee other than the Trustee (or any successor thereto) as trustee in respect of one or more series of Debt Securities, (e) to add, change or eliminate provisions of the Indenture as shall be necessary or desirable in accordance with any amendment to the Trust Indenture Act of 1939, (f) to change or eliminate any of the provisions of the Indenture; provided, however, that any such change or elimination shall become effective only when there is no outstanding Debt Security of any series created prior to the execution of such amendment or supplement that is entitled to the benefit of such provision, or (g) to make any change that does not materially adversely affect the rights of any Securityholder of that series. Without the consent of any Securityholder, the Trustee may waive compliance with any provisions of the Indenture or the Debt Securities if the waiver does not materially adversely affect the rights of any Securityholder.

CERTAIN COVENANTS

Unless otherwise specified in the Board Resolution or Resolutions or any supplemental indenture establishing the terms of the Debt Securities of any series, the terms of the Debt Securities of any series or the covenants contained in the Indenture do not afford holders of Debt Securities protection in the event of a highly leveraged or other similar transaction involving the Corporation, the Guarantor or any of their subsidiaries, or any other transaction resulting in a decline in the ratings on or credit quality of the Debt Securities, that may adversely affect Securityholders. If the Offered Debt Securities contain, or a future supplemental indenture contains, covenants to afford Securityholders protection in the event of a highly leveraged or similar transaction or any other transaction, the Prospectus Supplement relating to the Offered Debt Securities (or an applicable pricing supplement) will provide a brief description of such protective covenants. The Indenture does not limit the amount of additional unsecured indebtedness that the Corporation or any of its Subsidiaries may incur.

The following description sets forth certain covenants imposed on the Corporation and the Guarantor by the Indenture. In the event the covenants are varied or supplemented in the Board Resolution or Resolutions or any supplemental indenture establishing the terms of the Debt Securities of any series, the Prospectus Supplement or Pricing Supplement (if applicable) will include a description of such provisions.

Certain Definitions. For purposes of the covenants included in the Indenture, the following terms shall have the meanings provided below.

"Attributable Debt" for a lease means the carrying value of the capitalized rental obligation determined under generally accepted accounting principles. The carrying value may be reduced by the capitalized value of the rental obligations, calculated on the same basis, that any sublessee has for all or part of the same property. This term does not include any obligation to make payments arising from the transfer of tax benefits under the Economic Recovery Tax Act of 1981 (as it may from time to time be amended, or any successor statute) to the extent such obligation is offset by or conditioned upon receipt of payments from another person. A lease obligation shall be counted only once even if the Guarantor or the Corporation and one or more of their Subsidiaries may be responsible for the obligation.

"Consolidated Net Tangible Assets" means total assets less (1) total current liabilities (excluding any Debt which, at the option of the borrower, is renewable or extendable to a term exceeding 12 months and which is included in current liabilities and further excluding any deferred income taxes which are included in current liabilities) and (2) goodwill, patents and trademarks, all as reflected in the Corporation's then most recent consolidated balance sheet.

"Debt" means all indebtedness for borrowed money reported as debt in the consolidated financial statements or any guarantee of such a debt and includes purchase money obligations. This term does not include

any obligation to make payments arising from the transfer of tax benefits under the Economic Recovery Tax Act of 1981 (as it may from time to time be amended, or any successor statute) to the extent such obligation is offset by or conditioned upon receipt of payments from another person. A Debt shall be counted only once even if the Guarantor or the Corporation and one or more of their Subsidiaries may be responsible for the obligation.

"Lien" means any mortgage, pledge, security interest or lien. This term does not include any obligation arising from the transfer of tax benefits under the Economic Recovery Tax Act of 1981 (as it may from time to time be amended, or any successor statute) to the extent such obligation is offset by or conditioned upon receipt of payments from another person.

"Long-Term Debt" means Debt that by its terms matures on a date more than 12 months after the date it was created or Debt that the obligor may extend or renew without the obligee's consent to a date more than 12 months after the Debt was created.

"Principal Property" means, as to any particular series of Securities, any manufacturing facility located in the United States and owned by the Guarantor, the Corporation or by one or more Restricted Subsidiaries from the date Securities of that series are first issued and which has, as of the date the Lien is incurred, a net book value (after deduction of depreciation and other similar charges) greater than 3% of Consolidated Net Tangible Assets, except (1) any such facility or property which is financed by obligations of any State, political subdivision of any State or the District of Columbia under terms which permit the interest payable to the holders of the obligations to be excluded from gross income as a result of the plant, facility or property satisfying the conditions of Section 103(b)(4)(C), (D), (E), (F) or (H) of the Internal Revenue Code of 1954, as amended, Section 103(b)(6) of the Internal Revenue Code of 1954, as amended, Section 142(a) or Section 144(a) of the Internal Revenue Code of 1986, or of any successors to such provisions, or (2) any such facility or property which, in the opinion of the Board of Directors of the Corporation, is not of material importance to the total business conducted by the Corporation and its Subsidiaries taken as a whole. However, the Chief Executive Officer or Chief Financial Officer of the Corporation may at any time declare any manufacturing facility or other property to be a Principal Property by delivering a certificate to that effect to the Trustee.

"Restricted Property" means, as to any particular series of Securities, any Principal Property, any Debt of a Restricted Subsidiary owned by the Guarantor, the Corporation or a Restricted Subsidiary on the date Securities of that series are first issued or secured by a Principal Property (including any property received upon a conversion or exchange of such Debt), or any shares of stock of the Corporation or a Restricted Subsidiary owned by the Guarantor, the Corporation or a Restricted Subsidiary (including any property or shares received upon a conversion, stock split or other distribution with respect to the ownership of such stock).

"Restricted Subsidiary" means a Subsidiary that has substantially all its assets located in, or carries on substantially all its business in, the United States and that owns a Principal Property. Notwithstanding the preceding sentence, a Subsidiary shall not be a Restricted Subsidiary during such period of time as it (or any corporation (other than the Corporation) or other entity that, directly or indirectly, beneficially owns a majority of the Voting Stock of the Subsidiary) has shares of capital stock registered under the Exchange Act or it files reports and other information with the Commission pursuant to Section 13 or 15(d) of the Exchange Act.

"Sale-Leaseback Transaction" means an arrangement whereby the Guarantor, the Corporation or a Restricted Subsidiary now owns or hereafter acquires a Principal Property, transfers it to a person and contemporaneously leases it back from the person. This term does not include any transaction arising from the transfer of tax benefits under the Economic Recovery Tax Act of 1981 (as it may from time to time be amended, or any successor statute) to the extent the obligation to make rental payments is offset or conditioned upon receipt of payments from another person.

"Subsidiary" means a corporation a majority of the Voting Stock of which is owned by the Corporation, the Corporation and one or more Subsidiaries, or one or more Subsidiaries (including, without limitation, the Guarantor).

"United States" means the United States of America. The Commonwealth of Puerto Rico, the Virgin Islands and other territories and possessions are not part of the United States.

"Voting Stock" means capital stock having voting power under ordinary circumstances to elect directors.

General. The Indenture requires the Corporation to covenant to the following with respect to each series of Debt Securities: (i) to promptly pay the principal of (and premium, if any) and interest, if any, on such series of Debt Securities; (ii) to maintain an office or agency in each place where Debt Securities may be presented, surrendered for payment, transferred or exchanged and where notice upon the Corporation may be served; (iii) if the Corporation acts as its own Paying Agent for any series of Securities, to segregate and hold in trust for the benefit of the persons entitled thereto a sum sufficient to pay the principal of (and premium, if any) or interest, if any, as the same becomes due; (iv) to deliver to the Trustee, within 120 days after the end of each fiscal year, a written statement to the effect that the Corporation has complied with its obligations under the Indenture; and (v) to deliver to the Trustee copies of annual and other reports that the Corporation files with the Commission within 15 days after filing such reports with the Commission.

Limitations on Liens. Unless otherwise specified in the Prospectus Supplement in respect of which this Prospectus is being delivered and subject to the following two sentences, the Corporation will not, and the Corporation will not permit any Restricted Subsidiary to, directly or indirectly, as security for any Debt, incur a Lien on any Restricted Property, unless the Corporation or such Restricted Subsidiary secures or causes to be secured any outstanding Debt Securities equally and ratably with all Debt secured by such Lien. This restriction will not apply to, among other things, certain Liens (i) existing at the time a corporation becomes a Restricted Subsidiary; (ii) existing at the time of the acquisition of the Restricted Property; (iii) securing all or any part of the purchase price of property upon the acquisition of such property by the Corporation, the Guarantor or a Restricted Subsidiary or securing any Debt incurred or guaranteed by the Corporation, the Guarantor or a Restricted Subsidiary prior to, at the time of, or within one year after the later of the acquisition, completion of construction (including any improvements on an existing property) or commencement of full operation of such property, which Debt is incurred or guaranteed for the purpose of financing all or any part of the purchase price thereof or construction or improvements thereof, and which Debt may be in the form of obligations incurred in connection with industrial revenue bonds or similar financings and letters of credit issued in connection therewith; (iv) securing Debt of a Restricted Subsidiary owed to the Corporation, the Guarantor or another Restricted Subsidiary; (v) existing at the time a corporation or other entity merges into, consolidates with or enters into a share exchange with the Corporation, the Guarantor or a Restricted Subsidiary or transfers or leases all or substantially all its assets to the Corporation or a Restricted Subsidiary; (vi) in favor of any customer (including any government or governmental authority) to secure partial, progress, advance or other payments or performance pursuant to any contract or statute or to secure any related indebtedness or to secure Debt guaranteed by a government or governmental authority; (vii) arising pursuant to any order of attachment, distraint or similar legal process in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings or the lien is a materialman's, suppliers', tax or other similar Lien and arising in the ordinary course of business securing obligations which are not overdue or are being contested in good faith by appropriate proceedings; or (viii) as to any particular series of Debt Securities, that extend, renew or replace in whole or in part a Lien permitted by any of the foregoing clauses or existing on the date that Debt Securities of such series were first issued. In addition and notwithstanding the foregoing restrictions, the Corporation, the Guarantor and any of their Restricted Subsidiaries may, without securing the Debt Securities, incur a Lien that otherwise would be subject to the restrictions, provided that after giving effect to such Lien the aggregate amount of all Debt secured by Liens that otherwise would be prohibited plus all Attributable Debt in respect of sale-leaseback transactions that otherwise would be prohibited by the covenant limiting sale-leaseback transactions described below would not exceed 10% of Consolidated Net Tangible Assets.

Limitations on Sale-Leaseback Transactions. Unless otherwise specified in the Prospectus Supplement in respect of which this Prospectus is being delivered and subject to the following two sentences, the Corporation and the Guarantor will not, and neither will permit any Restricted Subsidiary to, sell or transfer a Principal

Property and contemporaneously lease it back, except a lease for a period of three years or less. Notwithstanding the foregoing restriction, the Corporation, the Guarantor or any Restricted Subsidiary may sell or transfer a Principal Property and lease it back for a longer period if (i) the lease is between the Corporation and the Guarantor, the Corporation and a Restricted Subsidiary, the Guarantor and a Restricted Subsidiary, or between Restricted Subsidiaries; (ii) the Corporation, the Guarantor or such Restricted Subsidiary would be entitled, pursuant to the provisions set forth above under the caption "Limitations on Liens," to create a Lien on the property to be leased securing Debt in an amount at least equal in amount to the Attributable Debt (as herein defined) in respect of the sale-leaseback transaction without equally and ratably securing the outstanding Debt Securities; (iii) the Corporation owns or acquires other property which will be made a Principal Property and is determined by the Board of Directors of the Corporation or the Guarantor to have a fair value equal to or greater than the Attributable Debt incurred; or (iv) the Corporation, the Guarantor or a Restricted Subsidiary makes an optional prepayment in cash of its Debt at least equal in amount to the Attributable Debt for the lease, the prepayment is made within 120 days, the Debt prepaid is not owned by the Corporation, the Guarantor or a Restricted Subsidiary, and the Debt prepaid was long-term debt at the time it was created. In addition and notwithstanding the foregoing restrictions, the Corporation and any of its Restricted Subsidiaries may, without securing the Debt Securities, enter into a sale-leaseback transaction that otherwise would be subject to the restrictions, provided that after giving effect to such sale-leaseback transaction the aggregate amount of all Debt secured by Liens that otherwise would be prohibited by the covenant limiting Liens described above plus all Attributable Debt in respect of sale-leaseback transactions that otherwise would be prohibited would not exceed 10% of Consolidated Net Tangible Assets.

Consolidation, Merger, Sale of Assets. Neither the Corporation nor the Guarantor shall consolidate with or merge into, or transfer all or substantially all of its assets to, another corporation, unless (1) the resulting, surviving or transferee corporation assumes by supplemental indenture all of the obligations of the Corporation or the Guarantor, as the case may be, under the Guarantees or the Debt Securities and the Indenture, (2) immediately after giving effect to the transaction, no Event of Default, and no circumstance which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing, and (3) the Corporation or the Guarantor, as the case may be, shall have delivered to the trustee an officers' certificate and an opinion of counsel each stating that the consolidation, merger or transfer and the supplemental indenture comply with the Indenture.

When a successor corporation, trustee, paying agent or registrar assumes all of the obligations of its predecessor under the Debt Securities and the Indenture, the predecessor will be released from those obligations.

DEFAULT AND REMEDIES

An Event of Default under the Indenture in respect of any series of Debt Securities is: default for 30 days in payment of interest on the Debt Securities of that series; default in payment of principal on the Debt Securities of that series; failure by the Corporation or the Guarantor for 90 days after notice to it to comply with any of its other agreements in the Indenture for the benefit of Holders of Debt Securities of that series; certain events of bankruptcy or insolvency involving the Corporation or the Guarantor; and any other Event of Default specifically provided for by the terms of such series, as described in the related Prospectus Supplement. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the outstanding Debt Securities of the affected series may declare the Debt Securities of that series to be due and payable immediately, but under certain conditions such acceleration may be rescinded by the Holders of a majority in principal amount of the outstanding Debt Securities of the affected series.

Securityholders may not enforce the Indenture or the Debt Securities except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Debt Securities unless it receives indemnity satisfactory to it. Subject to certain limitations, Holders of a majority in principal amount of the Debt Securities of any series may direct the Trustee in its exercise of any trust or power under the Indenture in respect of that series. The Indenture provides that the Trustee will, within 90 days after the occurrence of any default with respect to the Debt Securities of any particular series, give to the Holders of such Debt Securities notice of the default if known

to it, unless the default shall have been cured or waived. The Trustee may withhold from Securityholders notice of any continuing default (except a default in payment of principal or interest) if it determines that withholding such notice is in the interests of such Holders.

A director, officer, employee or stockholder (other than the Corporation) shall not have any liability for any obligations of the Corporation or the Guarantor under the Debt Securities or the Guarantees or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. By accepting a Debt Security, each Securityholder waives and releases all such claims and liability. This waiver and release are part of the consideration for the issuance of the Debt Securities and the execution of the Guarantees.

DEFEASANCE

The Indenture provides, unless such provision is made inapplicable to the Debt Securities of any series issued pursuant to the Indenture, that the Corporation may, subject to certain conditions described below, discharge its indebtedness, its obligations and the obligations of the Guarantor, or certain of their obligations under the Indenture in respect of Debt Securities of a series by depositing funds or, in the case of Debt Securities payable in United States dollars, U.S. Government Obligations (as defined in the Indenture), or Debt Securities of the same series with the Trustee. The Indenture provides that (1) the Corporation and the Guarantor will be discharged from any obligation to comply with certain restrictive covenants of the Indenture and certain other obligations under the Indenture and any noncompliance with such obligations shall not be an Event of Default in respect of the series of Debt Securities or (2) provided that 91 days have passed from the date of the deposit referred to below and certain specified Events of Default have not occurred, the Corporation and the Guarantor will be discharged from any and all obligations in respect of the series of Debt Securities (except for certain obligations, including obligations to register the transfer and exchange of the Debt Securities of such series, to replace mutilated, lost or stolen Debt Securities of such series, to maintain paying agencies and to cause money to be held in trust), in either case upon the deposit with the Trustee, in trust, of money, Debt Securities of the same series, and/or U.S. Government Obligations that, through the payment of interest and principal in accordance with their terms, will provide money in an amount sufficient to pay the principal of and each installment of interest on the series of Debt Securities on the date when such payments become due in accordance with the terms of the Indenture and the series of Debt Securities. In the event of any such defeasance under clause (1) above, the obligations of the Corporation under the Indenture and the Debt Securities of the affected series, other than with respect to the covenants relating to limitations on liens and sale-leaseback transactions and reporting thereon, and covenants relating to consolidations, mergers and transfers of all or substantially all of the assets of the Corporation, shall remain in full force and effect. In the event of defeasance and discharge under clause (2) above, the holders of Debt Securities of the affected series are entitled to look only to the trust fund created by such deposit for payment. In the case of the Corporation's discharge from any and all obligations in respect of a series of Debt Securities as described in clause (2) above, the trust may be established only if, among other things, the Corporation shall have delivered to the Trustee an opinion of counsel to the effect that, if the subject Debt Securities are then listed on a national securities exchange, such deposit, defeasance or discharge will not cause the Debt Securities to be delisted. Under Federal income tax law as of the date of this Prospectus, defeasance and discharge under clause (2) above may be treated as a taxable exchange of the related Debt Securities. As a consequence, each holder of such Debt Securities might be required to recognize gain or loss equal to the difference between the Holder's cost or other tax basis for the Debt Securities and the value of the Holder's interest in the trust. Prospective investors are urged to consult their own tax advisors as to the specific consequences of such a deposit and discharge, including the applicability and effect of tax laws other than the Federal income tax law.

Pursuant to the escrow or trust agreements that the Corporation may execute in connection with the defeasance of all or certain of its obligations under the Indenture as provided above, the Corporation from time to time may elect to substitute U.S. Government Obligations or Debt Securities of the same series for any or all of the U.S. Government Obligations deposited with the Trustee; provided that the money, U.S. Government Obligations, and/or Debt Securities of the same series in trust following such substitution or substitutions will be sufficient, through the payment of interest and principal in accordance with their terms, to pay the principal of

and each installment of interest on the series of Debt Securities on the date when such payments become due in accordance with the terms of the Indenture and the series of Debt Securities. The escrow trust agreements also may enable the Corporation (1) to direct the Trustee to invest any money received by the Trustee on the U.S. Government Obligations comprising the trust in additional U.S. Government Obligations, and (2) to withdraw monies or U.S. Government Obligations from the trust from time to time; provided that the money and/or U.S. Government Obligations in trust following such withdrawal will be sufficient, through the payment of interest and principal in accordance with their terms, to pay the principal of and each installment of interest on the series of Debt Securities on the date when such payments become due in accordance with the terms of the Indenture and the series of Debt Securities.

GOVERNING LAW

The Debt Securities and the Indenture will be governed by the laws of the State of Maryland.

TRUSTEE

First Trust of Illinois, National Association from time to time performs other services for the Corporation in the normal course of business and is trustee under other indentures pursuant to which debt securities of the Corporation and Tactical Systems have been issued.

ADDITIONAL INFORMATION

The Indenture is an exhibit to the Registration Statement of which this Prospectus is a part. Any person who receives this Prospectus may obtain a copy of the Indenture without charge by writing to the Corporation at the address listed under the caption "Incorporation of Certain Information by Reference."

PLAN OF DISTRIBUTION

The Corporation may sell Debt Securities to or through underwriters or to dealers, acting as principals for their own account and also may sell Debt Securities directly to other purchasers or through agents. The Prospectus Supplement in respect of which this Prospectus is being delivered sets forth the terms of the offering of the Offered Debt Securities and includes, without limitation, (i) the name or names of any underwriters, dealers or agents with which the Corporation has entered into arrangements with respect to the sale of the Offered Debt Securities, (ii) the initial public offering or purchase price of the Offered Debt Securities, (iii) the principal amounts of the Offered Debt Securities to be purchased by any such underwriters, dealers or agents, (iv) any underwriting discounts, commissions and other items constituting underwriters' compensation and any other discounts, concessions or commissions allowed or reallocated or paid by any underwriters or other dealers, (v) any commissions paid to any agents, (vi) the net proceeds to the Corporation, and (vii) the securities exchanges, if any, on which the Offered Debt Securities will be listed.

If underwriters are used in the offering of Debt Securities, the Debt Securities being sold will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of such resale. Unless otherwise set forth in an applicable Prospectus Supplement, the obligations of the underwriters to purchase such Debt Securities will be subject to certain conditions precedent and each of the underwriters with respect to such Debt Securities will be obligated to purchase all of the Debt Securities allocated to it if any such Debt Securities are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If dealers are utilized in the sale of the Debt Securities in respect of which this Prospectus is being delivered, the Corporation will sell such Debt Securities to such dealers as principals. The dealers may then resell such Debt Securities to the public at varying prices to be determined by such dealers at the time of resale.

Offers to purchase Debt Securities may be solicited by agents designated by the Corporation from time to time. Any such agent, who may be deemed to be an "underwriter" as that term is defined in the Securities Act, involved in the offer or sale of the Debt Securities in respect of which this Prospectus is being delivered will be

named, and any commissions payable by the Corporation to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement in respect of which this Prospectus is being delivered, any such agent will be acting on a best efforts basis for the period of its appointment.

Offers to purchase Debt Securities may be solicited, and sales hereof may be made directly by the Corporation to institutional investors or otherwise, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resales thereof.

Underwriters, dealers and agents participating in the distribution of Debt Securities may be deemed to be "underwriters," as that term is defined under the Securities Act, and any discounts and commissions received by them and any profit realized by them on the resale of those Debt Securities may be deemed to be underwriting discounts and commissions, under the Securities Act.

Under agreements that may be entered into by the Corporation, underwriters, dealers and agents who participate in the distribution of Debt Securities may be entitled to indemnification by the Corporation against certain liabilities, including certain liabilities under the Securities Act.

If indicated in the Prospectus Supplement, the Corporation may authorize underwriters or other persons acting as the Corporation's agents to solicit offers by certain institutions to purchase Offered Debt Securities from the Corporation pursuant to contracts providing for payment and delivery on a future date. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases such institutions must be approved by the Corporation. The obligations of any purchaser under any such contract will be subject to the condition that the purchase of the Offered Debt Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject. The underwriters and any such other agents will not have any responsibility in respect of the validity or performance of such contracts.

VALIDITY

The validity of the Debt Securities offered hereby will be passed on for the Corporation by Miles & Stockbridge, a Professional Corporation, Baltimore, Maryland. The validity of the Guarantees will be passed on for Tactical Systems by William J. LaSalle, Vice President and General Counsel of the Corporation's Tactical Systems Sector.

EXPERTS

The consolidated financial statements of the Corporation incorporated by reference in the Corporation's Annual Report (Form 10-K) for the year ended December 31, 1995, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

The consolidated balance sheets of Loral Corporation and Subsidiaries-- Retained Business as of March 31, 1995 and 1994 and the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended March 31, 1995, included in the Corporation's Current Report on Form 8-K filed with the Commission on May 2, 1996 (as amended on May 8, 1996), which are incorporated herein by reference, have been audited by Coopers & Lybrand L.L.P., independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements of Loral Corporation and Subsidiaries-- Retained Business are incorporated herein by reference in reliance upon the report of Coopers & Lybrand L.L.P. given upon the authority of said firm as experts in accounting and auditing.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION, TACTICAL SYSTEMS, THE UNDERWRITERS OR ANY OTHER PERSON. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CORPORATION OR TACTICAL SYSTEMS SINCE THE DATE HEREOF OR THEREOF OR THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

TABLE OF CONTENTS
PROSPECTUS SUPPLEMENT

	PAGE

The Corporation.....	S-2
Recent Developments.....	S-2
Use of Proceeds.....	S-3
Capitalization.....	S-4
Ratio of Earnings to Fixed Charges.....	S-4
Unaudited Pro Forma Combined Condensed Financial Statements.....	S-5
Selected Consolidated Financial Information.....	S-9
Business of the Corporation.....	S-11
Business of Tactical Systems.....	S-13
Description of Offered Debt Securities.....	S-15
Underwriting.....	S-16
Validity of Offered Debt Securities.....	S-17
Experts.....	S-17
PROSPECTUS	
Available Information.....	2
Incorporation of Certain Information by Reference.....	3
The Corporation.....	4
Use of Proceeds.....	4
Ratio of Earnings to Fixed Charges.....	4
Description of Debt Securities.....	5
Plan of Distribution.....	14
Validity.....	15
Experts.....	15

[LOGO]

\$1,500,000,000

6.625% Notes Due 1998
7.45% Notes Due 2004
7.70% Notes Due 2008

PROSPECTUS SUPPLEMENT

CS First Boston

Bear, Stearns & Co. Inc.

Goldman, Sachs & Co.

Merrill Lynch & Co.

Morgan Stanley & Co.
Incorporated
