AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 8, 1996

REGISTRATION NO. 333-01939

SECURITIES AND EXCHANGE COMMISSION

PRE-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LOCKHEED MARTIN CORPORATION	LOCKHEED MARTIN TACTICAL SYSTEMS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)	
MARYLAND	NEW YORK
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	
52-1893632	13-1718360
(I.R.S. EMPLOYER IDENTIFICATION NO.)	

6801 ROCKLEDGE DRIVE
BETHESDA, MARYLAND 20817
(301) 897-6000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANTS' PRINCIPAL EXECUTIVE OFFICES)

FRANK H. MENAKER, JR.
VICE PRESIDENT AND GENERAL COUNSEL
LOCKHEED MARTIN CORPORATION
6801 ROCKLEDGE DRIVE
BETHESDA, MARYLAND 20817
(301) 897-6000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

GLENN C. CAMPBELL	JOHN W. WHITE
MILES & STOCKBRIDGE	CRAVATH, SWAINE & MOORE
A PROFESSIONAL CORPORATION	WORLDWIDE PLAZA
10 LIGHT STREET	825 EIGHTH AVENUE
BALTIMORE, MARYLAND 21202	NEW YORK, NEW YORK 10019-7475
(410) 727-6464	(212) 474-1000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [_]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box: [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [X]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)(2)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(3)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(3)	AMOUNT OF REGISTRATION FEE
Debt Securities.....	$5,000,000,000	100%	$5,000,000,000	$1,724,138(4)
Guarantees of Debt Securities (5).....	(5)	(5)	(5)	None

(1) In United States dollars or the equivalent thereof in other currencies or composite currencies on the basis of exchange rates in effect on the date an agreement to sell the applicable Debt Securities and related Guarantees is entered into by the Registrants.
(2) Or, if any Debt Securities are issued at an original issue discount, such greater amount as may result in an aggregate offering price of $5,000,000,000.
(3) Estimated solely for purposes of calculating the registration fee.
(4) Previously paid.
(5) No separate consideration will be received for the Guarantees.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR

DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

- ---

- ---

++
+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A   +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE   +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT   +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR   +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE   +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE   +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE.   +
++

SUBJECT TO COMPLETION, DATED MAY 8, 1996
PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MAY , 1996

$2,200,000,000
LOCKHEED MARTIN CORPORATION

$400,000,000 % NOTES DUE 1999

$600,000,000 % NOTES DUE 2001

$500,000,000 % NOTES DUE 2006

$400,000,000 % DEBENTURES DUE 2016

$300,000,000 % DEBENTURES DUE 2026

GUARANTEED BY
LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

The % Notes Due 1999, % Notes Due 2001, % Notes Due 2006, % Debentures Due 2016, and % Debentures Due 2026 (collectively, the "Offered Debt Securities" or the "Securities") will be unsecured obligations of Lockheed Martin Corporation (the "Corporation"), and 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 will be unsecured obligations of Tactical Systems and are referred to herein as the "Guarantees." Interest on the % Notes Due 1999, the % Notes Due 2001 and the % Notes Due 2006 is payable on November 15 and May 15 of each year, commencing November 15, 1996. Interest on the % Debentures Due 2016 and the % Debentures Due 2026 is payable on November 1 and May 1 of each year, commencing November 1, 1996.

Each tranche of the Offered Debt Securities will be represented by global securities ("Global Securities") registered in the name of The Depository Trust Company ("DTC") or its nominee. 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 described in "Description of Securities--Book Entry Securities," Offered Debt Securities in definitive form will not be issued.

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

	INITIAL PUBLIC OFFERING PRICE(1)	UNDERWRITING DISCOUNT(2)	PROCEEDS TO CORPORATION(1)(3)
Per % Note Due 1999.....	%	%	%
Total.....	$	$	$
Per % Note Due 2001.....	%	%	%
Total.....	$	$	$
Per % Note Due 2006.....	%	%	%
Total.....	$	$	$
Per % Debenture Due 2016.....	%	%	%
Total.....	$	$	$
Per % Debenture Due 2026.....	%	%	%
Total.....	$	$	$

- -----

(1) Plus accrued interest, if any, from May , 1996.
(2) The Corporation and the Guarantor have agreed to indemnify the Underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933.

(3) Before deducting estimated expenses of $1,725,000 payable by the Corporation.

The Securities offered hereby are offered severally by the Underwriters, as

specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that the Securities will be ready for delivery in book-entry form only through the facilities of DTC in New York, New York on or about May , 1996, against payment therefor in immediately available funds.

GOLDMAN, SACHS & CO.

CS FIRST BOSTON

MERRILL LYNCH & CO.

J.P. MORGAN & CO.

The date of this Prospectus Supplement is May , 1996.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES AT LEVELS ABOVE THAT 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 FINANCIAL RESULTS

The Corporation recently announced the following financial results for the three months ended March 31, 1996 and for the comparable period in 1995:

	(UNAUDITED) THREE MONTHS ENDED MARCH 31,	
	1996	1995
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	
Net sales	$ 5,109	$ 5,644
Earnings from operations	472	290(a)
Net earnings	272	137(a)
Earnings per common share, assuming full dilution	$ 1.22	$ .62(a)

- --------

(a)Amounts for 1995 include a pretax charge of $165 million ($110 million after tax, or $.50 per common share, assuming full dilution) for merger related expenses.

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 $, 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 under the Credit Facilities and upon the issuance of commercial paper, which currently bear interest at a weighted average rate of 5.57% per annum with a weighted average maturity of 33 days.

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation (i) as of December 31, 1995, (ii) as adjusted to reflect the consummation of the Loral Transaction on a pro forma basis, and (iii) as adjusted to reflect on a pro forma basis the issuance of the Securities offered hereby and the application of the estimated proceeds therefrom to repay a portion of the indebtedness incurred in connection with the Loral Transaction.

	AS OF DECEMBER 31, 1995		
	ACTUAL	LORAL TRANSACTION PRO FORMA	PRO FORMA AS ADJUSTED
	(IN MILLIONS)		
Short-term debt and current maturities of long-term debt	$ 722	$ 1,344	$ 1,344
Long-term debt:			
% Notes Due 1999	--	--	400
% Notes Due 2001	--	--	600
% Notes Due 2006	--	--	500
% Debentures Due 2016	--	--	400
% Debentures Due 2026	--	--	300
Other	3,010	11,879(a)	9,679(a)
Total long-term debt	3,010	11,879	11,879
Stockholders' equity:			
Series A preferred stock	1,000	1,000	1,000
Common stock	199	199	199
Additional paid-in capital	683	683	683
Retained earnings	4,838	4,838	4,838
Unearned ESOP shares	(287)	(287)	(287)
Total stockholders' equity	6,433	6,433	6,433
Total capitalization	$10,165	$19,656	$19,656

- ---

(a) Includes commercial paper classified as long-term debt.

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
	1,377	697	(30)	(169)	1,875
Interest expense	288	118	--	482 (g)	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
	$17,648	$5,581	$ 158	$ 6,892	$30,279
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
	$17,648	$5,581	$ 158	$ 6,892	$30,279

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 following table presents selected historical consolidated financial information of the Corporation that has been derived from the Corporation's audited consolidated financial statements which are 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 DECEMBER 31,		
	1995	1994	1993
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)		
INCOME STATEMENT DATA:			
Net sales			
Space & Strategic Missiles	$ 7,521	$ 6,719	$ 7,293
Aeronautics	6,617	7,091	6,601
Information & Technology Services	4,528	4,271	3,712
Electronics	3,294	4,055	4,092
Energy, Materials and Other (a)	893	770	699
Total	$22,853	$22,906	$22,397
Operating profit			
Space & Strategic Missiles	$ 431	$ 476	$ 507
Aeronautics	394	511	479
Information & Technology Services	269	228	145
Electronics	261	456	331
Energy, Materials and Other (a)	22	308	122
Total	$ 1,377	$ 1,979	$ 1,584
Net earnings	$ 682	$ 1,018	$ 829
Earnings per common share, assuming full dilution	$ 3.05	$ 4.66	$ 3.75
CASH FLOW DATA:			
Depreciation and amortization	$ 921	$ 937	$ 936
Expenditures for property, plant and equipment	531	509	536
Dividends on common and preferred stock	314	274	260

	AS OF DECEMBER 31,	
	1995	1994
	(IN MILLIONS)	
BALANCE SHEET DATA:		
Cash and cash equivalents	$ 653	$ 639
Total assets	17,648	18,049
Total debt	3,732	3,879
Stockholders' equity	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 for the fiscal years ended March 31, 1995, 1994 and 1993 presented below has been derived from Tactical Systems' audited consolidated financial statements incorporated by reference in the Prospectus. Historical financial data at and for the nine month periods ended December 31, 1995 and 1994 have been derived from Tactical Systems' unaudited financial statements incorporated by reference in the Prospectus and, in the opinion of Tactical Systems' management, include 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.

	NINE MONTHS ENDED DECEMBER 31,		YEAR ENDED MARCH 31,		
	1995	1994	1995	1994	1993
	(IN MILLIONS)				
INCOME STATEMENT DATA:					
Sales	$ 4,720	$ 4,025	$5,484	$4,009	$3,335
Operating income	502	382	565	401	295
Income before extraordinary item and cumulative effect of changes in accounting	258	195	296	232	164
Net income (loss)	258	195	296	232	(80)
CASH FLOW DATA:					
Depreciation and amortization	$ 201	$ 197	$ 250	$ 178	$ 154
Capital expenditures	81	80	123	103	97

	DECEMBER 31,	MARCH 31,	
	1995	1995	1994
	(IN MILLIONS)		
BALANCE SHEET DATA:			
Cash and cash equivalents	$ 227	$ 126	$ 238
Total assets	5,581	4,558	5,017
Total debt	1,870	1,316	1,798
Net assets	1,716	1,435	1,222

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 Securities offered hereby (referred to in the Prospectus as the "Offered Debt Securities") supplements and, to the extent inconsistent therewith, supersedes, insofar as such description relates to the 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.

The 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 % Notes Due 1999, the % Notes Due 2001 and the % Notes Due 2006 will mature on May 15, 1999, May 15, 2001 and May 15, 2006, respectively, and the % Debentures Due 2016 and the % Debentures Due 2026 will mature on May 1, 2016 and May 1, 2026, respectively. The Securities will bear interest at the rates per annum shown on the cover page of this Prospectus Supplement. Interest on the % Notes Due 1999, the % Notes Due 2001 and the % Notes Due 2006 will be payable semi-annually on November 15 and May 15 of each year (each a "Note Interest Payment Date") commencing November 15, 1996, to the person for whose account the Securities (or any predecessor Securities) are held at the close of business on the November 1 and May 1, as the case may be, next preceding such Note Interest Payment Date. Interest on the % Debentures Due 2016 and the % Debentures Due 2026 will be payable semi-annually on November 1 and May 1 of each year (each a "Debenture Interest Payment Date") commencing November 1, 1996, to the person for whose account the Securities (or any predecessor Securities) are held at the close of business on the October 15 and April 15, as the case may be, next preceding such Debenture Interest Payment Date.

MANDATORY REDEMPTION, SINKING FUND

The 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 Securities.

BOOK-ENTRY SECURITIES

The 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 Securities in definitive form, no 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 Depositary'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 Depositary. Access to the Depositary'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 Depositary are on file with the Securities and Exchange Commission.

SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the Securities will be made by the Underwriters in immediately available funds. The Securities will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the Securities therefore will settle in immediately available funds. So long as DTC continues to make its Same-Day Funds Settlement System available to the Corporation, it is anticipated that payments of principal of and interest on the Securities will be made by the Corporation in immediately available funds.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement and the Pricing Agreement, the Corporation has agreed to sell to each of the Underwriters named below and each of the Underwriters has severally agreed to purchase, the principal amount of the Offered Debt Securities set forth opposite its name below:

UNDERWRITER	PRINCIPAL AMOUNT OF % NOTES DUE 1999	PRINCIPAL AMOUNT OF % NOTES DUE 2001	PRINCIPAL AMOUNT OF % NOTES DUE 2006	PRINCIPAL AMOUNT OF % DEBENTURES DUE 2016	PRINCIPAL AMOUNT OF % DEBENTURES DUE 2026
Goldman, Sachs & Co.....	$	$	$	$	$
CS First Boston Corporation.....					
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....					
J.P. Morgan Securities Inc.....					
	$400,000,000	$600,000,000	$500,000,000	$400,000,000	$300,000,000

Under the terms and conditions of the Underwriting Agreement and related Pricing Agreement, the Underwriters are committed to take and pay for all of the Securities, if any are taken.

The Underwriters propose to offer the Securities in part directly to the public at the initial public offering prices set forth on the cover page of this Prospectus Supplement, and in part to certain securities dealers at such prices less a concession of . % of the principal amount of the % Notes Due 1999, . % of the principal amount of the % Notes Due 2001, . % of the principal amount of the % Notes Due 2006, . % of the principal amount of the % Debentures Due 2016, and . % principal amount of the % Debentures Due 2026. The Underwriters may allow, and such dealers may reallow, to certain brokers and dealers a concession not to exceed . % of the principal amount of each of the % Notes Due 1999, the % Notes Due 2001, the % Notes Due 2006, the % Debentures Due 2016, and the % Debentures Due 2026. After the Securities are

released for sale to the public, the offering prices and other selling terms may from time to time be varied by the Underwriters.

The Securities are new issues with no established trading market. The Corporation has been advised by the Underwriters that they intend to make a market in the Securities, but they are not obligated to do so and may discontinue such market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Securities. The Securities will not be listed on any national securities exchange.

More than 10% of the net proceeds of the offering of the Securities, not including any underwriting compensation, will be used to repay indebtedness outstanding under the Credit Facilities and outstanding commercial paper. Included among the banks which are party to the Credit Facilities is Morgan Guaranty Trust Company of New York, which is affiliated with J.P. Morgan Securities Inc., a member of the National Association of Securities Dealers, Inc. (the "NASD") who will participate in the offering of the Securities as an underwriter. Similarly, 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 NASD who will participate in the offering of the Securities as underwriters. Accordingly, the offering of the Securities is being conducted pursuant to Article III, Section 44(c)(8) of the NASD Rules of Fair Practice, which provides that, among other things, no NASD member shall participate in a public offering of an issuer's securities where more than 10% of the net offering proceeds, not including underwriting compensation, are intended to be paid to NASD members (or affiliates of such members), unless the yield at which a debt issue is to be distributed to the public is established pursuant to Subsection 3(c) of Schedule E to the By-laws of the NASD.

The Corporation and the Guarantor have agreed to indemnify the several Underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933.

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.

+++
+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
+++

SUBJECT TO COMPLETION, DATED MAY 8, 1996

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 , 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 4, 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
			(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 depositary (the "Depositary") or with a nominee for a Depositary 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 Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any nominee to a successor Depositary or a nominee of any successor.

The specific terms of the depositary 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 depositary arrangements.

Upon the issuance of a Global Security, the Depositary 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 Depositary ("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 Depositary 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 Depositary or its nominee is the registered owner of such Global Security, the Depositary 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 Depositary or its nominee will be made to such Depositary 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 Depositary 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 Depositary. 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 Depositary for any Debt Securities represented by a Global Security is at any time unwilling or unable to continue as Depositary and a successor Depositary 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 Depositary 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 reallowed 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 reallowed 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

$2,200,000,000

LOCKHEED MARTIN

CORPORATION

$400,000,000

% NOTES DUE 1999

$600,000,000

% NOTES DUE 2001

$500,000,000

% NOTES DUE 2006

$400,000,000

% DEBENTURES DUE 2016

$300,000,000

% DEBENTURES DUE 2026

GUARANTEED BY

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

[LOGO OF LOCKHEED MARTIN]

GOLDMAN, SACHS & CO.
CS FIRST BOSTON
MERRILL LYNCH & CO.
J.P. MORGAN & CO.

==========

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the expenses (other than underwriting discounts and commissions) expected to be incurred in connection with the offering or offerings described in this Registration Statement. All amounts are estimated except the Securities and Exchange Commission registration fee.

Securities and Exchange Commission registration fee	$1,724,138
Trustee fees and expenses	20,000
Legal fees and expenses	200,000
Accounting fees and expenses	500,000
Printing and engraving fees and expenses	60,000
Rating agency fees	700,000
Blue Sky fees and expenses (including legal fees)	20,000
Miscellaneous	75,862
	$3,300,000

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Corporation's By-Laws provide that the Corporation shall indemnify and advance expenses to its currently acting and its former directors to the fullest extent permitted by the Maryland General Corporation Law, and that the Corporation may indemnify and advance expenses to its officers to the same extent as its directors and to such further extent as is consistent with law. The Maryland General Corporation Law provides that a corporation may indemnify any director made a party to any proceeding by reason of service in that capacity unless it is established that: (1) the act or omission of the director was material to the matter giving rise to the proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty, or (2) the director actually received an improper personal benefit in money, property or services, or (3) in the case of any criminal proceeding, the director had reasonable cause to believe that the act or omission was unlawful. The statute permits Maryland corporations to indemnify its officers, employees or agents to the same extent as its directors and to such further extent as is consistent with law. In addition to indemnification, the officers and directors of the Corporation are covered by certain insurance policies maintained by the Corporation.

The Corporation's Charter provides that, to the fullest extent that limitations on the liability of directors and officers are permitted by the Maryland General Corporation Law, no director or officer of the Corporation, shall have any liability to the Corporation or any of its stockholders for monetary damages. The Maryland General Corporation Law provides that a corporation's charter may include a provision which restricts or limits the liability of its directors or officers to the corporation or its stockholders for money damages except: (1) to the extent that it is proved that the person actually received an improper benefit or profit in money, property or services, for the amount of the benefit or profit in money, property or services actually received, or (2) to the extent that a judgment or other final adjudication adverse to the person is entered in a proceeding based on a finding in the proceeding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. In situations to which the Charter provision applies, the remedies available to the Corporation or a stockholder are limited to equitable remedies such as injunction or rescission. This provision would not, in the opinion of the Commission, eliminate or limit the liability of directors and officers under the federal securities law.

Sections 721-726 of the New York Business Corporation Law contain non-exclusive provisions for indemnification of officers and directors of a corporation under certain specified conditions, including in part: (a) indemnification against judgments, fines, amounts paid in settlement of, and reasonable expenses incurred as a result of, an action or proceeding, whether civil or criminal, threatened or brought against such person (other

than by one bringing an action by or in the right of the corporation, but including an action by or in the right of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person served in any capacity at the request of the corporation) if such person acted in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the corporation, and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful; (b) indemnification against amounts paid in settlement and reasonable expenses incurred by such person in connection with the defense or settlement of an action by or in the right of the corporation if such director or officer acted, in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the corporation, except that no indemnification shall be made in respect of (1) a threatened action, or a pending action which is settled or otherwise disposed of, or (2) any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court, or if no action was brought, a court of competent jurisdiction, determines the person is fairly and reasonably entitled to indemnity; and (c) notwithstanding the failure of a corporation to provide indemnification, indemnification pursuant to court order.

Article Ninth of Tactical Systems' Restated Certificate of Incorporation provides that any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a director, officer or employee of Tactical Systems or of any corporation for which he served as such at the request of Tactical Systems, shall be indemnified by Tactical Systems against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such officer, director or employee is liable for negligence or misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such director, officer or employee may be entitled apart from the indemnification provisions of said Article Ninth. Any amount payable by way of indemnity, whether the action, suit or proceeding reaches final judgment, or is settled with court approval before final judgment, shall be determined and paid in accordance with the then applicable provisions of the statutes of the State of New York, provided, however, that if such amount is paid other than pursuant to court order or action by stockholders, Tactical Systems shall within 18 months from the date of such payment mail to its stockholders of record at the time entitled to vote for the election of directors a statement specifying the persons paid, the amount of the payments and the final disposition of the litigation.

The By-laws of Tactical Systems provide that Tactical Systems may enter into such contracts of indemnification as may be authorized from time to time by the Board of Directors. The Board of Directors has authorized, and Tactical Systems has entered into, an Indemnity Agreement with certain of Tactical Systems' directors and executive officers. The Indemnity Agreements provide that Tactical Systems will pay on behalf of such persons any amount which he or she is or becomes legally obligated to pay as a result of any claim or claims threatened or made as a result of any act or omission or neglect or breach of duty he or she commits or suffers while acting in his or her capacity as a director or officer of Tactical Systems, including any damages, judgments, settlements and costs, reasonable costs of investigation and reasonable costs of defense of legal actions, claims or proceedings and appeals therefrom, and costs of attachments or similar bonds.

The form of Underwriting Agreement filed as an exhibit to this Registration Statement provides for indemnification by the Corporation and the Guarantor of the underwriters or controlling persons of the underwriters under certain circumstances.

ITEM 16. EXHIBITS.

1	Form of Underwriting Agreement.
4(a)	Form of Indenture.
4(b)	Form of Fixed Rate Debt Securities.*
5(a)	Opinion of Miles & Stockbridge, a Professional Corporation.
5(b)	Opinion of William J. LaSalle.
12(a)	Statement regarding computation of ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends.*
12(b)	Statement regarding computation of pro forma ratio of earnings to fixed charges and pro forma ratio of earnings to combined fixed charges and preferred stock dividends.
23(a)	Consent of Ernst & Young LLP.
23(b)	Consent of Coopers & Lybrand L.L.P.
23(c)	Consent of Miles & Stockbridge, a Professional Corporation (included in Exhibit 5(a)).
23(d)	Consent of William J. LaSalle (included in Exhibit 5(b)).
24	Additional Powers of Attorney (certain Powers of Attorney were previously filed).
25	Form T-1, Statement of Eligibility and Qualification Under the Trust Indenture Act of 1939.
99(a)	Agreement and Plan of Merger dated as of January 7, 1996, by and among Loral Corporation, Lockheed Martin Corporation and LAC Acquisition Corporation, incorporated by reference herein from the Schedule 14D-1 in respect of Loral Corporation filed by the Corporation with the Commission on January 12, 1996.
99(b)	Letter Amendment dated as of April 15, 1996, to the Agreement and Plan of Merger dated as of January 7, 1996, by and among Loral Corporation, Lockheed Martin Corporation and LAC Acquisition Corporation, incorporated by reference herein from Amendment No. 10 to the Schedule 14D-1 in respect of Loral Corporation filed by the Corporation with the Commission on April 19, 1996.
99(c)	Restructuring, Financing and Distribution Agreement dated as of January 7, 1996, by and among Loral Corporation, Loral Aerospace Holdings, Inc., Loral Aerospace Corp., Loral General Partner Inc., Loral Globalstar, L.P., Loral Globalstar Limited, Loral Telecommunications Acquisition, Inc. (to be renamed "Loral Space & Communications Ltd.") and Lockheed Martin Corporation, incorporated by reference herein from the Schedule 14D-1 in respect of Loral Corporation filed by the Corporation with the Commission on January 12, 1996.
99(d)	Letter Amendment dated as of April 15, 1996, to the Restructuring, Financing and Distribution Agreement dated as of January 7, 1996, by and among Lockheed Martin Corporation, Loral Corporation, Loral Space and Communications Corporation, Loral Aerospace Holdings, Inc., Loral Aerospace Corp., Loral General Partner Inc., Loral Globalstar, L.P., Loral Globalstar Limited, and Loral Space & Communications Ltd., incorporated by reference herein from Amendment No. 11 to the Schedule 14D-1 in respect of Loral Corporation filed by the Corporation with the Commission on April 22, 1996.
99(e)	Agreement Containing Consent Order entered into between Lockheed Martin Corporation and the Federal Trade Commission on April 15, 1996, incorporated by reference herein from Amendment No. 11 to the Schedule 14D-1 in respect of Loral Corporation filed by the Corporation with the Commission on April 22, 1996.
99(f)	Revolving Credit Agreement (364 day) dated as of April 15, 1996, by and among Lockheed Martin Corporation, LAC Acquisition Corporation, as Guarantor, the Banks listed therein, Morgan Guaranty Trust Company of New York, as Documentation Agent, and Bank of America National Trust and Savings Association, as Administrative Agent, incorporated by reference herein from Amendment No. 10 to the Schedule 14D-1 in respect of Loral Corporation filed by the Corporation with the Commission on April 19, 1996.
99(g)	Revolving Credit Agreement (5 year) dated as of April 15, 1996, by and among Lockheed Martin Corporation, LAC Acquisition Corporation, as Guarantor, the Banks listed therein, Morgan Guaranty Trust Company of New York, as Documentation Agent, and Bank of America National Trust and Savings Association, as Administrative Agent, incorporated by reference herein from Amendment No. 10 to the Schedule 14D-1 in respect of Loral Corporation filed by the Corporation with the Commission on April 19, 1996.

- ---------

* Previously filed.

ITEM 17. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the Registration Statement;

Provided, however, that paragraphs (a)(i) and (a)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(i) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(j) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act ("Act") in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS PRE-EFFECTIVE AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF BETHESDA, STATE OF MARYLAND, THE 8TH DAY OF MAY 1996.

Lockheed Martin Corporation

By: /s/ Walter E. Skowronski
Walter E. Skowronski
Vice President and Treasurer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS PRE-EFFECTIVE AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

* NORMAN R. AUGUSTINE	Chief Executive Officer (Principal Executive Officer)	May 8, 1996
* MARCUS C. BENNETT	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	May 8, 1996
* ROBERT E. RULON	Vice President and Controller (Principal Accounting Officer)	May 8, 1996

THIS PRE-EFFECTIVE AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT ALSO HAS BEEN SIGNED ON THE DATE INDICATED BY THE FOLLOWING DIRECTORS, WHO CONSTITUTE A MAJORITY OF THE BOARD OF DIRECTORS:

Norman R. Augustine*
Marcus C. Bennett*
Lynne V. Cheney*
Vance D. Coffman*
Houston I. Flournoy*
James F. Gibbons*
Edward E. Hood, Jr.*
Caleb B. Hurtt*
Gwendolyn S. King*
Vincent N. Marafino*
Eugene F. Murphy*
Frank Savage*
Daniel M. Tellep*
Carlisle A.H. Trost*
James R. Ukropina*
Douglas C. Yearley*

*By: /s/ Stephen M. Piper
Stephen M. Piper
(As Attorney-in-fact)
May 8, 1996

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS PRE-EFFECTIVE AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF BETHESDA, STATE OF MARYLAND, THE 8TH DAY OF MAY 1996.

Lockheed Martin Tactical Systems, Inc.

By: /s/ Walter E. Skowronski
Walter E. Skowronski
Vice President and Treasurer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS PRE-EFFECTIVE AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

* NORMAN R. AUGUSTINE	Chief Executive Officer (Principal Executive Officer)	May 8, 1996
* MARCUS C. BENNETT	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	May 8, 1996
* ROBERT E. RULON	Vice President and Controller (Principal Accounting Officer)	May 8, 1996

THIS PRE-EFFECTIVE AMENDMENT NO. 1 TO THE REGISTRATION STATEMENT ALSO HAS BEEN SIGNED ON THE DATE INDICATED BY THE FOLLOWING DIRECTORS, WHO CONSTITUTE A MAJORITY OF THE BOARD OF DIRECTORS:

Marcus C. Bennett*
Vance D. Coffman*
Frank C. Lanza*
Frank H. Menaker, Jr.*

*By: /s/ Stephen M. Piper
Stephen M. Piper
(As Attorney-in-fact)

May 8, 1996

EXHIBIT 1

LOCKHEED MARTIN CORPORATION

Guaranteed Debt Securities

Payments on the Guaranteed Debt
Securities are Guaranteed by

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

Underwriting Agreement

_____ __, 199_

To the several Underwriters
named in the respective Pricing
Agreement hereinafter described

Dear Sirs:

From time to time Lockheed Martin Corporation, a Maryland corporation (the "Corporation"), and Lockheed Martin Tactical Systems, Inc., a New York corporation (the "Guarantor"), propose to enter into one or more Pricing Agreements (each a "Pricing Agreement") in the form of Annex I hereto, with such additions and deletions as the parties thereto may determine, and, subject to the terms and conditions stated herein and therein, the Corporation proposes to issue and sell to the firms named in Schedule I to the applicable Pricing Agreement (such firms constituting the "Underwriters" with respect to such Pricing Agreement and the securities specified therein) certain of its debt securities (the "Securities") specified in Schedule II to such Pricing Agreement (with respect to such Pricing Agreement, the "Designated Securities"), which Securities shall be fully and unconditionally guaranteed by the Guarantor (the "Guarantees").

The terms and rights of any particular issuance of Designated Securities shall be as specified in the Pricing Agreement relating thereto and in or pursuant to the indenture (the "Indenture") identified in such Pricing Agreement.

1. Particular sales of Designated Securities may be made from time to time to the Underwriters of such Designated Securities, for whom the firms designated as representatives of the Underwriters of such Designated Securities in the Pricing Agreement relating thereto will act as representatives (the "Representatives"). The term "Representatives" also refers to a single firm acting as sole representative of the Underwriters and to Underwriters who act without any firm being designated as their representative. The obligation of the Corporation to issue and

sell any of the Securities, the obligation of the Guarantor to provide the Guarantees and the obligation of any of the Underwriters to purchase any of the Securities shall be further evidenced by the Pricing Agreement with respect to the Designated Securities specified therein. Each Pricing Agreement shall specify the aggregate principal amount of such Designated Securities, the initial public offering price of such Designated Securities, the purchase price to the Underwriters of such Designated Securities, the names of the Underwriters of such Designated Securities, the names of the Representatives of such Underwriters and the principal amount of such Designated Securities to be purchased by each Underwriter and shall set forth the date, time and manner of delivery of such Designated Securities and payment therefor. The Pricing Agreement shall also specify (to the extent not set forth in the Indenture and the registration statement and prospectus with respect thereto) the terms of such Designated Securities. A Pricing Agreement shall be in the form of an executed writing (which may be in counterparts), and may be evidenced by an exchange of telegraphic communications or any other rapid transmission device designed to produce a written record of communications transmitted. The obligations of the Underwriters under this Agreement and each Pricing Agreement shall be several and not joint.

2. The Corporation and the Guarantor represent and warrant to, and agree with, each Underwriter that:

(a) The Corporation meets the requirements for the use of Form S-3 under the Securities Act of 1933, as amended, and the rules and regulations adopted thereunder (respectively, the "Securities Act" and the "Rules"), and the Staff of the Securities and Exchange Commission (the "Commission") has concurred in the Guarantor's request that the Guarantor be entitled to use Form S-3. The Corporation and the Guarantor have carefully prepared and filed with the Commission a registration statement or registration statements on Form S-3 (the file number or numbers of which is or are set forth in Schedule II to the Pricing Agreement relating to the applicable Designated Securities), which has become effective, for the registration under the Securities Act of the Securities and the Guarantees. Such registration statement or registration statements, as amended at the date of this Agreement, meet or meets, as the case may be, the requirements set forth in Rule 415(a)(1)(x) under the Securities Act and complies in all other material respects with such Rule. The Corporation and the Guarantor propose to file with the Commission pursuant to Rule 424 under the Securities Act ("Rule 424") a supplement to the form of prospectus included in such registration statement relating to such Designated Securities and the plan of distribution thereof and have previously advised you of all further information (financial and other) with respect to the Corporation and the Guarantor to be set forth therein. The registration statement as amended at the date of this Agreement, including the exhibits thereto and all documents incorporated therein by reference pursuant to Item 12 of Form S-3 (the "Incorporated Documents"), is hereinafter referred to as the

"Registration Statement," and the prospectus as then amended in relation to the applicable Designated Securities, including the Incorporated Documents, is hereinafter referred to as the "Basic Prospectus"; and such supplemented form of prospectus, in the form in which it shall be filed with the Commission pursuant to Rule 424 (including the Basic Prospectus as so supplemented) is hereinafter called the "Final Prospectus." Any preliminary form of the Final Prospectus which has heretofore been filed pursuant to Rule 424 is hereinafter called an "Interim Prospectus." If the Corporation and the Guarantor have filed an abbreviated registration statement to register additional Designated Securities pursuant to Rule 462(b) under the Securities Act (the "Rule 462 Registration Statement"), then any reference hereunder to the term "Registration Statement" also shall be deemed to include such Rule 462 Registration Statement. Any reference herein to the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus shall be deemed to refer to and include the Incorporated Documents which were filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on or before the date of this Agreement, the date of the Pricing Agreement relating to such Designated Securities or the issue date of the Basic Prospectus, any Interim Prospectus or the Final Prospectus, as the case may be; and any reference herein to the terms "amend," "amendment," or "supplement" with respect to the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any Incorporated Documents under the Exchange Act after the date of this Agreement, the date of the Pricing Agreement relating to such Designated Securities or the issue date of the Basic Prospectus, any Interim Prospectus or the Final Prospectus, as the case may be.

(b) The Commission has not issued an order preventing or suspending the use of the Basic Prospectus or any Interim Prospectus.

(c) The Basic Prospectus and any Interim Prospectus have complied in all material respects with the requirements of the Securities Act and of the Rules and, as of their respective dates, did not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading.

(d) As of the date hereof, when the Final Prospectus is first filed with the Commission pursuant to Rule 424, when, before the Time of Delivery (as hereinafter defined) for any Designated Securities, any amendment to the Registration Statement becomes effective, when, before such Time of Delivery, any document incorporated by reference in the Registration Statement is filed with the Commission, when any supplement to the Final Prospectus is filed with the Commission and at such Time of Delivery, the Registration Statement, the Final Prospectus and any such amendment or supplement will comply in all material respects with the requirements of the Securities Act and the Rules, the Incorporated Documents will comply in all material respects with the

requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations adopted by the Commission thereunder, and no part of the Registration Statement, the Final Prospectus or any such amendment or supplement will include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; except that this representation and warranty does not apply to (i) statements or omissions in the Registration Statement or Final Prospectus (or in amendments or supplements thereto) made in reliance upon information furnished in writing to the Corporation or the Guarantor by the Representatives on behalf of any Underwriter of such Designated Securities expressly for use therein or (ii) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification of the Trustee under the Trust Indenture Act of 1939 on Form T-1, except statements or omissions in such statement made in reliance upon information furnished in writing to the Trustee by or on behalf of the Corporation or the Guarantor for use therein.

(e) The certificates delivered pursuant to paragraph (e) of Section 5 hereof and all other documents delivered by the Corporation or the Guarantor or any of their representatives in connection with the issuance and sale of the applicable Designated Securities were on the dates on which they were delivered, or will be on the dates on which they are to be delivered, in all material respects true and complete.

(f) No consent, approval, authorization or order of any court or governmental agency or body is required for the consummation by the Corporation or the Guarantor of the transactions contemplated by this Agreement or the Pricing Agreement relating to the applicable Designated Securities, except those which have been obtained or which may be required under the Securities Act and such qualifications as may be required under state laws in connection with the purchase and distribution of such Designated Securities by the Underwriters, and consummation of such transactions will not result in the material breach of any terms of, or constitute a material default under, any other material agreement or undertaking of the Corporation or the Guarantor.

3. Upon the execution of the Pricing Agreement applicable to any Designated Securities and authorization by the Representatives of the release of such Designated Securities, the several Underwriters propose to offer such Designated Securities for sale upon the terms and conditions set forth in the Final Prospectus as amended or supplemented. The Corporation and the Guarantor hereby confirm that the Underwriters of any Designated Securities have been authorized to distribute any Interim Prospectus and are authorized to distribute the Final Prospectus, each in such form as shall be provided to the Underwriters by the Corporation and the Guarantor (as they may be amended or supplemented from time to time if the Corporation and the Guarantor furnish amendments or supplements thereto to such Underwriters).

4. Designated Securities to be purchased by each Underwriter pursuant to the Pricing Agreement relating thereto, in definitive form to the extent practicable, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Corporation, shall be delivered by or on behalf of the Corporation and the Guarantor to the Representatives for the account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price therefor by certified or official bank check or checks or wire transfer payable in immediately available, same-day funds or any other method specified in the Pricing Agreement, payable to the order of the Corporation in the funds specified in such Pricing Agreement, all at the place and time and date specified in such Pricing Agreement or at such other place and time and date as the Representatives and the Corporation may agree upon in writing, such time and date being herein called the "Time of Delivery" for such Securities.

5. The obligations of the Underwriters of any Designated Securities under the Pricing Agreement relating to such Designated Securities shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and statements of officers of the Corporation and the Guarantor made pursuant to the provisions hereof are, at and as of the Time of Delivery for such Designated Securities, true and correct, the condition that the Corporation shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Final Prospectus shall have been filed or mailed for filing with the Commission in accordance with Rule 424(b).

(b) No order suspending the effectiveness of the Registration Statement, as amended from time to time, shall be in effect and no proceedings for such purpose shall be pending before or threatened by the Commission and any requests for additional information on the part of the Commission (to be included in the Registration Statement or the Final Prospectus) shall have been complied with to the reasonable satisfaction of the Representatives.

(c) Since the respective dates as of which information is given in the Registration Statement and the Final Prospectus, other than in connection with the transactions contemplated by or discussed under the heading "Recent Developments" in the Final Prospectus or in the Current Report on Form 8-K of the Corporation filed with the Commission on May 2, 1996 (as amended by the Current Report on Form 8-K/A filed with the Commission on May 8, 1996), or in connection with the adoption of new accounting standards, (i) there shall not have been any material adverse change in the capital stock or long-term debt of the Corporation and its subsidiaries taken as a whole, (ii) there shall not have been any material adverse change in the general affairs, management, financial position or results of operations of the Corporation and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, in

each case other than as included or incorporated in or contemplated by the Final Prospectus and (iii) the Corporation and its subsidiaries taken as a whole shall not have sustained any material loss or interference with their business taken as a whole from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or any court or legislative or other governmental action, order or decree that is not set forth in the Final Prospectus if, in the judgment of the Representatives, any such development referred to in clauses (i), (ii) or (iii) makes it impracticable or inadvisable to proceed with the offering and delivery of such Designated Securities as contemplated by the Registration Statement and the Final Prospectus.

(d) The representations and warranties of the Corporation and the Guarantor contained herein shall be true and correct as of the date hereof, on and as of the date of the Pricing Agreement for such Designated Securities, as of the date of the effectiveness of any amendment to the Registration Statement filed before the Time of Delivery for such Designated Securities, as of the date of the filing of any document incorporated by reference therein before the Time of Delivery for such Designated Securities and at and as of the Time of Delivery for such Designated Securities and the Corporation and the Guarantor shall have performed all covenants and agreements herein contained to be performed on its part at or prior to the Time of Delivery for such Designated Securities.

(e) The Representatives shall have received at the Time of Delivery for such Designated Securities certificates, dated the date of the Time of Delivery for such Designated Securities, of the chief executive officer or a vice president and the principal financial or accounting officer or the treasurer of the Corporation and the Guarantor, each of which shall certify that (i) no order suspending the effectiveness of the Registration Statement or prohibiting the sale of such Designated Securities has been issued and no proceedings for such purpose are pending before or, to the knowledge of such officers, threatened by the Commission and (ii) the representations and warranties of the Corporation or the Guarantor, as the case may be, contained herein are true and correct at and as of such Time of Delivery and the Corporation has performed all covenants and agreements herein contained to be performed on its part at or prior to such Time of Delivery.

(f) On the date of the Pricing Agreement for such Designated Securities and at the Time of Delivery for such Designated Securities, the independent accountants of the Corporation shall have furnished to the Representatives a letter dated the date of the Pricing Agreement and a letter dated such Time of Delivery, respectively, to the effect set forth in Exhibit A hereto, and with respect to such letter dated such Time of Delivery, as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives.

(g) On the date of the Pricing Agreement for such Designated Securities and at the Time of Delivery for such Designated Securities, the independent accountants of Loral Corporation shall have furnished to the Representatives a letter dated the date of the Pricing Agreement and a letter dated such Time of Delivery, respectively, to the effect set forth in Exhibit B hereto, and with respect to such letter dated such Time of Delivery, as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives.

(h) Counsel for the Corporation reasonably satisfactory to the Representatives shall have furnished to the Representatives their written opinion, dated the Time of Delivery for such Designated Securities, substantially in the form of opinion set forth in Exhibit C hereto.

(i) Counsel for the Underwriters shall have furnished to the Representatives such opinion or opinions, dated the Time of Delivery for such Designated Securities, with respect to the incorporation of the Guarantor, the validity of the Indenture, such Designated Securities, the Registration Statement, the Prospectus as amended or supplemented and other related matters as the Representatives may reasonably request, and such counsel shall have been given access to such papers and information as they may reasonably request to enable them to pass upon such matters.

(j) Subsequent to the date of the Pricing Agreement related to such Designated Securities, no downgrading by Moody's Investors Service, Inc., Standard & Poor's Corporation or Duff & Phelps shall have occurred in the rating accorded to the debt securities of the Corporation that are guaranteed by the Guarantor.

(k) Subsequent to the execution of the Pricing Agreement relating to such Designated Securities, neither the Corporation nor the Guarantor shall have filed an Incorporated Document under the Exchange Act unless a copy thereof shall have first been submitted to the Representatives within a reasonable period of time prior to the filing thereof and the Representatives shall not have promptly and reasonably objected thereto in writing.

6. The Corporation and the Guarantor agree with each of the Underwriters of any Designated Securities:

(a) To make no further amendment or any supplement to the Registration Statement or the Basic Prospectus as amended or supplemented after the date of the Pricing Agreement relating to such Designated Securities and prior to the Time of Delivery for such Designated Securities which shall be reasonably disapproved in writing by the Representatives for such Designated Securities promptly after reasonable notice thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Corporation and the Guarantor with the

Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act; and to advise the Representatives promptly of any such amendment or supplement after such Time of Delivery and furnish the Representatives with copies thereof for so long as the delivery of a prospectus is required in connection with the offering or sale of such Designated Securities, and during such same period to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or become effective or any supplement to the Basic Prospectus has been filed, or mailed for filing, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amendment or supplementing of the Registration Statement or the Basic Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Securities or suspending any such qualification, to promptly use all reasonable efforts to obtain its withdrawal. The Corporation and the Guarantor promptly will cause the Final Prospectus to be filed or mailed for filing with the Commission in accordance with Rule 424(b).

(b) As soon as the Corporation or the Guarantor is advised thereof, to advise the Representatives (i) when the Final Prospectus shall have been filed with or mailed to the Commission for filing in accordance with Rule 424(b), (ii) when any amendment to the Registration Statement relating to the Designated Securities shall have become effective, (iii) of the initiation or threatening by the Commission of any proceedings for the issuance of any order suspending the effectiveness of the Registration Statement or the qualification of the Indenture, (iv) of receipt by the Corporation or the Guarantor or any representative of or attorney for the Corporation or the Guarantor of any other communication from the Commission relating to the Corporation, the Guarantor, the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus and (v) of the receipt by the Corporation or the Guarantor or any representative of or attorney for the Corporation or the Guarantor of any notification with respect to the suspension of the qualification of such Designated Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Corporation and the Guarantor each will make every reasonable effort to prevent the issuance of an order suspending the effectiveness of the Registration Statement or the qualification of the Indenture and if any such order is issued to obtain as soon as possible the lifting thereof.

(c) To deliver to the Representatives, without charge, (i) a signed copy of the Registration Statement and of any amendments thereto (including conformed copies of all exhibits filed with, or incorporated by reference in, any such document),

and (ii) as many conformed copies of the Registration Statement and of any amendments thereto which shall become effective on or before the Time of Delivery for such Designated Securities (excluding exhibits) as the Representatives may reasonably request.

(d) During such period as a prospectus is required by law to be delivered by an Underwriter or dealer, to deliver, without charge to the Representatives and to Underwriters and dealers, at such office or offices as the Representatives may designate, as many copies of any Interim Prospectus and the Final Prospectus as the Representatives may reasonably request.

(e) During the period in which copies of the Final Prospectus are to be delivered as provided in paragraph (d) above, if any event occurs as a result of which it shall be necessary to amend or supplement the Final Prospectus in order to ensure that no part of the Final Prospectus contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances existing when the Final Prospectus is to be delivered to a purchaser, not misleading, forthwith to prepare, deliver to the Representatives, file with the Commission and deliver without charge, to the Underwriters and to dealers (to the extent requested and at the addresses furnished by the Representatives to the Corporation) to whom such Designated Securities may have been sold by the Underwriters, and to other dealers upon request, either amendments or supplements to the Final Prospectus so that the statements in the Final Prospectus, as so amended or supplemented, will comply with the standards set forth in this paragraph (e). Delivery by Underwriters of any such amendments or supplements to the Final Prospectus shall not constitute a waiver of any of the conditions set forth in Section 5 hereof.

(f) To make generally available to its security holders as soon as practicable an earnings statement of the Corporation and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the Rules thereunder (including, at the option of the Corporation, Rule 158).

(g) Promptly from time to time to take such action as the Representatives may request in order to qualify such Designated Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions as the Representatives may reasonably request; provided that in no event shall the Corporation or the Guarantor be obligated to subject itself to taxation or to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of such Designated Securities, in any jurisdiction where it is not now so subject.

(h) For a period of five years following the date of issuance of such Designated Securities, to supply to the Representatives and to each other Underwriter who may so request in

writing copies of such financial statements and other periodic and special reports as the Corporation or the Guarantor may from time to time distribute generally to the holders of any class of its capital stock and to furnish to the Representatives copies of each annual or other report it shall be required to file with the Commission.

(i) During the period beginning from the date of the Pricing Agreement for such Designated Securities and continuing to and including the earlier of (i) the termination of trading restrictions for such Designated Securities, as notified to the Corporation by the Representatives, or (ii) the Time of Delivery for such Designated Securities, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Corporation or the Guarantor that mature more than one year after such Time of Delivery and that are substantially similar to such Designated Securities, without the prior written consent of the Representatives.

(j) If the Final Prospectus states that such Designated Securities will be listed on a stock exchange, to use its best efforts to cause such Designated Securities to be listed on such stock exchange.

7. The Corporation and the Guarantor covenant and agree with each Underwriter that the Corporation and the Guarantor will pay or cause to be paid the following: (i) the fees, disbursements and expenses of their counsel and accountants in connection with the registration of the Securities under the Securities Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, the Basic Prospectus, any Interim Prospectus and the Final Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, any Pricing Agreement, any Indenture, any Blue Sky and Legal Investment Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 6(g) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Securities; (v) any filing fees incident to any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities; (vi) the cost of preparing the Securities; (vii) the fees and expenses of any Trustee in connection with any Indenture and the Securities; (viii) the fee, if any, for listing the Securities on any national securities exchange; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, Section 8 and

Section 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Securities by them, and any advertising expenses connected with any offers they may make.

8. (a) The Corporation and the Guarantor each agree to indemnify and hold harmless each Underwriter against any and all losses, claims, damages and liabilities, joint or several (including any reasonable investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted, provided that legal expenses relate to counsel acceptable to the Corporation and the Guarantor), to which they, or any of them, may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise solely out of or are based solely upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus, or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as any such untrue statement or omission or alleged untrue statement or omission was made in (i) the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus, or such amendment or supplement, in reliance upon and in conformity with information furnished in writing to the Corporation or the Guarantor by the Representatives on behalf of any Underwriter of Designated Securities expressly for use in the Registration Statement, the Basic Prospectus, the Interim Prospectus or the Final Prospectus as amended or supplemented relating to such Designated Securities or (ii) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification on Form T-1 of any Trustee under the Trust Indenture Act, except statements or omissions in such Statement made in reliance upon information furnished in writing to such Trustee by or on behalf of the Corporation or the Guarantor for use therein; provided, however, that such indemnity with respect to the Basic Prospectus or any Interim Prospectus shall not inure to the benefit of any Underwriter of Designated Securities (or any person controlling such Underwriter) from whom the person asserting any such loss, claim, damage or liability purchased Designated Securities that are the subject thereof if such person did not receive a copy of the Final Prospectus (not including the Incorporated Documents) at or prior to the confirmation of the sale of such Designated Securities to such person in any case where such delivery is required by the Securities Act and the untrue statement or omission of a material fact contained in the Basic Prospectus or any Interim Prospectus was corrected in the Final Prospectus, unless such failure to deliver the Final Prospectus was a result of noncompliance by the Corporation and the Guarantor with Section 6(d) hereof.

(b) Each Underwriter of Designated Securities agrees to indemnify and hold harmless the Corporation and the Guarantor to the same extent as the foregoing indemnity from the Corporation and the Guarantor to each Underwriter, but only insofar as such losses, claims, damages or liabilities arise solely out of or are based upon any untrue statement or omission or alleged untrue statement or omission that was made in the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to the Corporation or the Guarantor by the Representatives on behalf of such Underwriter expressly for use in the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus as amended or supplemented relating to such Designated Securities; provided, however, that the obligation of each such Underwriter to indemnify the Corporation and the Guarantor hereunder shall be limited to the total price at which the Designated Securities purchased by such Underwriter hereunder were offered to the public.

(c) Any party that proposes to assert the right to be indemnified under this Section 8 will, promptly after receipt of notice of commencement of any action, suit or proceeding against any such party in respect of which a claim is to be made against an indemnifying party under this Section 8, notify each such indemnifying party of the commencement of such action, suit or proceeding, enclosing a copy of all papers served, but the omission so to notify such indemnifying party of any such action, suit or proceeding shall not relieve it from any liability that it may have to any indemnified party otherwise than under this Section 8 (it being understood that the omission so to notify such indemnifying party shall relieve it from any liability it may have to any indemnified party under this Section 8; provided, however, that timely notice hereunder to the Representatives made pursuant to Section 13 hereof shall be deemed timely notice to any Underwriter that is an indemnifying party). In case any such action, suit or proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, such indemnifying party or parties shall be entitled to participate in, and, to the extent that it or they shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party or parties to such indemnified party of its or their election so to assume the defense thereof, the indemnifying party or parties shall not be liable to such indemnified party for any legal or other expenses, other than reasonable costs of investigation subsequently incurred by such indemnified party in connection with the defense thereof. The indemnified party shall have the right to employ its counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of counsel by such indemnified party has been authorized by the indemnifying party or parties, (ii) the indemnified party shall have reasonably concluded that there may be a conflict of interest between the indemnifying party or parties and the indemnified party

in the conduct of the defense of such action (in which case the indemnifying party or parties shall not have the right to direct the defense of such action on behalf of the indemnified party), or (iii) the indemnifying party or parties shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party or parties. In the event that the indemnified party retains separate counsel pursuant to clauses (i), (ii), or (iii) of the previous sentence, such counsel shall be reasonably acceptable to the indemnifying party. Any indemnifying party shall not be liable for any settlement of any action or claim effected without its written consent.

(d) If the indemnification provided for in this Section 8 is unavailable to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein (other than because such indemnification, by its terms, does not apply), then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Corporation and the Guarantor on the one hand and the Underwriters of the Designated Securities on the other from the offering of the Designated Securities to which such loss, claim, damage or liability (or actions in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Corporation and the Guarantor on the one hand and the Underwriters of the Designated Securities on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Corporation and the Guarantor on the one hand and such Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Corporation bear to the total underwriting discounts and commissions received by such Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Corporation and the Guarantor on the one hand or such Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Corporation, the Guarantor and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for

such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the applicable Designated Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Designated Securities in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to such Designated Securities and not joint.

(e) The obligations of the Corporation and the Guarantor under this Section 8 shall be in addition to any liability which the Corporation and the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Securities Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Corporation or the Guarantor and to each person, if any, who controls the Corporation or the Guarantor within the meaning of the Securities Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Designated Securities which it has agreed to purchase under the Pricing Agreement relating to such Designated Securities, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Designated Securities on the terms contained herein and in the Pricing Agreement. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Designated Securities, then the Corporation shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Designated Securities on such terms. In the event that, within the respective prescribed period, the Representatives notify the Corporation that they have so arranged for the purchase of such Designated Securities, or the Corporation notifies the Representatives that it has so arranged for the purchase of such Designated Securities, the Representatives or the Corporation shall have the right to postpone the Time of

Delivery for such Designated Securities for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Final Prospectus as amended or supplemented, or in any other documents or arrangements, and the Corporation agrees to file promptly any amendments or supplements to the Registration Statement or the Final Prospectus which in the opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section 9 with like effect as if such person had originally been a party to the Pricing Agreement with respect to such Designated Securities.

(b) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Corporation as provided in subsection (a) above, the aggregate principal amount of such Designated Securities which remains unpurchased does not exceed one-tenth of the aggregate principal amount of the Designated Securities, then the Corporation shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Designated Securities which such Underwriter agreed to purchase under the Pricing Agreement relating to such Designated Securities and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Designated Securities which such Underwriter agreed to purchase under such Pricing Agreement) of the Designated Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Corporation as provided in subsection (a) above, the aggregate principal amount of Designated Securities which remains unpurchased exceeds one-tenth of the aggregate principal amount of the Designated Securities, as referred to in subsection (b) above, or if the Corporation shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Designated Securities of a defaulting Underwriter or Underwriters, then the Pricing Agreement relating to such Designated Securities shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Corporation, except for the expenses to be borne by the Corporation and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. Any Pricing Agreement may be terminated by the Representatives or by Underwriters who have agreed to purchase in the aggregate at least 50% of the principal amount of the applicable Designated Securities by notifying the Corporation at any time,

(a) prior to the earliest of (i) 11:00 a.m., New York time, on the day following the date of the applicable Pricing Agreement, (ii) the time of release by the Representatives for publication of the first newspaper advertisement that is subsequently published with respect to such Designated Securities or (iii) the time when such Designated Securities are first generally offered by the Representatives to dealers by letter or telegram;

(b) at or prior to the Time of Delivery for such Designated Securities if, in the judgment of the Representatives or in the judgment of such Underwriters, as the case may be, payment for and delivery of such Designated Securities is rendered impracticable or inadvisable because (i) additional material governmental restrictions, not in force and effect on the date hereof or on the date of such Pricing Agreement, shall have been imposed upon trading in securities generally or minimum or maximum prices shall have been generally established on the New York Stock Exchange, or trading in securities generally shall have been suspended on such Exchange or a general banking moratorium shall have been established by Federal or New York authorities, (ii) any event shall have occurred or shall exist which makes untrue or incorrect in any material respect any material statement or information contained in the Registration Statement or the Final Prospectus or which is not reflected in the Registration Statement or the Final Prospectus but should be reflected therein in order to make the statements or information contained therein not misleading in any material respect or (iii) hostilities involving the United States or other national calamity shall have occurred or shall have accelerated to such an extent as, in the judgment of the Representatives, to affect adversely the marketability of such Designated Securities; or

(c) at or prior to the Time of Delivery for such Designated Securities, if any of the conditions specified in Section 5 hereof shall not have been fulfilled when and as required by this Agreement.

If this Agreement is terminated pursuant to any of the provisions hereof, the Corporation and the Guarantor shall not be under any liability (except as otherwise provided herein) to any Underwriter and no Underwriter shall be under any liability to the Corporation or the Guarantor, except that (a) if this Agreement is terminated by the Representatives or the Underwriters because of any failure or refusal on the part of the Corporation or the Guarantor to comply with the terms or to fulfill any of the conditions of this Agreement, the Corporation or the Guarantor, as the case may be, will reimburse the Underwriters for all reasonable out-of-pocket expenses (including the fees and disbursements of their counsel) incurred by them and (b) no Underwriter who shall have failed or refused to purchase Designated Securities agreed to be purchased by it hereunder, without some reason sufficient

hereunder to justify its cancellation or termination of its obligations hereunder, shall be relieved of liability to the Corporation or the Guarantor or to the other Underwriters for damages occasioned by its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Corporation and the Guarantor and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any termination of this Agreement, any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Corporation or the Guarantor, or any officer or director or controlling person of the Corporation or the Guarantor, and shall survive delivery of and payment for the Securities.

12. If any Pricing Agreement shall be terminated pursuant to Section 9 hereof, neither the Corporation nor the Guarantor shall then be under any liability to any Underwriter with respect to the Designated Securities covered by such Pricing Agreement except as provided in Section 7 and Section 8 hereof; but, if for any other reason Designated Securities are not delivered by or on behalf of the Corporation as provided herein, the Corporation and the Guarantor will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of such Designated Securities, but the Corporation and the Guarantor shall then be under no further liability to any Underwriter with respect to such Designated Securities except as provided in Section 7 and Section 8 hereof.

13. In all dealings hereunder, the Representatives of the Underwriters of Designated Securities shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in the Pricing Agreement.

All statements, requests, notices and agreements hereunder shall be in writing or by telegram if promptly confirmed in writing, and if to the Underwriters shall be sufficient in all respects if delivered or sent by registered mail to the address of the Representatives as set forth in the Pricing Agreement; and if to the Corporation or the Guarantor shall be sufficient in all respects if delivered or sent by registered mail to the address of the Corporation or the Guarantor set forth in the Registration Statement; Attention: Vice President and General Counsel; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by registered mail to such Underwriter at its address set forth in its Underwriters'

Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Corporation by the Representatives upon request.

14. This Agreement and each Pricing Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Corporation and the Guarantor and, to the extent provided in Section 8 and Section 11 hereof, the officers and directors of the Corporation and the Guarantor and each person who controls the Corporation or the Guarantor or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement or any such Pricing Agreement. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of each Pricing Agreement.

16. This Agreement and each Pricing Agreement shall be construed in accordance with the laws of the State of New York.

17. This Agreement and each Pricing Agreement may be executed by any one or more of the parties hereto and thereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return counterparts hereof.

Very truly yours,

LOCKHEED MARTIN CORPORATION

By:_____

LOCKHEED MARTIN TACTICAL
SYSTEMS, INC.

By:_____

Accepted as of the date hereof:

_____
_____
_____

On behalf of itself and each of the
Underwriters

_____

_____
By:

LOCKHEED MARTIN CORPORATION
LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

Pricing Agreement

_____
_____
_____
c/o _____
_____
_____

_____ __, 199_

Dear Sirs:

Lockheed Martin Corporation, a Maryland corporation (the "Corporation"), proposes, subject to the terms and conditions stated herein and in the Underwriting Agreement dated _____ __, 1996 (the "Underwriting Agreement"), to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") the Securities specified in Schedule II hereto (the "Designated Securities"), which Designated Securities shall be fully and unconditionally guaranteed by Lockheed Martin Tactical Systems, Inc., a New York corporation ("the Guarantor"). Each of the provisions of the Underwriting Agreement is incorporated herein by reference in its entirety, and shall be deemed to be a part of this Agreement to the same extent as if such provisions had been set forth in full herein; and each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Pricing Agreement. Each reference to the Representatives herein and in the provisions of the Underwriting Agreement so incorporated by reference shall be deemed to refer to you. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined. The Representatives designated to act on behalf of the Representatives and on behalf of each of the Underwriters of the Designated Securities pursuant to Section 13 of the Underwriting Agreement and the address of the Representatives referred to in such Section 13 are set forth at the end of Schedule II hereto.

An amendment to the Registration Statement, or a supplement to the Final Prospectus, as the case may be, relating to the Designated Securities, in the form heretofore delivered to you is now proposed to be filed, or, in the case of a supplement, proposed to be filed or mailed for filing, with the Commission.

Subject to the terms and conditions set forth herein and in the Underwriting Agreement incorporated herein by reference, the Corporation agrees to issue and sell to each of the Underwriters,

and each of the Underwriters agrees, severally and not jointly, to purchase from the Corporation, at the time and place and at the purchase price to the Underwriters set forth in Schedule II hereto, the principal amount of Designated Securities set forth opposite the name of such Underwriter in Schedule I hereto.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof, including the provisions of the Underwriting Agreement incorporated herein by reference, shall constitute a binding agreement between each of the Underwriters, the Corporation and the Guarantor. It is understood that your acceptance of this letter on behalf of each of the Underwriters is or will be pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Corporation for examination, upon request.

Very truly yours,

LOCKHEED MARTIN CORPORATION

By:_____

LOCKHEED MARTIN TACTICAL
SYSTEMS, INC.

By:_____

Accepted as of the date hereof:

_____
_____
_____

On behalf of itself and each of the
Underwriters

_____

_____
By:

SCHEDULE I

Underwriter	Principal Amount of Designated Securities to be Purchased
- -----------	

SCHEDULE II

Registration Statement No.: 333-01939

Title of Designated Securities:

[%] Guaranteed [Floating Rate] [Zero Coupon] [Notes] [Debentures] due

Aggregate principal amount:

$

Price to Public:

% of the principal amount of the Designated Securities, plus accrued interest from to [and accrued amortization, if any, from to]

Purchase Price by Underwriters:

% of the principal amount of the Designated Securities, plus accrued interest from to [and accrued amortization, if any, from to]

Specified funds for payment of purchase price:

[New York] Clearing House [Immediately available] funds

Indenture:

Indenture, dated May , 1996, between the Corporation, the Guarantor and First Trust of Illinois, National Association, as Trustee

Maturity:

Interest Rate:

[%] [Zero Coupon] [See Floating Rate Provisions]

Interest Payment Dates:

[months and dates, commencing , 19]

Redemption Provisions:

[No provisions for redemption]

[The Designated Securities may be redeemed, otherwise than through the sinking fund, in whole or in part at the option of the Corporation, in the amount of $ or an integral multiple thereof,

[on or after , at the following redemption prices (expressed in percentages of principal amount). If [redeemed on or before , % and if] redeemed during the 12-month period beginning ,

Year	Redemption Price

and thereafter at 100% of their principal amount, together in each case with accrued interest to the redemption date.]

[on any interest payment date falling on or after , , at the election of the Corporation, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption.]

[Other possible redemption provisions, such as mandatory redemption upon occurrence of certain events or redemption for changes in tax law]

[Restriction on refunding]

Sinking Fund Provisions:

[No sinking fund provisions]

[The Designated Securities are entitled to the benefit of a sinking fund to retire $ principal amount of Designated Securities on in each of the years through at 100% of their principal amount plus accrued interest] [, together with [cumulative] [noncumulative] redemptions at the option of the Corporation to retire an additional $ principal amount of Designated Securities in the years through at 100% of their principal amount plus accrued interest. Any sinking fund requirement shall be reduced by the aggregate principal amount of Debt Securities delivered to the Trustee

by the Corporation at least days prior to the date on which payments are to be made under the sinking fund and designated for that purpose.]

[If Securities are extendable debt Securities, insert--

Extendable provisions:

Securities are repayable on , [insert date and years], at the option of the holders, at their principal amount with accrued interest. Initial annual interest rate will be %, and thereafter annual interest rate will be adjusted on , , and to a rate not less than % of the effective annual interest rate on U.S. Treasury obligations with -year maturities as of the [insert date 15 days prior to maturity date] prior to such [insert maturity date].]

[If Securities are Floating Rate debt Securities, insert--

Floating rate provisions:

Initial annual interest rate will be % through [and thereafter will be adjusted [monthly] [on each , , and] [to an annual rate of % above the average rate for -year [month] [securities] [certificates of deposit] by and [insert names of banks].] [and the annual interest rate [thereafter] [from through] will be the interest yield equivalent of the weekly average per annum market discount rate for -month Treasury bills plus % of Interest Differential (the excess, if any, of (i) then current weekly average per annum secondary market yield for -month certificates of deposit over (ii) then current interest yield equivalent of the weekly average per annum market discount rate for -month Treasury bills); [from and thereafter the rate will be the then current interest yield equivalent plus % of Interest Differential].]

Time of Delivery:
- ---

Closing Location:
- ---

Names and addresses of Representatives:

Names and Addresses of Representatives:
- --

Designated Representatives:

Address for Notice, etc.:

[Other Terms]*:

---

* A description of particular tax, accounting or other unusual features of the Securities should be set forth, or referenced to an attached and accompanying description, if necessary to the issuer's understanding of the transaction contemplated. Such a description might appropriately be in

the form in which such features will be described in the Prospectus Supplement for the offering.

EXHIBIT 4(a)

LOCKHEED MARTIN CORPORATION

as Issuer

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

as Guarantor

AND

FIRST TRUST OF ILLINOIS,
NATIONAL ASSOCIATION

---

as Trustee

INDENTURE

Dated as of May ___, 1996

TABLE OF CONTENTS

- ---------------

NOTE: This Table of Contents shall not, for any purpose, be deemed to be a part of the Indenture.

INDENTURE dated as of May __, 1996, among Lockheed Martin Corporation, a Maryland corporation (the "Corporation"), Lockheed Martin Tactical Systems, Inc., a New York corporation (the "Guarantor"), and First Trust of Illinois, National Association, a national banking association (the "Trustee").

Each party agrees as follows for the benefit of the other party and, as to each series of Securities, for the equal and ratable benefit of the Holders of that series of the Corporation's Securities issued pursuant to this Indenture:

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

"Agent" means any Registrar, Paying Agent or co-registrar.

"Board of Directors" means the Board of Directors, or any duly appointed committee of the Board of Directors, of the Corporation or the Guarantor, as the case may be.

"Board Resolution" means a resolution of the Board of Directors or of a committee or person to which or to whom the Board of Directors has properly delegated the appropriate authority, a copy of which has been certified by the Secretary or an Assistant Secretary of the Corporation or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors or such committee or person and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day," when used with respect to any particular Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law to close, and shall otherwise mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions, at the place where any specified act pursuant to this Indenture is to occur, are authorized or obligated by law to close.

"Conversion Event" means, in the good faith judgment of the Corporation, the unavailability of any Foreign Currency or currency unit, due to the imposition of exchange controls or other circumstances beyond the control of the Corporation.

"Corporation" means the party named as such in this Indenture until a successor replaces it and thereafter means the successor.

"Currency Determination Agent," with respect to Securities of any series, means a New York Clearing House bank designated pursuant to Section 2.03 or Section 2.14.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Depositary" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the party designated as Depositary by the Corporation pursuant to Section 2.03 until a successor Depositary shall have become such pursuant to the applicable provisions hereof, and thereafter "Depositary" shall mean or include each party who is then a Depositary hereunder, and if at any time there is more than one such party, "Depositary" as used with respect to the Securities on any such series shall mean the Depositary with respect to the Securities of that series.

"Discounted Security" means any Security which provides for an amount (excluding any amounts attributable to accrued but unpaid interest) less than its principal amount to be due and payable upon a declaration of acceleration of the maturity of the Security pursuant to Section 6.02.

"Dollars" and the sign "$" mean the currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

"ECU" means the European Currency Unit as defined and revised from time to time by the Council of the European Communities.

"Exchange Act" means the Securities Exchange Act of 1934, as it may be amended from time to time.

"Exchange Rate Officers' Certificate" means a certificate or facsimile thereof setting forth (i) the applicable Market Exchange Rate and (ii) the Dollar, Foreign Currency or currency unit amounts of principal and interest, if any (on an aggregate basis and on the basis of a Security having the denomination principal amount determined in accordance with Section 2.03 in the relevant currency or currency unit), payable with respect to a Security of any series on the basis of such Market Exchange Rate, signed by any Officer of the Corporation.

"Foreign Currency" means a currency issued by the government of any country other than the United States of America.

"Global Security" means a Security evidencing all or a part of a series of Securities, issued to the Depositary for such series in accordance with Section 2.01, and bearing the legend prescribed in Section 2.01.

"Guarantee" means any guarantee of the Guarantor endorsed on a Security authenticated and delivered pursuant to this Indenture and shall include the guarantee set forth in Article 10.

"Guarantor" means the party named as such in this Indenture until a successor replaces it and thereafter means the successor.

"Holder" or "Securityholder" means the person in whose name a Security is registered on the Registrar's books.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Market Exchange Rate" means (i) for any conversion involving a currency unit on the one hand and Dollars or any Foreign Currency on the other, the exchange rate between the relevant currency unit and Dollars or such Foreign Currency calculated by the method specified pursuant to Section 2.03 for the Securities of the relevant series, (ii) for any conversion of Dollars into any Foreign Currency, the noon (New York City time) buying rate for such Foreign Currency for cable transfers quoted in New York City as certified for customs purposes by the Federal Reserve Bank of New York, (iii) for any conversion of one Foreign Currency into Dollars or another Foreign Currency, the spot rate at noon local time in the relevant market at which, in accordance with normal banking procedures, the Dollars or Foreign Currency into which conversion is being made could be purchased with the Foreign Currency from which conversion is being made from major banks located in either New York City, London or any other principal market for Dollars or such purchased Foreign Currency, in each case determined by the applicable Currency Determination Agent in its sole discretion and without liability on its part. In the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (i), (ii) and (iii) the Currency Determination Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City, London or any other principal market for such currency or currency unit in question, or such other quotations as the Currency Determination Agent shall deem appropriate. Unless otherwise specified by the Currency Determination Agent, if there is more than one market for dealing in any currency or currency unit by reason of foreign exchange regulations or otherwise, the market to be used with respect to such currency or currency unit shall be that upon which a nonresident issuer of securities designated in such currency or currency unit would purchase such currency or currency unit in order to make payments with respect to such securities. For purposes of this definition, a "nonresident issuer" shall mean an issuer that is not a resident of the country or countries that issue such currency or whose currencies are included in such currency unit.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Corporation or the Guarantor, as the case may be.

"Officers' Certificate" means a certificate signed by two Officers or by an Officer and an Assistant Treasurer or Assistant Secretary of the Corporation or the Guarantor, as the case may be.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Corporation, the Guarantor or the Trustee.

"Place of Payment" means, when used with respect to the Securities of any particular series, the place or places where the principal of and interest, if any, on the Securities of that series are payable, as contemplated by Section 2.03.

"principal" of a Security means the principal of the Security plus, when appropriate, the premium, if any, on the Security.

"SEC" means the Securities and Exchange Commission.

"Securities" means the securities issued pursuant to this Indenture from time to time, as such securities may be amended or supplemented from time to time.

"series" when used with respect to the Securities means all Securities bearing the same title and initially authorized by the same Board Resolution.

"TIA" means the Trust Indenture Act of 1939, as in effect (unless otherwise stated herein) on the date of this Indenture.

"Trustee" means the party named as such in this Indenture until a successor replaces it and thereafter means the successor. The term "Trustee" includes any additional Trustee appointed pursuant to Section 2.03 or Section 7.08 but, if at any time there is more than one Trustee, the term "Trustee" as used with respect to Securities of any series shall mean the Trustee with respect to Securities of that series.

"Trust Officer" means a Vice President or any other officer, assistant officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Uniform Commercial Code" means the Maryland Uniform Commercial Code.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Attributable Debt"	4.01
"Bankruptcy Law"	6.01
"Component Currency"	2.13
"Consolidated Net Tangible Assets"	4.01
"Conversion Date"	2.13

SECTION 1.03. Incorporation by Reference of TIA. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Securities.

"indenture security holder" means a Securityholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Corporation.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) any gender used in this Indenture shall be deemed to include the neuter, masculine or feminine gender; and

(6) provisions apply to successive events and transactions.

ARTICLE 2

THE SECURITIES

SECTION 2.01. Form and Dating. The Securities shall be issued substantially in the form or forms (including global form) as shall be established by or pursuant to a Board Resolution or Resolutions or any supplemental indenture, in each case with such appropriate insertions, omissions, substitutions or other variations as are required or permitted by this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Security shall be dated the date of its authentication.

The Guarantees by the Guarantor to be endorsed on the Securities shall be substantially in the form set forth in Section 10.03, or as shall be established by or pursuant to a Board Resolution or Resolutions or any supplemental indenture, in each case with such appropriate insertions, omissions, substitutions or other variations as are required or permitted by this Indenture. The Guarantees may have notations, legends or endorsements required by law, stock exchange rule or usage.

Notwithstanding the foregoing, if any Security of a series is issuable in the form of a Global Security or Securities, each such Global Security may provide that it shall represent the aggregate amount of Securities outstanding under the series from time to time endorsed thereon and also may provide that the aggregate amount of Securities outstanding under the series represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Global Security to reflect the amount of Securities outstanding under the series represented thereby shall be made by the Trustee in accordance with the instructions of the Corporation and in such manner as shall be specified on such Global Security. Any instructions by the Corporation or the Guarantor with respect to a Global Security, after its initial issuance, shall be in writing but need not comply with Section 11.04.

Before the first delivery of a Security of any series to the Trustee for authentication, the Corporation shall deliver to the Trustee the following:

(1) the Board Resolution or Resolutions by or pursuant to which the forms and terms of the Security and the Guarantee have been approved;

(2) Officers' Certificates of the Corporation and the Guarantor dated the date of delivery stating that all conditions precedent provided for in this Indenture relating to the authentication and delivery of Securities in that series and the guarantee of such Securities by the Guarantor have been complied with and directing the Trustee to authenticate and deliver the Securities to or upon written order of the Corporation; and

(3) Opinions of Counsel stating that all conditions precedent provided for in this Indenture relating to the authentication and delivery of Securities of that series and the guarantee of such Securities by the Guarantor have been complied with, the form and terms of the series have been established by or pursuant to a Board Resolution or Resolutions in conformity with this Indenture, the form and terms of the guarantee of such Securities by the Guarantor have been established by or pursuant to a Board Resolution or Resolutions in conformity with this Indenture, and that Securities and Guarantees in such form when completed by appropriate insertions and executed by the Corporation and the Guarantor and delivered by the Corporation to the Trustee for authentication in accordance with this Indenture, authenticated and delivered by the Trustee in accordance with this Indenture within the authorization as to aggregate principal amount established from time to time by the Board of Directors and sold in the manner specified in such Opinions of Counsel will be the legal, valid and binding obligations of the Corporation and the Guarantor, respectively, entitled to the benefits of this Indenture, subject to applicable bankruptcy, reorganization, insolvency and other similar laws generally affecting creditors' rights and to general equity principles, and to such other qualifications as such counsel shall conclude do not materially affect the rights of Holders of Securities of that series or that are customarily included in similar opinions by lawyers experienced in such matters.

Notwithstanding the foregoing, if the Corporation shall establish pursuant to Section 2.03 that the Securities of a series are to be issued in whole or in part in the form of one or more Global Securities, then the Corporation and the Guarantor shall execute and the Trustee shall, in accordance with this Section, Section 2.02 and the authentication order of the Corporation with respect to such series, authenticate and deliver one or more Global Securities in temporary or permanent form that shall (a) represent and be denominated in an aggregate amount equal to the aggregate

principal amount of the Securities of such series to be represented by one or more Global Securities, (b) be registered in the name of the Depositary for such Global Security or Securities or the nominee of such Depositary, (c) be delivered by the Trustee to such Depositary or pursuant to such Depositary's instruction; and (d) bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for Securities in definitive form, this Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any nominee to a successor Depositary or a nominee of any successor Depositary."

SECTION 2.02. Execution and Authentication. Two Officers shall sign the Securities for the Corporation by manual or facsimile signature. Two Officers shall sign the Guarantees for the Guarantor by manual or facsimile signature. The Corporation's and the Guarantor's seals shall be impressed, affixed, imprinted or reproduced on the Securities.

If an Officer whose signature is on a Security or a Guarantee no longer holds that office at the time the Trustee authenticates the Security, the Security or the Guarantee, as the case may be, shall be valid nevertheless.

A Security and the related Guarantee shall not be valid until the Trustee manually signs the certificate of authentication on the Security. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

Notwithstanding the provisions of Section 2.03 and of the preceding paragraphs, if all Securities of a series are not to be originally issued at one time (including, for example, a series constituting a medium-term note program), it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 2.01 or the Opinions of Counsel otherwise required pursuant to such preceding paragraphs at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the time of authentication upon original issuance of the first Security of such series. In such case the Trustee may conclusively rely on the foregoing documents and opinions delivered pursuant to Section 2.01 and Section 2.03, and this Section, as applicable (unless revoked by superseding comparable documents or opinions), as to the matters set forth therein.

Notwithstanding the foregoing, if any Security shall have been duly authenticated and delivered hereunder but never issued and sold by the Corporation, and the Corporation shall deliver such Security to the Trustee for cancellation as provided in Section 2.11 together with a written statement (which need not comply with Section 2.01 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Corporation, for all purposes of this Indenture such

Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

If any Security of a series shall be represented by a Global Security, then, for purposes of this Section and Section 2.10, the notation of the record owners' interest therein upon original issuance of such Security shall be deemed to be delivered in connection with the original issuance of each beneficial owner's interest in such Global Security.

The Trustee's certificate of authentication on all Securities shall be in substantially the following form:

This is one of the Securities of the series designated herein and referred to in the within-mentioned Indenture.

Date: [Name of Trustee], as Trustee

By_____

The Trustee may appoint an authenticating agent acceptable to the Corporation to authenticate Securities. An authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Corporation.

If at any time there shall be an authenticating agent appointed with respect to any series of Securities, then the Trustee's certificate of authentication to be borne by the Securities of each such series shall be substantially as follows:

This is one of the Securities of the series designated herein and referred to in the within-mentioned Indenture.

Date: [Name of Trustee], as Trustee

By:_____
as Authenticating Agent

By:_____
Authorized Officer

SECTION 2.03. Title, Amount and Terms of Securities. The principal amount of Securities that may be authenticated and delivered and outstanding under this Indenture is not limited. The Securities may be issued in a total principal amount up to that authorized from time to time by or pursuant to relevant Board Resolutions.

The Securities may be issued in one or more series, each of which shall be issued pursuant to a Board Resolution or Resolutions of the Corporation or the Guarantor, as appropriate, which shall specify:

(1) the title of the Securities of that series (which shall distinguish the Securities of that series from Securities of all other series);

(2) any limit on the aggregate principal amount of the Securities of that series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration or transfer of, in exchange for or in lieu of other Securities of that series pursuant to Sections 2.07, 2.08 or 3.07);

(3) the date or dates (or the manner of determining the same) on which the principal of the Securities of that series is payable (which, if so provided in the Board Resolution or Resolutions, may be determined by the Corporation from time to time and set forth in the Securities of that series issued from time to time);

(4) the rate or rates, or the method to be used in ascertaining the rate or rates, at which the Securities of that series shall bear interest, if any, the basis upon which interest shall be calculated if other than that of a 360-day year of 12 30-day months, the date or dates from which such interest shall accrue (which, in either case or both, if so provided in the Board Resolution or Resolutions, may be determined by the Corporation from time to time and set forth in the Securities of that series issued from time to time), the interest payment dates on which such interest shall be payable (or the manner of determining the same) and the record date for the interest payable on any interest payment date;

(5) if the trustee of that series is other than the Trustee initially named in this Indenture or any successor thereto, the trustee of that series;

(6) the place or places where the principal of and interest, if any, on Securities of that series shall be payable;

(7) the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions on which Securities of that series may be redeemed or converted into another Security, in whole or in part, at the option of the Corporation;

(8) the obligation, if any, of the Corporation to redeem or purchase Securities of that series pursuant to any sinking fund or analogous provisions or at the option of Holders of Securities of that series (or to convert such Securities into

other Securities at the option of the Holder), and the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which Securities of that series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if denominated in Dollars and in denominations other than denominations of $1,000 and any multiple of $1,000, the denominations in which Securities of that series shall be issuable;

(10) if denominated in other than Dollars, the currency or currencies, including composite currencies, in which the Securities of that series are denominated and the denominations in which Securities of that series shall be issuable;

(11) if the principal of and interest, if any, on the Securities of that series are to be payable, at the election of the Corporation or a Holder thereof, in a currency or currency unit other than that in which the Securities are denominated or stated to be payable, in accordance with provisions in addition to or in lieu of or in accordance with the provisions of Section 2.13, the period or periods within which (including the Election Date), and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the currency or currency unit in which the Securities are denominated or stated to be payable and the currency or currency unit in which the Securities are to be so payable;

(12) the index, if any, used to determine the amount of payments of principal of or interest, if any, on the Securities of that series;

(13) if the amount of payments of the principal of and interest, if any, on the Securities of that series may be determined with reference to an index based on a currency or currencies other than that in which the Securities of that series are denominated, the manner in which such amounts shall be determined;

(14) if other than the full principal amount, the portion of the principal amount of Securities of that series which shall be payable upon a declaration of acceleration of the maturity pursuant to Section 6.02;

(15) if convertible into Securities of another series, the terms upon which the Securities of that series will be convertible into Securities of such other series;

(16) the right, if any, of the Corporation to redeem all or any part of the Securities of that series before maturity

and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of that series may be redeemed;

(17) the provisions, if any, restricting defeasance of the Securities of that series;

(18) if other than or in addition to the events specified in Section 6.01, events of default with respect to the Securities of that series;

(19) if the Securities of that series are to be issued in whole or in part in the form of one or more Global Securities, the Depositary for such Global Security or Securities and whether beneficial owners of interests in any such Global Securities may exchange such interests for other Securities of such series in the manner provided in Section 2.07, and the manner and the circumstances under which and the place or places where any such exchanges may occur if other than in the manner provided in Section 2.07, and any other terms of the series relating to the global nature of the Securities of such series and the exchange, registration or transfer thereof and the payment of any principal thereof or interest, if any, thereon;

(20) the designation of the original Currency Determination Agent, if any, with respect to the Securities of that series;

(21) the Guarantee of the Securities of such series pursuant to Article 10; and

(22) any other terms of or relating to the Securities of that series or the related Guarantees (which terms shall not be inconsistent with the provisions of this Indenture).

References herein to currency shall include ECUs, unless otherwise specified or unless the context otherwise requires.

All Securities of any particular series shall be identical as to currency of denomination and otherwise shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the relevant Board Resolution or Resolutions.

The Trustee need not authenticate the Securities in any series if their terms impose on the Trustee duties in addition to those imposed on the Trustee by this Indenture. If the Trustee does authenticate any such Securities, the authentication will evidence the Trustee's agreement to comply with any such additional duties.

Each Depositary designated pursuant to this Section 2.03 for a Global Security in registered form shall, if required, at the time of its designation and at all times while it serves as a

Depositary, be a clearing agency registered under the Exchange Act and any other applicable statute or regulation.

SECTION 2.04. Registrar and Paying Agent. The Corporation shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Securities may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Corporation may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent. There may be separate Registrars and Paying Agents for different series of Securities.

The Corporation shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Corporation shall notify the Trustee of the name and address of any such Agent. If the Corporation fails to maintain a Registrar or Paying Agent, the Trustee shall act as such.

The Corporation initially appoints the Trustee as Registrar and Paying Agent.

SECTION 2.05. Paying Agent to Hold Money in Trust. Each Paying Agent for any series of Securities shall hold in trust for the benefit of Holders of Securities of the same series or the Trustee all money held by the Paying Agent for the payment of principal of or interest, if any, on such Securities and shall notify the Trustee of any default by the Corporation in making such payment. If the Corporation or a Subsidiary acts as Paying Agent with respect to a series of Securities, it shall segregate the money for that series and hold it as a separate trust fund. The Corporation at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon doing so the Paying Agent shall have no further liability for the money.

SECTION 2.06. Securityholder Lists. For each series of Securities, the Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders of Securities of that series. If the Trustee is not the Registrar, the Corporation shall furnish or cause to be furnished to the Trustee on or before each interest payment date for each series of Securities and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders of Securities of that series.

SECTION 2.07. Transfer and Exchange. Where a Security (other than a Global Security except as set forth herein) is presented to the Registrar or a co-registrar with a request to register a transfer, the Registrar shall register the transfer as requested if the requirements of Section 8-401(1) of the Uniform Commercial Code

(or any successor provision) are met. Where Securities (other than a Global Security except as set forth herein) of any series are presented to the Registrar or a co-registrar with a request to exchange them for an equal principal amount of Securities of other denominations of the same series with identical terms as the Securities exchanged, the Registrar shall make the exchange as requested if the same requirements are met. To permit transfers and exchanges, the Trustee shall authenticate Securities at the Registrar's request. The Corporation may charge a reasonable fee for any transfer or exchange, but not for any exchange pursuant to Section 2.10, 3.07 or 9.05. The Corporation shall not be required to make transfers or exchanges of Securities of any series for a period of 15 days before a selection of Securities of the same series to be redeemed or before an interest payment.

Notwithstanding any other provision of this Section, unless and until it is exchanged in whole or in part for Securities in definitive form, a Global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depositary for such series 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 Depositary for such series or a nominee of such successor Depositary.

None of the Corporation, the Guarantor, the Trustee, the Paying Agent, the Registrar or any co-registrar shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If at any time the Depositary for the Securities of a series notifies the Corporation that it is unwilling or unable to continue as Depositary for the Securities of such series or if at any time the Depositary for the Securities of such series shall no longer be eligible under Section 2.03, the Corporation shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Corporation within 90 days after the Corporation receives such notice or becomes aware of such ineligibility, the Corporation's election pursuant to Section 2.03(19) shall no longer be effective with respect to the Securities of such series and the Corporation will execute, and the Trustee, upon receipt of an order of the Corporation for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

The Corporation may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more Global Securities shall no longer be represented by

such Global Security or Securities. In such event the Corporation will execute, and the Trustee, upon receipt of an order of the Corporation for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

If specified by the Corporation pursuant to Section 2.03 with respect to a series of Securities, the Depositary for such series of Securities may surrender a Global Security for such series of Securities in exchange in whole or in part for the Securities of such series in definitive form on such terms as are acceptable to the Corporation and such Depositary. Thereupon, the Corporation shall execute, and the Trustee shall authenticate and deliver:

(1) to each party specified by such Depositary a new Security or Securities of the same series, of any authorized denomination as requested by such party in aggregate principal amount equal to and in exchange for such party's beneficial interest in the Global Security; and

(2) to such Depositary a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities delivered to Holders thereof.

Upon the exchange of the Global Security for Securities in definitive form, such Global Security shall be canceled by the Trustee. Securities issued in exchange for a Global Security pursuant to this Section 2.07 shall be registered in such names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the parties in whose names such Securities are so registered.

SECTION 2.08. Replacement Securities. If the Holder of a Security claims that the Security has been mutilated, destroyed, lost or stolen, the Corporation may issue and the Trustee shall authenticate a replacement Security of the same series with identical terms as the Securities exchanged if the requirements of Section 8-405 of the Uniform Commercial Code (or any successor provision) are met. Such Holder shall furnish an indemnity bond sufficient in the judgment of the Corporation and the Trustee to protect the Corporation, the Guarantor, the Trustee, the Paying Agent, the Registrar and any co-registrar from any loss which any of them may suffer if a Security is replaced. The Corporation and the Trustee may charge for their expenses in replacing a Security.

In case any such mutilated, destroyed, lost or stolen Security has become due and payable, the Corporation in its discretion may,

instead of issuing a new Security, pay such Security (without surrender thereof except in the case of a mutilated Security) if the applicant for such payment shall furnish to the Corporation, the Guarantor, the Trustee, the Paying Agent, the Registrar and any co-registrar for such Security such security or indemnity as may be required by them to hold each of them harmless, and in case of destruction, loss or theft, evidence satisfactory to the Corporation, the Guarantor, the Trustee, the Paying Agent, the Registrar and any co-registrar, and any agent of any of them, of the destruction, loss or theft of such Security and the ownership thereof.

Upon the issuance of any new Security under this Section 2.08, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including all fees and expenses of the Trustee, the Paying Agent, the Registrar and any co-registrar for such Security) connected therewith.

Every new Security of any series issued pursuant to this Section 2.08 in lieu of any destroyed, lost or stolen Security or in exchange for any mutilated Security, shall constitute an original additional obligation of the Corporation, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of the same series.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 2.09. Outstanding Securities. Securities outstanding at any time are all Securities authenticated by the Trustee (and, in the case of Global Securities, endorsed by the Trustee) except for those canceled by it, those delivered to it for cancellation and those described in this Section as not outstanding. A Security does not cease to be outstanding because the Corporation, the Guarantor or an affiliate of the Corporation or the Guarantor holds the Security.

If a Security is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Security is held by a bona fide purchaser.

If the Paying Agent holds on a redemption date or maturity date money sufficient to pay Securities payable on that date, then on and after that date such Securities cease to be outstanding and interest on them ceases to accrue.

If a Security is called for redemption, the Corporation and the Trustee need not treat the Security as outstanding in

determining whether Holders of the required principal amount of Securities have concurred in any direction, waiver or consent.

SECTION 2.10. Temporary Securities. Until definitive Securities of any series are ready for delivery or a permanent Global Security or Securities are prepared, as the case may be, the Corporation may prepare and the Trustee shall authenticate temporary Securities or one or more temporary Global Securities, as the case may be, of the same series, having endorsed thereon Guarantees duly executed by the Guarantor in accordance with the terms and conditions of this Indenture. Temporary Securities of any series shall be substantially in the form of definitive Securities or permanent Global Securities, as the case may be, of the same series, but may have variations that the Corporation considers appropriate for temporary Securities. Without unreasonable delay, the Corporation shall prepare and the Trustee shall authenticate definitive Securities or a permanent Global Security or Securities, as the case may be, of the same series in exchange for temporary Securities. Until so exchanged, the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities or permanent Global Securities of such series.

SECTION 2.11. Cancellation. The Corporation or the Guarantor at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for transfer, exchange or payment. The Trustee and no one else shall cancel or destroy all Securities surrendered for transfer, exchange, payment or cancellation, and shall so certify to the Corporation. The Corporation may not issue new Securities to replace Securities it has paid or it has delivered to the Trustee for cancellation.

SECTION 2.12. Defaulted Interest. If the Corporation defaults in a payment of interest on any Securities of any series, it shall pay the defaulted interest to the persons who are Holders of those Securities on a subsequent special record date. The Corporation shall fix the special record date and the payment date in respect thereof. At least 15 days before the special record date, the Corporation shall mail to each Holder of Securities of that series a notice that states the special record date, the payment date and the amount of defaulted interest to be paid. The Corporation may pay defaulted interest in any other lawful manner.

SECTION 2.13. Currency and Manner of Payments in Respect of Securities. (a) With respect to Securities of any series not permitting the election provided for in paragraph (b) below or the Holders of which have not made the election provided for in paragraph (b) below, except as provided in paragraph (d) below, payment of the principal of and interest, if any, on any Security of such series will be made in the currency or currency unit in which such Security is payable.

(b) It may be provided pursuant to Section 2.03 with respect to Securities of any series that Holders shall have the option, subject to paragraphs (d) and (e) below, to receive payments of principal of or interest, if any, on such Securities in any of the currencies or currency units which may be designated for such election by delivering to the Trustee for such series of Securities a written election with signature guarantees and in form and substance satisfactory to such Trustee, not later than the close of business on the Election Date immediately preceding the applicable payment date. If a Holder so elects to receive such payments in any such currency or currency unit, such election will remain in effect for such Holder until changed by such Holder by written notice to the Trustee for such series of Securities (but any such change must be made not later than the close of business on the Election Date immediately preceding the next payment date to be effective for the payment to be made on such payment date and no such change of election may be made with respect to payments to be made on any Security of such series with respect to which an Event of Default has occurred or notice of redemption has been given by the Corporation pursuant to Article 3). In the event any Holder makes any such election pursuant to the preceding sentence, such election will not be effective on any transferee of such Holder and such transferee shall be paid in the currency or currency unit indicated pursuant to paragraph (a) above unless such transferee makes an election pursuant to the preceding sentence; provided, however, that such election, if in effect while funds are on deposit with respect to the Securities of such series as described in Section 8.01, 8.02 or 8.03, will be effective on any transferee of such Holder unless otherwise specified pursuant to Section 2.03 for the Securities of such series. Any Holder of any such Security who shall not have delivered any such election to the Trustee of such series of Securities not later than the close of business on the applicable Election Date will be paid the amount due on the applicable payment date in the relevant currency or currency unit as provided in paragraph (a) of this Section. In no case may a Holder of Securities of any series elect to receive payments in any currency or currency unit as described in this Section 2.13(b) following a deposit of funds with respect to the Securities of such series as described in Section 8.01, 8.02 or 8.03.

(c) If the election referred to in paragraph (b) above has been provided for pursuant to Section 2.03, then not later than the fourth Business Day after the Election Date for each payment date for Securities of any series, the Currency Determination Agent for that series will deliver to the Corporation a written notice specifying, in the currency or currency unit in which Securities of such series are payable, the respective aggregate amounts of principal of and interest, if any, on the Securities to be made on such payment date, and specifying the amounts in such currency or currency unit so payable with respect to the Securities of such series as to which the Holders thereof shall have elected to be paid in a currency or currency unit other than that in which such series is denominated as provided in paragraph (b) above. If the election referred to in paragraph (b) above has been provided for

pursuant to Section 2.03 and if at least one Holder has made such election, then, on the second Business Day preceding such payment date the Corporation will deliver to the Trustee for such series of Securities an Exchange Rate Officers' Certificate with respect to the Dollar, Foreign Currency, ECU or currency unit payments to be made on such payment date. The Dollar, Foreign Currency, ECU or currency unit amount receivable by Holders of Securities who have elected payment in a currency or currency unit as provided in paragraph (b) above shall, unless otherwise provided pursuant to Section 2.03, be determined by the Corporation on the basis of the applicable Market Exchange Rate in effect on the third Business Day (the "Valuation Date") immediately preceding each payment date.

(d) If a Conversion Event occurs with respect to a Foreign Currency, the ECU or any other currency unit in which any of the Securities are denominated or payable other than pursuant to an election provided for pursuant to paragraph (b) above, then with respect to each date for the payment of principal of and interest, if any, on the applicable Securities denominated or payable in such Foreign Currency, the ECU or such other currency unit occurring after the last date on which such Foreign Currency, the ECU or such other currency unit was available (the "Conversion Date"), the Dollar shall be the currency of payment for use on each such payment date. The Dollar amount to be paid by the Corporation to the Trustee of each such series of Securities and by such Trustee or any Paying Agent to the Holders of such Securities with respect to such payment date shall be the amount that would have been payable in Foreign Currency or currency units but expressed in Dollars according to the Dollar Equivalent of the Foreign Currency or, in the case of a currency unit, the Dollar Equivalent of the Currency Unit, in each case as determined by the Currency Determination Agent in the manner provided in paragraph (f) or (g) below.

(e) If the Holder of a Security denominated in any currency or currency unit shall have elected to be paid in another currency or currency unit as provided in paragraph (b) above, and a Conversion Event occurs with respect to such elected currency or currency unit, such Holder shall receive payment in the currency or currency unit in which payment would have been made in the absence of such election. If a Conversion Event occurs with respect to the currency or currency unit in which payment would have been made in the absence of such election, such Holder shall receive payment in Dollars as provided in paragraph (d) above.

(f) The "Dollar Equivalent of the Foreign Currency" shall be determined by the Currency Determination Agent and shall be obtained for each subsequent payment after the Conversion Date by converting the specified Foreign Currency into Dollars at the Market Exchange Rate on the Conversion Date.

(g) The "Dollar Equivalent of the Currency Unit" shall be determined by the Currency Determination Agent and subject to the provisions of paragraph (h) below shall be the sum of each amount

obtained by converting the Specified Amount of each Component Currency into Dollars at the Market Exchange Rate for such Component Currency on the Valuation Date with respect to each payment.

(h) For purposes of this Section 2.13 the following terms shall have the following meanings:

A "Component Currency" shall mean any currency which, on the Conversion Date, was a component currency of the relevant currency unit, including, but not limited to, the ECU.

A "Specified Amount" of a Component Currency shall mean the number of units of such Component Currency or fractions thereof which were represented in the relevant currency unit, including, but not limited to, the ECU, on the Conversion Date. If after the Conversion Date the official unit of any Component Currency is altered by way of combination or subdivision, the Specified Amount of such Component Currency shall be divided or multiplied in the same proportion. If after the Conversion Date two or more Component Currencies are consolidated into a single currency, the respective Specified Amounts of such Component Currencies shall be replaced by an amount in such single currency equal to the sum of the respective Specified Amounts of such consolidated Component Currencies expressed in such single currency, and such amount shall thereafter be a Specified Amount and such single currency shall thereafter be a Component Currency. If after the Conversion Date any Component Currency shall be divided into two or more currencies, the Specified Amount of such Component Currency shall be replaced by amounts of such two or more currencies, each of whose Dollar Equivalent at the Market Exchange Rate on the date of such replacement shall be equal to the Dollar Equivalent of the Specified Amount of such former Component Currency at the Market Exchange Rate on such date divided by the number of currencies into which such Component Currency was divided, and such amounts shall thereafter be Specified Amounts and such currencies shall thereafter be Component Currencies. If, after the Conversion Date of the relevant currency unit, including, but not limited to, the ECU, a Conversion Event (other than any event referred to above in this definition of "Specified Amount") occurs with respect to any Component Currency of such currency unit and is continuing on the applicable Valuation Date, the Specified Amount of such Component Currency shall, for purposes of calculating the Dollar Equivalent of the Currency Unit, be converted into Dollars at the Market Exchange Rate in effect on the Conversion Date of such Component Currency.

"Election Date" shall mean any date for any series of Securities as specified pursuant to Section 2.03(11) by which the written election referred to in Section 2.13(b) may be made, such date to be not later than the regular record date for the earliest payment for which such election may be effective.

All decisions and determinations of the Currency Determination Agent regarding the Dollar Equivalent of the Foreign Currency, the Dollar Equivalent of the Currency Unit, the Market Exchange Rate and changes in the Specified Amounts as specified above shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Corporation, the Trustee for the appropriate series of Securities and all Holders of such Securities denominated or payable in the relevant currency or currency units. The Currency Determination Agent shall promptly give written notice to the Corporation and the Trustee for the appropriate series of Securities of any such decision or determination.

In the event of a Conversion Event with respect to a Foreign Currency, the Corporation, after learning thereof, will immediately give written notice thereof to the Trustee of the appropriate series of Securities and the Currency Determination Agent with respect to such series (and such Trustee will promptly thereafter give notice to the Holders) specifying the Conversion Date. In the event of a Conversion Event with respect to the ECU or any other currency unit in which Securities are denominated or payable, the Corporation, after learning thereof, will immediately give written notice thereof to the Trustee of the appropriate series of Securities and the Currency Determination Agent with respect to such series (and such Trustee will promptly thereafter give notice to the Holders) specifying the Conversion Date and the Specified Amount of each Component Currency on the Conversion Date. In the event of any subsequent change in any Component Currency as set forth in the definition of Specified Amount above, the Corporation, after learning thereof, will similarly give written notice to the Trustee of the appropriate series of Securities and the Currency Determination Agent.

The Trustee of the appropriate series of Securities shall be fully justified and protected in relying and acting upon information received by it from the Corporation and the Currency Determination Agent and shall not otherwise have any duty or obligation to determine such information independently.

SECTION 2.14. Appointment and Resignation of Currency Determination Agent. (a) If and so long as the Securities of any series (i) are denominated in a currency unit or a currency other than Dollars or (ii) may be payable in a currency unit or a currency other than Dollars, or so long as it is required under any other provision of this Indenture, then the Corporation will maintain with respect to each such series of Securities, or as so required, a Currency Determination Agent. The Corporation will cause the Currency Determination Agent to make the necessary foreign exchange determinations at the time and in the manner specified pursuant to Section 2.03 for the purpose of determining the applicable rate of exchange and for the purpose of converting the issued currency or currency unit into the applicable payment currency or currency unit for the payment of principal and interest, if any, pursuant to Section 2.13.

(b) No resignation of the Currency Determination Agent and no appointment of a successor Currency Determination Agent pursuant to this Section shall become effective until the acceptance of appointment by the successor Currency Determination Agent as evidenced by a written instrument delivered to the Corporation and the Trustee of the appropriate series of Securities accepting such appointment executed by the successor Currency Determination Agent.

(c) If the Currency Determination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Currency Determination Agent for any cause, with respect to the Securities of one or more series, the Corporation, by a Board Resolution, shall promptly appoint a successor Currency Determination Agent or Currency Determination Agents with respect to the Securities of that or those series (it being understood that any such successor Currency Determination Agent may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall only be one Currency Determination Agent with respect to the Securities of any particular series).

ARTICLE 3

REDEMPTION

SECTION 3.01. Applicability of this Article. Securities of any series that are redeemable prior to their maturity shall be redeemable in accordance with their terms (except as otherwise specified in this Indenture for Securities of any series) and in accordance with this Article 3.

SECTION 3.02. Notices to Trustee. If the Corporation wants to redeem any Securities, it shall notify the Trustee of the redemption date and the principal amount of Securities to be redeemed in accordance with the terms of the Securities. If the redemption is of less than all the outstanding Securities of a series, the Corporation shall furnish to the Trustee a written statement signed by an Officer of the Corporation stating that with respect to that series there exists no Event of Default and no circumstance which, after notice or the passage of time or both, would constitute an Event of Default. The Corporation shall give the notice provided for in this Section at least 50 days before the redemption date.

SECTION 3.03. Selection of Securities to be Redeemed. If, at the option of the Corporation, less than all the Securities of a series are to be redeemed, the Trustee shall select the Securities to be redeemed by a method the Trustee considers fair and appropriate, subject to any applicable stock exchange requirements. The Trustee shall make the selection from outstanding Securities not previously called for redemption. The Trustee may select for redemption portions of the principal of Securities that have a denomination larger than $1,000 (or the applicable minimum

denomination for such Securities in the event the Securities are payable in ECUs or a Foreign Currency or Currencies). Securities and portions of them it selects shall be in amounts of $1,000 (or the applicable minimum denomination for such Securities in the event the Securities are payable in ECUs or a Foreign Currency or Currencies) or a multiple of $1,000 (or the applicable minimum denomination for such Securities in the event the Securities are payable in ECUs or a Foreign Currency or Currencies). Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption.

The Trustee for the Securities of any series to be redeemed shall promptly notify the Corporation in writing of the Securities of such series selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 3.04. Notice of Redemption. At least 20 days but not more than 60 days before a date of redemption of Securities at the option of the Corporation, the Corporation shall mail a notice of redemption by first-class mail to each Holder of Securities to be redeemed.

The notice shall identify the Securities to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price;

(3) the name and address of the Paying Agent;

(4) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price; and

(5) that interest, if any, on Securities called for redemption ceases to accrue on and after the redemption date.

At the Corporation's request, the Trustee shall give the notice of redemption in the Corporation's name and at its expense. In such event the Corporation will provide the Trustee with the information required by clauses (1) through (5) above.

SECTION 3.05. Effect of Notice of Redemption. Once notice of redemption is mailed, Securities called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such

Securities shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to the redemption date; provided, however, that any regular payment of interest becoming due on the redemption date shall be payable to the Holder of any such Security being redeemed as provided in the Security.

SECTION 3.06. Deposit of Redemption Price. By the opening of business on the redemption date, the Corporation shall deposit with the Paying Agent money sufficient to pay the redemption price of and accrued interest, if any, on all Securities to be redeemed on that date.

SECTION 3.07. Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part, the Trustee shall authenticate for the Holder a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

ARTICLE 4

COVENANTS

SECTION 4.01. Certain Definitions. "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 most recent consolidated balance sheet preceding the date of a determination under Section 4.03(11).

"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 Corporation or the Guarantor 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 Corporation, the Guarantor 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 Corporation, the Guarantor 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 Corporation, the Guarantor 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 SEC pursuant to Section 13 or 15(d) of the Exchange Act.

"Sale-Leaseback Transaction" means an arrangement whereby the Corporation, the Guarantor 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.

SECTION 4.02. Payment of Securities. The Corporation shall promptly pay the principal of and interest, if any, on the Securities on the dates and in the manner provided in the Securities.

To the extent lawful, the Corporation shall pay interest, if any, on overdue principal at the rate borne by the Securities and shall pay interest, if any, on overdue installments of interest at the same rate.

SECTION 4.03. Limitation on Liens. The Corporation and the Guarantor shall not, and neither shall permit any Restricted Subsidiary to, incur a Lien on Restricted Property to secure a Debt unless:

(1) the Lien equally and ratably secures the Securities and the Debt. The Lien may equally and ratably secure the Securities and any other obligation of the Corporation, the Guarantor or a Subsidiary. The Lien may not secure an obligation of the Corporation that is subordinated to any Securities or an obligation of the Guarantor that is subordinated to any Guarantees; or

(2) the Lien is on property, Debt or shares of stock of a corporation at the time such corporation becomes a Restricted Subsidiary; or

(3) the Lien is on property at the time the Corporation, the Guarantor or a Restricted Subsidiary acquires the property. However, the Lien may not extend to any other Restricted Property owned by the Corporation, the Guarantor or a Restricted Subsidiary at the time the property is acquired; or

(4) the Lien secures the payment of 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 secures 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 thereon, 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; provided, however, that in the case of any such acquisition, construction or improvement the Lien shall not apply to any property theretofore owned by the Corporation, the Guarantor or a Restricted Subsidiary, other than, in the case of any such construction or improvement, any theretofore unimproved real property on which the property so constructed or the improvement made is located; or

(5) the Lien secures Debt of a Restricted Subsidiary owed to the Corporation, the Guarantor or another Restricted Subsidiary; or

(6) the Lien is on property of a corporation or other entity at the time such corporation or other entity merges into, or consolidates or enters into a share exchange with, the Corporation, the Guarantor or a Restricted Subsidiary; or

(7) the Lien is on property of a person at the time the person transfers or leases all or substantially all its assets to the Corporation, the Guarantor or a Restricted Subsidiary; or

(8) the Lien is 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; or

(9) the Lien arises pursuant to any order of attachment, distraint or similar legal process arising 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 materialmen's, suppliers', tax or other similar Lien arising in the ordinary course of business securing obligations which are not overdue or are being contested in good faith by appropriate proceedings; or

(10) as to any particular series of Securities, the Lien extends, renews or replaces in whole or in part a Lien ("existing Lien") permitted by any of the clauses (1) through (9) or a Lien existing on the date that Securities of such series are first issued. The Lien may not extend beyond the property subject to the existing Lien. The Debt secured by the Lien may not exceed the Debt secured at the time by the existing Lien unless the existing Lien or a predecessor Lien was incurred under clause (1) or (5); or

(11) the Debt secured by the Lien plus all other Debt secured by Liens on Restricted Property, excluding Debt secured by a Lien permitted by any of the clauses (1) through (10) and any Debt secured by a Lien existing at the date of this Indenture, at the time does not exceed 10% of Consolidated Net Tangible Assets. Attributable Debt for any lease entered into under clause (4) of Section 4.04 shall be included in the determination and treated as Debt secured by a Lien on Restricted Property not otherwise permitted by any of the clauses (1) through (10).

SECTION 4.04. Limitation on Sale-Leaseback Transactions. The Corporation and the Guarantor shall not, and neither shall permit any Restricted Subsidiary to, enter into a Sale-Leaseback Transaction unless:

(1) the lease has a term of three years or less; or

(2) the lease is between the Corporation and the Guarantor, the Guarantor and a Restricted Subsidiary, the Corporation and a Restricted Subsidiary or between Restricted Subsidiaries; or

(3) the Corporation, the Guarantor or a Restricted Subsidiary under clauses (2) through (10) of Section 4.03 could create a Lien on the property to secure Debt at least equal in amount to the Attributable Debt for the lease; or

(4) the Corporation, the Guarantor or a Restricted Subsidiary under clause (11) of Section 4.03 could create a Lien on the property to secure Debt at least equal in amount to the Attributable Debt for the lease; or

(5) the Corporation or the Guarantor 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

(6) (A) 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,

(B) the prepayment is made within 120 days of the effective date of the lease,

(C) the Debt prepaid is not owned by the Corporation, the Guarantor or a Restricted Subsidiary, and

(D) the Debt prepaid was Long-Term Debt at the time it was created.

SECTION 4.05. No Lien Created, etc. This Indenture and the Securities do not create a Lien, charge or encumbrance on any property of the Corporation, the Guarantor or any Subsidiary.

SECTION 4.06. Compliance Certificate. The Corporation and the Guarantor shall deliver to the Trustee within 120 days after the end of each fiscal year of the Corporation an Officers' Certificate stating whether or not the signers know of any default by the Corporation or the Guarantor in performing their covenants in Section 4.03 or 4.04. If they do know of such a default, the certificate shall describe the default. The certificate need not comply with Section 11.05.

SECTION 4.07. SEC Reports. Each of the Corporation and the Guarantor shall file with the Trustee within 15 days after it files them with the SEC copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Corporation or the Guarantor, as the case may be, is required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act. The Corporation and the Guarantor, as applicable, also shall comply with the other provisions of TIA Section 314(a).

ARTICLE 5

SUCCESSOR CORPORATION

SECTION 5.01. When the Corporation or the Guarantor May Merge, etc.

(a) Neither the Corporation nor the Guarantor shall consolidate with or merge into, or transfer all or substantially

all its assets to another corporation, unless (1) the resulting, surviving or transferee corporation assumes by supplemental indenture all the obligations of the Corporation or the Guarantor, as the case may be, under the Securities or the Guarantees and this Indenture, (2) immediately after giving effect to such transaction no Event of Default and no circumstances 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 such consolidation, merger or transfer and such supplemental indenture comply with this Indenture, and thereafter all such obligations of the Corporation or the Guarantor, as the case may be, shall terminate.

(b) In the event that (1) the Corporation and the Guarantor shall consolidate with each other into another corporation, (2) the Corporation shall merge into the Guarantor or vice versa, or (3) the Corporation shall transfer all or substantially all of its assets to the Guarantor or vice versa, then, upon satisfaction of the conditions set forth in Section 5.01(a), the resulting, surviving or transferee corporation shall be substituted for the Corporation under this Indenture and the Guarantees shall terminate and be of no further effect.

SECTION 5.02. When Securities Must be Secured. If upon any such consolidation, merger or transfer a Restricted Property would become subject to an attaching Lien that secures Debt, then, before the consolidation, merger or transfer occurs, the Corporation or the Guarantor, as the case may be, by supplemental indenture shall secure the Securities by a direct lien on the Restricted Property. The direct Lien shall have priority over all Liens on the Restricted Property except those already on it. The direct Lien may equally and ratably secure the Securities or the Guarantees and any other obligation of the Corporation, the Guarantor or a Subsidiary. However, the Corporation or the Guarantor, as the case may be, need not comply with this Section if:

(1) upon the consolidation, merger or transfer the attaching Lien will secure the Securities or the Guarantees, as the case may be, equally and ratably with or prior to Debt secured by the attaching Lien; or

(2) the Corporation or the Guarantor or a Restricted Subsidiary under any of the clauses (2) through (11) of Section 4.03 could create a Lien on the Restricted Property to secure Debt at least equal in amount to that secured by the attaching Lien.

ARTICLE 6

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. An "Event of Default" occurs with respect to a series of Securities if:

(1) the Corporation defaults in the payment of interest on any Security of that series when the same becomes due and payable and the default continues for a period of 30 days;

(2) the Corporation defaults in the payment of the principal of any Security of that series when the same becomes due and payable at maturity, upon redemption or otherwise;

(3) the Corporation or the Guarantor fails to comply with any of its other agreements in the Guarantees or the Securities of that series or this Indenture for the benefit of that series and the default continues for the period and after the notice specified in this Section;

(4) the Corporation or the Guarantor pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(D) makes a general assignment for the benefit of its creditors;

(5) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Corporation or the Guarantor in an involuntary case,

(B) appoints a Custodian of the Corporation or the Guarantor or for all or substantially all of the property of the Corporation or the Guarantor, or

(C) orders the winding up or liquidation of the Corporation or the Guarantor,

and the order or decree remains unstayed and in effect for 60 days; or

(6) there occurs any other event specifically described as an Event of Default by the Securities of that series.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A default under clause (3) is not an Event of Default with respect to a series of Securities until the Trustee or the Holders of at least 25% in principal amount of the Securities of that series notify the Corporation and the Guarantor of the default and the Corporation or the Guarantor, as the case may be, does not cure the default within 90 days after receipt of the notice. The notice must specify the default, demand that it be remedied and state that the notice is a "Notice of Default." Subject to Sections 7.01 and 7.02 the Trustee shall not be charged with knowledge of any default unless written notice thereof shall have been given to the Trustee by the Corporation, the Guarantor, the Paying Agent, the Holder of a Security or an agent of such Holder.

SECTION 6.02. Acceleration. If an Event of Default with respect to a series of Securities occurs and is continuing, the Trustee, by notice to the Corporation and the Guarantor or the Holders of at least 25% in principal amount of the Securities of that series by notice to the Corporation, the Guarantor and the Trustee, may declare the principal (or, in the case of Discounted Securities, such amount of principal as may be provided for in such Securities) of and accrued interest, if any, on all the Securities of that series to be due and payable immediately. Upon such a declaration such principal and interest, if any, shall be due and payable immediately. The Holders of a majority in principal amount of the Securities of any series by notice to the Trustee may rescind an acceleration (and upon such rescission any Event of Default caused by such acceleration shall be deemed cured) with respect to that series and its consequences if all existing Events of Default with respect to the series have been cured or waived, if the rescission would not conflict with any judgment or decree, and if all payments due to the Trustee and any predecessor Trustee under Section 7.07 have been made.

SECTION 6.03. Other Remedies. If an Event of Default with respect to a series of Securities occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of (or, in the case of Discounted Securities, such amount of principal as may be provided for in such Securities) or interest, if any, on the Securities of that series or to enforce the performance of any provision of such Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of acquiescence in the Event of Default. No remedy is

exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults. Subject to Section 9.02 the Holders of a majority in principal amount of the Securities of a series by notice to the Trustee may waive an existing Default or Event of Default with respect to that series and its consequences. When a Default or Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 6.05. Control by Majority. The Holders of a majority in principal amount of the Securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust of power conferred on it with respect to that series. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Holders of Securities of the same series or would involve the Trustee in personal liability.

SECTION 6.06. Limitation on Suits. No Holder of a Security of any series may pursue any remedy with respect to this Indenture or the Securities unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default with respect to the Securities of the series is continuing;

(2) the Holders of at least 25% in principal amount of the Securities of that series make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(5) during such 60-day period the Holders of a majority in principal amount of the Securities of that series do not give the Trustee a direction inconsistent with the request.

A Securityholder may not use this Indenture to prejudice the rights of another Securityholder or to obtain a preference or priority over any other Securityholder.

SECTION 6.07. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest, if any,

on the Security on or after the respective due dates expressed in the Security, or to bring suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of the Holder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default in payment of interest or principal specified in Section 6.01(1) or (2) occurs and is continuing, subject to Sections 6.02 and 6.04 the Trustee may recover judgment in its own name and as trustee of an express trust against the Corporation and the Guarantor for the whole amount of principal and interest, if any, remaining unpaid.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Securityholders allowed in any judicial proceedings relative to the Corporation or the Guarantor, or any of their creditors or property, and unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other person performing similar functions.

SECTION 6.10. Priorities. If the Trustee collects any money pursuant to this Article with respect to the Securities of any series, it shall pay out the money in the following order:

First: to the Trustee for amounts due under Section 7.07;

Second: to Holders of Securities of that series for amounts due and unpaid on such Securities for principal and interest, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and interest, if any, respectively; and

Third: to the Corporation.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit other than the Trustee of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit including the Trustee, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder pursuant to

Section 6.07 or a suit by Holders of more than 10% in principal amount of the Securities of any series.

ARTICLE 7

TRUSTEE

SECTION 7.01. Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall with respect to Securities exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee need perform only those duties that are specifically set forth in this Indenture and no others; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, notices or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates, notices and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Corporation.

SECTION 7.02. Rights of Trustee. (a) Subject to Section 7.01 the Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

SECTION 7.03. Individual Rights of Trustee, etc. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Corporation, the Guarantor or any of their affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Trustee's Disclaimer. The Trustee makes no representations as to the validity or adequacy of this Indenture or the Securities or the Guarantees, it shall not be accountable for the Corporation's use of the proceeds from the Securities, and it shall not be responsible for any statement in the Securities or in the Guarantees other than its certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default occurs with respect to a series of Securities and is continuing and if it is known to the Trustee, the Trustee shall mail to each Holder of Securities of that series notice of the Default within 90 days after it occurs. Except in the case of a default in payment on any Security, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of such Holders.

SECTION 7.06. Reports by Trustee to Holders. If required pursuant to TIA Section 313(a), the Trustee, within 60 days after each May 15, shall mail to each Securityholder a brief report dated as of May 15 that complies with TIA Section 313(a). The Trustee also shall comply with the reporting obligations of TIA Section 313(b).

A copy of each report at the time of its mailing to Securityholders shall be filed with the SEC and each stock exchange on which the Securities are listed. The Corporation agrees to notify the Trustee whenever the Securities become listed on any stock exchange.

SECTION 7.07. Compensation and Indemnity. The Corporation shall pay to the Trustee from time to time reasonable compensation for its services. The Corporation shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred by it. Such expenses shall include the reasonable compensation and expenses of the Trustee's agents and counsel. The Corporation shall indemnify the Trustee against any loss or liability incurred by it in connection with the administration of this trust and its duties hereunder. The Trustee shall notify the Corporation promptly of any claim for which it may seek indemnity. The Corporation need not pay for any settlement made without its consent. The Corporation need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through negligence or bad faith.

To secure the Corporation's payment obligations in this Section, the Trustee shall have a senior claim to which the Securities are hereby made subordinate on all money or property held or collected by the Trustee, except that held in trust to pay principal of and interest, if any, on particular Securities.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(4) or (5) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

SECTION 7.08. Replacement of Trustee. The Trustee may resign with respect to the Securities of one or more series by so notifying the Corporation. The Holders of a majority in principal amount of the Securities of any series may remove the Trustee with respect to that series by so notifying the removed Trustee and may appoint a successor Trustee with the Corporation's consent. The Corporation may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged a bankrupt or an insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of trustee for any reason, the Corporation shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Corporation. Immediately after that, the retiring Trustee shall transfer all property held by it as Trustee for the benefit of the series with respect to which it is retiring to the successor Trustee, the resignation or removal of the retiring Trustee shall then become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture with respect to that series. A successor Trustee shall mail notice of its succession to each Holder of the Securities of the series affected.

If pursuant to Section 2.03(5) a trustee, other than the Trustee initially named in this Indenture (or any successor thereto), is appointed with respect to one or more series of Securities, the Corporation, the Guarantor, the Trustee initially named in this Indenture (or any successor thereto) and such newly appointed trustee shall execute and deliver a supplement to this Indenture which shall contain such provisions as shall be necessary or desirable to confirm that all the rights, powers, trusts and duties of the Trustee initially named in this Indenture (or any successor thereto) with respect to the Securities of any series as to which the Trustee is continuing as trustee hereunder shall continue to be vested in the Trustee initially named in this Indenture (or any successor thereto), and shall add to, supplement or change any of the provisions of this Indenture as shall be necessary or desirable to provide for or facilitate the administration of the trusts hereunder by more than one trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts relating to the separate series of Securities as if it were acting under a separate indenture.

If a successor Trustee with respect to a series of Securities does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Corporation or the Holders of a majority in principal amount of the Securities of that series may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee with respect to a series of Securities fails to comply with Section 7.10, any Holder of Securities of that series may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

If there are two or more Trustees at any time under this Indenture, each will be the Trustee of a separate trust held under this Indenture for the benefit of the series of Securities for which it is acting as Trustee and the rights and obligations of each Trustee will be determined as if it were acting under a separate indenture.

SECTION 7.09. Successor Trustee by Merger, etc. If the Trustee consolidates with, merges or converts into or transfers all

or substantially all its corporate trust assets to another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

SECTION 7.10. Eligibility; Disqualification. This Indenture shall always have a Trustee that satisfies the requirements of TIA Section 310(a). The Trustee shall have a combined capital and surplus of at least $5,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA Section 310(b), provided that the question whether the Trustee has a conflicting interest shall be determined as if each series of Securities were separate issues of securities issued under separate indentures. First Trust of Illinois, National Association also is the trustee under (i) an indenture dated March 15, 1981, under which the Corporation (as successor by merger to Martin Marietta Corporation) has issued $175,000,000 aggregate principal amount of its 7% Debentures due 2011, (ii) an indenture dated March 17, 1988, under which the Corporation (as successor by merger to Martin Marietta Corporation) has issued $100,000,000 aggregate principal amount of its 9% Notes due 2003, (iii) an indenture dated March 15, 1993, under which the Corporation (as successor by merger to Martin Marietta Corporation) has issued $400,000,000 aggregate principal amount of its 6 1/2% Notes due 2003, $150,000,000 aggregate principal amount of its 7 3/8% Debentures due 2013 and $150,000,000 aggregate principal amount of its 7 3/4% Debentures due 2023, (iv) an indenture dated January 15, 1992, under which the Guarantor has issued $100,000,000 aggregate principal amount of its 9.125%, Debentures due 2022 and (v) an indenture dated September 1, 1993, under which the Guarantor has issued $250,000,000 aggregate principal amount of its 7.625% Notes due 2004, $400,000,000 aggregate principal amount of its 8.375% Debentures due 2024 and $150,000,000 aggregate principal amount of its 7.625% Debentures due 2025.

SECTION 7.11. Preferential Collection of Claims Against Corporation. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE 8

SATISFACTION, DISCHARGE AND DEFEASANCE

SECTION 8.01. Satisfaction and Discharge Under Limited Circumstances. If at any time (a) all Securities of a series previously authenticated (other than any Securities destroyed, lost or stolen and replaced or paid as provided in Section 2.08) shall have been delivered to the Trustee for cancellation, or (b) all the Securities of a series not previously delivered to the Trustee for cancellation shall have become due and payable, the Corporation has deposited or caused to be deposited with the Trustee as trust funds the entire amount (other than moneys paid to the Corporation in accordance with Section 8.05) sufficient to pay at maturity or upon redemption all Securities of that series not previously delivered to the Trustee for cancellation, including principal and interest, if any, due, and if, in either case, the Corporation shall also pay all other sums then payable under this Indenture by the Corporation, then this Indenture shall cease to be of further effect with respect to Securities of that series and the related Guarantees, and the Trustee, on demand of and at the cost and expense of the Corporation, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to Securities of that series and the related Guarantees. The Corporation will reimburse the Trustee for any subsequent costs or expenses reasonably and properly incurred by the Trustee in connection with this Indenture, the Securities or the related Guarantees.

SECTION 8.02. Satisfaction and Discharge of Indenture. The Corporation may take any action provided for in this Section unless the Securities of the affected series specifically provide that this Section shall not apply to the series. The Corporation at any

time at its option may terminate all of its obligations and the obligations of the Guarantor under the Securities of a series previously authenticated and its obligations under this Indenture with respect to such series (except as provided below), and the Trustee, at the expense of the Corporation, shall, upon the request of the Corporation, execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to Securities of that series, effective on the date the following conditions are satisfied:

(1) with reference to this Section, the Corporation has deposited or caused to be deposited with the Trustee, as trust funds in trust, specifically pledged as security for and dedicated solely to the benefit of the Holders of the Securities of that series, (a) lawful money, in the currency or currencies in which Securities of that series are payable, in an amount, or (b) if the Securities of that series are payable in Dollars, U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms (and, as to callable U.S. Government Obligations, regardless of when they are called) will provide not later than the opening of business on the due dates of any payment of the principal of and any interest on the Securities of that series lawful money of the United States in an amount, or (c) Securities of that series, or (d) a combination thereof, sufficient to pay and discharge the principal of and interest, if any, on the Securities of that series on the date on which such payments are due and payable in accordance with the terms of this Indenture and of the Securities of that series and 91 days have passed during which no Event of Default under Section 6.01(4) or 6.01(5) has occurred;

(2) if the Securities of that series are then listed on any national securities exchange, the Corporation shall have delivered to the Trustee an Opinion of Counsel to the effect that such deposit, defeasance and discharge will not cause such Securities to be delisted; and

(3) the Corporation has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, complying with Section 11.04 relating to the Corporation's exercise of such option.

The trust established pursuant to subsection (1) above shall be irrevocable and shall be made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee. The escrow trust agreement may, at the Corporation's election, grant the Corporation the right to substitute U.S. Government Obligations or Securities of the same series from time to time for any or all of the U.S. Government Obligations deposited with the Trustee pursuant to this Section and the escrow trust agreement; provided, that the condition specified in subsection (1) above is satisfied immediately following any such substitution or substitutions. If

any Securities of a series are to be redeemed prior to their stated maturity pursuant to optional redemption provisions the applicable escrow trust agreement shall provide therefor and the Corporation shall make such arrangements as are satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Corporation.

Upon the satisfaction of the conditions set forth in this Section with respect to the Securities, the terms and conditions of the Securities and the Guarantees, including the terms and conditions with respect thereto set forth in this Indenture, shall no longer be binding upon, or applicable to, the Corporation or the Guarantor.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Corporation under Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.10, 7.07 and 7.08 with respect to the Securities of that series shall survive until the Securities of that series are no longer outstanding. Thereafter, the Corporation's obligations in Section 7.07 shall survive.

"U.S. Government Obligations" means the following obligations:

(1) direct obligations of the United States for the payment of which its full faith and credit is pledged; or

(2) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States.

SECTION 8.03. Defeasance of Certain Obligations. The Corporation may take any action provided for in this Section unless the Securities of the affected series specifically provide that this Section shall not apply to the series. The Corporation and the Guarantor at any time at their option may cease to be under any obligation to comply with Sections 4.03, 4.04, 4.06, 5.01 and 5.02 with respect to Securities of a series effective on the date the following conditions are satisfied:

(1) with reference to this Section, the Corporation has deposited or caused to be deposited with the Trustee irrevocably, as trust funds in trust, specifically pledged as security for and dedicated solely to the benefit of the Holders of the Securities of that series, (a) lawful money, in the currency or currencies in which Securities of that series are payable, in an amount, or (b) if the Securities of that series are payable in Dollars, U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms (and, as to callable U.S. Government Obligations, regardless of when they are called) will provide not later than the opening of business on the due dates of any payment of principal of and interest on the Securities of that series lawful money of the United

States in an amount, or (c) Securities of that issue, or (d) a combination thereof, sufficient to pay and discharge the principal of and interest on the Securities of that series on the day on which such payments are due and payable in accordance with the terms of this Indenture and of the Securities of that series; and

(2) the Corporation has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel complying with Section 11.04 relating to the Corporation's exercise of such option.

The trust established pursuant to subsection (1) above shall be irrevocable and shall be made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee. The escrow trust agreement may, at the Corporation's election, grant the Corporation the right to substitute U.S. Government Obligations or Securities of the same series from time to time for any or all of the U.S. Government Obligations deposited with the Trustee pursuant to this Section and the escrow trust agreement; provided, that the condition specified in subsection (1) above is satisfied immediately following any such substitution or substitutions. If any Securities of a series are to be redeemed prior to their stated maturity pursuant to optional redemption provisions the applicable escrow trust agreement shall provide therefor and the Corporation shall make such arrangements as are satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Corporation.

The Corporation's exercise of its option under this Section shall not preclude the Corporation from subsequently exercising its option under Section 8.02 hereof and the Corporation may so exercise that option by providing the Trustee with written notice to such effect.

SECTION 8.04. Application of Trust Money. The Trustee shall hold in trust money, U.S. Government Obligations, and Securities of that series deposited with it pursuant to Sections 8.01, 8.02 or 8.03. It shall apply the deposited money and U.S. Government Obligations through the Paying Agent and in accordance with this Indenture, to the payment of principal and interest, if any, on the Securities of the series for the payment of which such money and U.S. Government Obligations has been deposited. The Holder of any Security replaced pursuant to Section 2.08 shall not be entitled to any such payment and shall look only to the Corporation for any payment which such Holder may be entitled to collect. In connection with the satisfaction and discharge of this Indenture or the defeasance of certain obligations under this Indenture with respect to Securities of a series pursuant to Section 8.02 or Section 8.03 hereof, respectively, the escrow trust agreement may, at the Corporation's election, (1) enable the Corporation to direct the Trustee to invest any money received by the Trustee on the U.S. Government Obligations deposited in trust thereunder in additional U.S. Government Obligations and (2) enable the Corporation to

withdraw monies or U.S. Government Obligations from the trust from time to time; provided, that the condition specified in Section 8.02(1) or 8.03(1) is satisfied immediately following any investment of such money by the Trustee or the withdrawal of monies or U.S. Government Obligations from the trust by the Corporation as the case may be.

SECTION 8.05. Repayment to Corporation. The Trustee and the Paying Agent shall promptly pay to the Corporation upon request any excess money or securities held by them at any time. The Trustee and the Paying Agent shall pay, unless otherwise prohibited by mandatory provisions of applicable escheat or abandoned or unclaimed property law, to the Corporation upon request any money held by them for the payment of principal or interest, if any, that remains unclaimed for two years.

ARTICLE 9

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. Without Consent of Holders. The Corporation and the Guarantor may amend or supplement this Indenture or the Securities of any series without notice to or consent of any Securityholder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Article 5;

(3) to provide for uncertificated Securities in addition to or in place of certificated Securities;

(4) to effectuate or comply with the provisions of Section 2.03(5) or 7.08;

(5) to change or eliminate any of the provisions of this Indenture; provided, however, that any such change or elimination shall become effective only when there is no outstanding Security of any series created prior to the execution of such amendment or supplement that is entitled to the benefit of such provision;

(6) to make any change that does not materially adversely affect the rights of any Holder of any Security of that series; or

(7) to add or change or eliminate any provisions of this Indenture as shall be necessary or desirable in accordance with any amendments to the TIA.

The Trustee may waive compliance by the Corporation or the Guarantor with any provision of this Indenture or the Securities of

any series without notice to or consent of any Securityholder if the waiver does not materially adversely affect the rights of any Holder of any Securities of that series.

SECTION 9.02. With Consent of Holders. The Corporation and the Guarantor may amend or supplement this Indenture or the Securities without notice to any Securityholder but with the written consent of the Holders of not less than a majority in principal amount of the Securities of each series affected and the Trustee shall execute any such amendment or supplement at the direction of the Corporation and the Guarantor. The Holders of a majority in principal amount of the Securities of each series affected may waive compliance by the Corporation or the Guarantor with any provision of this Indenture or the Securities of each such series or the related Guarantees without notice to any Securityholder. However, without the consent of each Securityholder affected, an amendment, supplement or waiver, including a waiver pursuant to Section 6.04, may not:

(1) reduce the amount of Securities of any series whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the rate of or extend the time for payment of interest on any Security;

(3) reduce the principal of or extend the fixed maturity of any Security;

(4) reduce the portion of the principal amount of a Discounted Security payable upon acceleration of its maturity; or

(5) make any Security payable in a currency or currency unit other than that stated in the Security.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplement or amendment, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03. Compliance with Trust Indenture Act of 1939. Every amendment to or supplement of this Indenture or the Securities shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents. A consent to an amendment, supplement or waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent as to his Security or portion of the Security. The Trustee must receive the notice of revocation before the date the amendment, supplement or waiver becomes effective.

After an amendment, supplement or waiver becomes effective, it shall bind every Securityholder unless it makes a change described in clauses (2), (3), (4) or (5) of Section 9.02. In that case the amendment, supplement or waiver shall bind each Holder of a Security who has consented to it and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security.

SECTION 9.05. Notation on or Exchange of Securities. If an amendment, supplement or waiver changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security about the changed terms and return it to the Holder. Alternatively, if the Corporation or the Trustee so determine, the Corporation in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms.

SECTION 9.06. Trustee to Sign Amendments, etc. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article if the amendment, supplement or waiver does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, supplement or waiver the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Opinion of Counsel stating that such amendment, supplement or waiver is authorized or permitted by this Indenture. Neither the Corporation nor the Guarantor may sign an amendment or supplement unless authorized by an appropriate Board Resolution.

ARTICLE 10

GUARANTEE OF SECURITIES

SECTION 10.01. Unconditional Guarantee. The Guarantor hereby fully and unconditionally guarantees to each Holder of a Security authenticated and delivered by the Trustee, and to the Trustee, the due and punctual payment of the principal of and interest, if any, on such Security, when and as the same shall become due and payable, whether by declaration thereof or otherwise in accordance with the terms of such Security and of this Indenture.

The Guarantor hereby agrees that its obligations hereunder shall be as if it were principal debtor and not merely surety and shall be absolute and unconditional, irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of any such Security or this Indenture, any failure to enforce the provisions of any such Security or this Indenture, any waiver, modification or indulgence granted to the Corporation with respect thereto, by the Holder of such Security or the Trustee, or any other circumstances that otherwise may constitute a legal or

equitable discharge of a surety or guarantor; provided that, notwithstanding the foregoing, no such waiver, modification, indulgence or circumstance shall, without the consent of the Guarantor, increase the principal amount of a Security or the interest rate thereon or increase any premium payable upon redemption thereof. The Guarantor hereby agrees that this Guarantee shall be enforceable without any demand, suit or proceeding first against the Corporation. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Corporation, any right to require a proceeding first against the Corporation, protest or notice with respect to any such Security or the indebtedness evidenced thereby or with respect to any sinking fund payment required by the terms of such Security and all demands whatsoever and covenants that this Guarantee will not be discharged as to any such Security except in accordance with Section 8.01 or 8.02 or by payment in full of the principal of and interest, if any, on such Security.

The Guarantor will be subrogated to all rights of the Holder against the Corporation in respect of any amount paid by the Guarantor pursuant to the provisions of the Guarantee; 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 interest, if any, on such Security shall have been paid in full.

The Guarantee set forth in this Section 10.01 shall not be valid or become obligatory for any purpose with respect to a Security until the certificate of authentication on such Security shall have been signed by the Trustee.

SECTION 10.02. Execution and Delivery of Guarantees. Subject to Section 2.01, the Guarantor hereby agrees to execute the Guarantee in substantially the form set forth in Section 10.03 to be endorsed on each Security authenticated and delivered by the Trustee. The delivery of such Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of such Guarantee on behalf of the Guarantor.

SECTION 10.03. Form of Guarantee. Guarantees to be endorsed on the Securities shall, subject to Section 2.01, be in substantially the form set forth below:

GUARANTEE OF LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

For value received, Lockheed Martin Tactical Systems, Inc., a New York corporation (the "Guarantor"), hereby fully and unconditionally guarantees to the Holder of the Security upon which this Guarantee is endorsed the due and punctual payment of the principal of, premium, if any, and interest, if any, on said Security, when and as the same shall become due and payable, whether by

declaration thereof or otherwise, according to the terms thereof and of the Indenture referred to therein.

The Guarantor hereby agrees that its obligations hereunder shall be absolute and unconditional, irrespective of, and shall be unaffected by, any failure to enforce the provisions of said Security or said Indenture, any extension, renewal, settlement, compromise, waiver, consent or indulgence granted to the Corporation with respect thereto, by operation of law or otherwise, or any other circumstance which may otherwise constitute a legal or equitable discharge of a surety or guarantor; provided that, notwithstanding the foregoing, no such extension, renewal, settlement, compromise, waiver, consent, indulgence or circumstance shall, without the consent of the Guarantor, increase the principal amount of, premium, if any, or interest, if any, on said Security. The Guarantor hereby agrees that this Guarantee shall be enforceable without any demand, suit or proceeding first against the Corporation. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Corporation, any right to require a proceeding first against the Corporation, protest or notice with respect to said Security or the indebtedness evidenced thereby or with respect to any sinking fund payment required by the terms of said Security and all demands whatsoever, and covenants that this Guarantee will not be discharged except in accordance with certain provisions set forth in the Indenture or by payment in full of the principal of, premium, if any, and interest, if any, on said Security.

The Guarantor will be subrogated to all rights of the Holder against the Corporation in respect of any amount paid by the Guarantor pursuant to the provisions of this Guarantee; 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, premium, if any, and interest, if any, on said Security shall have been paid in full.

Notwithstanding the foregoing, the obligations of the Guarantor under this Guarantee shall be limited to an amount equal to the largest amount that would not render its obligations under this Guarantee subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

This Guarantee shall not be valid or become obligatory for any purpose until the certificate of authentication on said Security shall have been signed manually by the Trustee under the Indenture referred to

in said Security. Terms used herein which are defined in such Indenture shall have the respective meanings assigned thereto in the Indenture.

This Guarantee shall be deemed to be a contract made under the laws of the State of Maryland, and for all purposes shall be governed by and construed in accordance with the laws of such State, except as may otherwise be required by mandatory provisions of law.

IN WITNESS WHEREOF, this Guarantee has been duly executed as of the date of authentication on said Security.

LOCKHEED MARTIN TACTICAL
SYSTEMS, INC.

By:_____(SEAL)

_____

ARTICLE 11

MISCELLANEOUS

SECTION 11.01. TIA Controls. If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

SECTION 11.02 Notices. Any notice or communication shall be sufficiently given if in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Corporation:

Lockheed Martin Corporation
Attention: Treasurer
6801 Rockledge Drive
Bethesda, Maryland 20817

if to the Guarantor:

Lockheed Martin Tactical Systems, Inc.
Attention: Treasurer
6801 Rockledge Drive
Bethesda, Maryland 20817

if to the Trustee:

First Trust of Illinois, National Association
400 N. Michigan Avenue
Chicago, Illinois 60611

The Corporation, the Guarantor or the Trustee by notice to the others may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Securityholder shall be mailed to the Securityholder at the Securityholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice of communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 11.03. Communication by Holders with Other Holders. Securityholders may communicate pursuant to TIA Section 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Corporation, the Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 11.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Corporation or the Guarantor to the Trustee to take any action under this Indenture, the Corporation or the Guarantor, as the case may be, shall furnish to the Trustee:

(1) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 11.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that the person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such person, the person has made such examination or investigation as is necessary to enable the person to express an informed opinion as to whether such covenant or condition has been complied with;

(4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 11.06. When Treasury Securities Disregarded. In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Corporation or the Guarantor, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation or the Guarantor, shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities which the Trustee knows are so owned shall be so disregarded. Also, subject to the foregoing, only Securities outstanding at the time shall be considered in any such determination.

SECTION 11.07. Rules by Trustee, Paying Agent, Registrar. The Trustee may make reasonable rules for action by or a meeting of Securityholders. The Paying Agent or Registrar may make reasonable rules for its functions.

SECTION 11.08. Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday, a legal holiday or a day on which banking institutions are not required to be open. If a payment date is a Legal Holiday at a place of payment, payment shall be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday in the state or other jurisdiction in which the Trustee maintains its principal place of business, then the record date shall be the next succeeding day that is not a Legal Holiday in such state or other jurisdiction.

SECTION 11.09. Governing Law. The laws of the State of Maryland shall govern this Indenture and the Securities.

SECTION 11.10. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Corporation, the Guarantor or any Subsidiary of the Corporation or the Guarantor. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.11. No Recourse Against Others. A director, officer, employee or stockholder (other than the Corporation as issuer of the Debt Securities), as such, of the Corporation or the Guarantor shall not have any liability for any obligation of the Corporation or the Guarantor under the Securities or the Guarantees or the Indenture or for any claim based on, with respect to or by reason of such obligations or their creation. All such liability is waived and released as a condition of, and as partial consideration for, the execution of this Indenture, the issue of the Securities and the execution of the Guarantees.

SECTION 11.12. Securities in a Foreign Currency. Unless otherwise specified in an Officers' Certificate delivered pursuant to Section 2.01 of this Indenture with respect to a particular series of Securities, whenever for purposes of this Indenture any action may be taken by the holders of a specified percentage in aggregate principal amount of Securities of all series at the time outstanding and, at such time, there are outstanding Securities of any series which are denominated in a Foreign Currency, then the principal amount of Securities of such series which shall be deemed to be outstanding for the purpose of taking such action shall be that amount of Dollars that could be obtained for such amount at the Market Exchange Rate on the record date fixed for such action or, if no record date is fixed, on the New York Banking Day immediately preceding the date of such action.

SECTION 11.13. Judgment Currency. If, for the purpose of obtaining a judgment in any court with respect to any obligation of the Corporation hereunder or under any Security or any related coupon it shall become necessary to convert into any other currency or currency unit any amount in the currency or currency unit due hereunder or under such Security or coupon then such conversion shall be made by the Currency Determination Agent at the Market Exchange Rate as in effect on the date of entry of the judgment (the "Judgment Date"). If pursuant to any such judgment, conversion shall be made on a date (the "Substitute Date") other than the Judgment Date and there shall occur a change between the Market Exchange Rate as in effect on the Judgment Date and the Market Exchange Rate as in effect on the Substitute Date, the Corporation agrees to pay such additional amounts (if any) as may be necessary to ensure that the amount paid is equal to the amount in such other currency or currency unit which, when converted at the Market Exchange Rate as in effect on the Judgment Date, is the amount due hereunder or under such Security or coupon. Any amount due from the Corporation under this Section shall be due as a separate debt and is not to be affected by or merged into any judgment being obtained for any other sums due hereunder or with respect to any Security or coupon. In no event, however, shall the Corporation be required to pay more in the currency or currency unit due hereunder or under such Security or coupon at the Market Exchange Rate as in effect on the Judgment Date than the amount of currency or currency unit stated to be due hereunder or under such Security or coupon so that in any event the Corporation's obligations hereunder or under such Security or coupon will be

effectively maintained as obligations in such currency or currency unit, and the Corporation shall be entitled to withhold (or be reimbursed for, as the case may be) any excess of the amount actually realized upon any such conversion on the Substitute Date over the amount due and payable on the Judgment Date.

SECTION 11.14. Successors. All agreements of the Corporation and the Guarantor in this Indenture and the Securities and the related Guarantees shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 11.15. Duplicate Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture.

SECTION 11.16. Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Corporation. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 7.1(e)) conclusive in favor of the Trustee and the Corporation, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to such officer the execution thereof. Where such execution is a by a signer acting in a capacity other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The Corporation may, in the circumstances permitted by the TIA, fix any day as the record date for the purpose of determining the Holders of Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders of Securities of such series. If not set by the Corporation prior to

the first solicitation of a Holder of Securities of such series made by any person in respect of any such action, or, in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 2.6) prior to such first solicitation or vote, as the case may be. With regard to any record date for action to be taken by the Holders of one or more series of Securities, only the Holders of Securities of such series on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

SIGNATURES

Attest: LOCKHEED MARTIN CORPORATION

_____ By: _____(Seal)
Secretary

Attest: LOCKHEED MARTIN TACTICAL
SYSTEMS, INC., as Guarantor

_____ By:_____(Seal)
Secretary

Attest: FIRST TRUST OF ILLINOIS, NATIONAL
ASSOCIATION, as Trustee

_____ By:_____(Seal)
Secretary

EXHIBIT 5a

MILES & STOCKBRIDGE
A PROFESSIONAL CORPORATION
10 LIGHT STREET
BALTIMORE, MARYLAND 21202

May 8, 1996

Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817

Ladies and Gentlemen:

We have acted as counsel to Lockheed Martin Corporation, a Maryland corporation (the "Corporation"), in connection with the filing with the Securities and Exchange Commission (the "Commission") of a Registration Statement on Form S-3 (Reg. No. 333-01939) (as amended, the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), in respect of the Corporation's Debt Securities to be issued from time to time pursuant to Rule 415 under the Act. In this capacity we have reviewed the Charter and By-Laws of the Corporation, the form of Indenture to be entered into by and between the Corporation, Lockheed Martin Tactical Systems, Inc. and First Trust of Illinois, National Association (the "Trustee") (as supplemented or modified by the Trust Indenture Act of 1939, collectively, the "Indenture"), the Registration Statement including the exhibits thereto, the corporate proceedings of the Corporation relating to the authorization of the issuance of the Debt Securities and such certificates and other documents as we deemed necessary or advisable for the purposes of this opinion.

Based on the foregoing, we are of the opinion that the Debt Securities, when duly authorized and executed in accordance with the terms of the resolutions adopted by the Board of Directors of the Corporation, the terms of the resolutions adopted by the Finance Committee of the Board of Directors of the Corporation and the terms of the Indenture, authenticated by the Trustee in accordance with the terms of the Indenture and issued and delivered against payment therefor, will be legally issued and will constitute valid and binding obligations of the Corporation entitled to the benefits of the Indenture.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Validity" in the Prospectus. In giving our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

Miles & Stockbridge
a Professional Corporation

By: /s/ Glenn C. Campbell

Principal

EXHIBIT 5b

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.
600 THIRD AVENUE
NEW YORK, NEW YORK 10016

May 8, 1996

Lockheed Martin Tactical Systems, Inc.
6801 Rockledge Drive
Bethesda, Maryland 20817

Ladies and Gentlemen:

I am the Vice President and General Counsel of the Tactical Systems Sector of Lockheed Martin Corporation, a Maryland corporation ("Lockheed Martin"). This letter is being delivered in connection with the filing with the Securities and Exchange Commission (the "Commission") of a Registration Statement on Form S-3 (Reg. No. 333-01939) (as amended, the "Registration Statement") under the Securities Act of 1933, as amended (the "Act") and the guarantee of Lockheed Martin Tactical Systems, Inc., a New York corporation (the "Corporation") of the Debt Securities of Lockheed Martin to be issued from time to time pursuant to Rule 415 under the Act. In this capacity, I have reviewed the Charter and By-laws of the Corporation, the form of Indenture to be entered into by and between Lockheed Martin, the Corporation and First Trust of Illinois, National Association (the "Trustee") (as supplemented or modified by the Trust Indenture Act of 1939, collectively, the "Indenture"), the Registration Statement including the exhibits thereto, the corporate proceedings of the Corporation relating to the authorization of the guarantees and such certificates and other documents as I have deemed necessary or advisable for the purposes of this opinion.

Based on the foregoing, I am of the opinion that the Guarantees, when duly authorized and executed in accordance with the terms of the resolutions adopted by the Board of Directors of the Corporation and the terms of the Indenture, endorsed on the Debt Securities in accordance with the terms of the Indenture and issued and delivered against payment to Lockheed Martin for the Debt Securities, will be legally issued and will constitute valid and binding obligations of the Corporation entitled to the benefits of the Indenture.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to me under

the heading "Validity" in the Prospectus. In giving my consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ William J. LaSalle

EXHIBIT 12b

LOCKHEED MARTIN CORPORATION
PRO FORMA RATIO OF EARNINGS TO FIXED CHARGES
DECEMBER 31, 1995
(IN MILLIONS, EXCEPT RATIO)

	LOCKHEED MARTIN	TACTICAL SYSTEMS	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
EARNINGS:				
Earnings from continuing operations before income taxes	$1,089	$579	($681)	$987
Interest expense	288	118	482	888
Amortization of debt premium and discount, net	(1)	1	-	-
Portion of rents representative of an interest factor	53	25	-	78
Earnings of less than 50% owned associated companies	(4)	-	-	(4)
Adjusted earnings from continuing operations before income taxes and fixed charges	$1,425	$723	($199)	$1,949
FIXED CHARGES:				
Interest expense	$288	$118	$482	$888
Capitalized interest	3	-	-	3
Amortization of debt premium and discount, net	(1)	1	-	-
Portion of rents representative of an interest factor	53	25	-	78
Total fixed charges	$343	$144	$482	$969
RATIO OF EARNINGS TO FIXED CHARGES	4.2	5.0		2.0

EXHIBIT 12b

LOCKHEED MARTIN CORPORATION
PRO FORMA RATIO OF EARNINGS TO
COMBINED FIXED CHARGES AND
PREFERRED STOCK DIVIDENDS
DECEMBER 31, 1995
(IN MILLIONS, EXCEPT RATIO)

	LOCKHEED MARTIN	TACTICAL SYSTEMS	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
EARNINGS:				
Earnings from continuing operations before income taxes	$1,089	$579	($681)	$987
Interest expense	288	118	482	888
Amortization of debt premium and discount, net	(1)	1	-	-
Portion of rents representative of an interest factor	53	25	-	78
Earnings of less than 50% owned associated companies	(4)	-	-	(4)
Adjusted earnings from continuing operations before income taxes and fixed charges	$1,425	$723	($199)	$1,949
COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS:				
Interest expense	$288	$118	$482	$888
Capitalized interest	3	-	-	3
Amortization of debt premium and discount, net	(1)	1	-	-
Portion of rents representative of an interest factor	53	25	-	78
Dividends on preferred stock, pretax	96		8	104
Total combined fixed charges and preferred stock dividends	$439	$144	$490	$1,073
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	3.2	5.0		1.8

EXHIBIT 23(a)

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in Pre-Effective Amendment No. 1 to the Registration Statement (Form S-3 No. 333-01939) and related Prospectus and Prospectus Supplement of Lockheed Martin Corporation and Lockheed Martin Tactical Systems, Inc. for the registration of Guaranteed Debt Securities to be filed on May 8, 1996, and to the incorporation by reference therein of our report dated January 23, 1996, with respect to the consolidated financial statements of Lockheed Martin Corporation incorporated by reference in its Annual Report (Form 10-K) for the year ended December 31, 1995, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Washington, D.C.
May 8, 1996

EXHIBIT 23(B)

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this registration statement of Lockheed Martin Corporation on Form S-3 (File No. 333-01939) of our report dated May 11, 1995 (except as to the information presented in notes 1 and 14, for which the date is January 12, 1996), on our audits of the consolidated financial statements of Loral Corporation and Subsidiaries-Retained Business as of March 31, 1995 and 1994, and for each of the three years in the period ended March 31, 1995, which report is included in the Current Report on Form 8-K/A of Lockheed Martin Corporation dated April 23, 1996. We also consent to reference to our firm under the caption "Experts."

/s/ COOPERS & LYBRAND L.L.P.

New York, New York
May 8, 1996

EXHIBIT 24

POWER OF ATTORNEY

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

The undersigned hereby constitutes Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his or her lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") one or more registration statements on Form S-3 for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act") guarantees by Lockheed Martin Tactical Systems, Inc. of debt securities of Lockheed Martin Corporation and amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such registration statements under the Securities Act, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney's-in-fact and agents, and each of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ MARCUS C. BENNETT — April 30, 1996
- ----------
Marcus C. Bennett
Senior Vice President, Chief
Financial Officer and Director
(Principal Financial Officer)

POWER OF ATTORNEY

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

The undersigned hereby constitutes Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his or her lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") one or more registration statements on Form S-3 for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act") guarantees by Lockheed Martin Tactical Systems, Inc. of debt securities of Lockheed Martin Corporation and amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such registration statements under the Securities Act, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney's-in-fact and agents, and each of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ VANCE D. COFFMAN — April 30, 1996

Vance D. Coffman
Director

POWER OF ATTORNEY

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

The undersigned hereby constitutes Stephen M. Piper his lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") one or more registration statements on Form S-3 for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act") guarantees by Lockheed Martin Tactical Systems, Inc. of debt securities of Lockheed Martin Corporation and amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such registration statements under the Securities Act, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ FRANK H. MENAKER, JR. April 30, 1996
- -------------------------
Frank H. Menaker, Jr.
Director

POWER OF ATTORNEY

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

The undersigned hereby constitutes Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his or her lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") one or more registration statements on Form S-3 for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act") guarantees by Lockheed Martin Tactical Systems, Inc. of debt securities of Lockheed Martin Corporation and amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such registration statements under the Securities Act, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney's-in-fact and agents, and each of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ NORMAN R. AUGUSTINE — April 30, 1996
- ----------
Norman R. Augustine
Chief Executive Officer

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his or her lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") one or more registration statements on Form S-3 for the purpose of registering under the Securities Act of 1933, as amended, (the "Securities Act") debt securities of Lockheed Martin Corporation and amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such registration statements under the Securities Act, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney's-in-fact and agents, and each of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ A. James Clark — February 22, 1996
- ------------------------
A. James Clark
Director

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his or her lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") one or more registration statements on Form S-3 for the purpose of registering under the Securities Act of 1933, as amended, (the "Securities Act") debt securities of Lockheed Martin Corporation and amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such registration statements under the Securities Act, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney's-in-fact and agents, and each of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Vance D. Coffman — February 22, 1996

- ------------------------

Vance D. Coffman

Director

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION
305(B)(2)

FIRST TRUST OF ILLINOIS,
NATIONAL ASSOCIATION
(EXACT NAME OF TRUSTEE AS SPECIFIED IN ITS CHARTER)

36-4046888
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

400 NORTH MICHIGAN AVENUE, CHICAGO, ILLINOIS (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	60611 (ZIP CODE)

JOHN W. PORTER
FIRST TRUST OF ILLINOIS, NATIONAL ASSOCIATION
400 N. MICHIGAN AVENUE, FLOOR 2S
CHICAGO, ILLINOIS 60611
TELEPHONE (312) 836-6736
(NAME, ADDRESS, AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

LOCKHEED MARTIN CORPORATION (EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)	LOCKHEED MARTIN TACTICAL SYSTEMS, INC. (EXACT NAME OF GUARANTOR AS SPECIFIED IN ITS CHARTER)

Maryland (State or other jurisdiction of incorporation or organization)	New York
52-1893632 (I.R.S. Employer Identification No.)	13-1718360
6801 ROCKLEDGE DRIVE BETHESDA, MARYLAND 20817 (ADDRESS AND ZIP CODE OF PRINCIPAL EXECUTIVE OFFICES OF OBLIGOR)	6801 ROCKLEDGE DRIVE BETHESDA, MARYLAND 20817 (ADDRESS AND ZIP CODE PRINCIPAL EXECUTIVE OFFICES OF GUARANTOR)

DEBT SECURITIES AND GUARANTEES OF DEBT SECURITIES
(TITLE OF INDENTURE SECURITIES)

ITEM 1. GENERAL INFORMATION.

FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(A) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of the Currency, Washington, D.C.

(B) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

The obligor is not an affiliate of the trustee.

ITEM 3. VOTING SECURITIES OF THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF VOTING SECURITIES OF THE TRUSTEE:

AS OF MAY 2, 1996

COL. A TITLE OF CLASS	COL. B AMOUNT OUTSTANDING

Not applicable by virtue of response to Item 13.

ITEM 4. TRUSTEESHIPS UNDER OTHER INDENTURES.

IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY OTHER SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE OUTSTANDING, FURNISH THE FOLLOWING INFORMATION:

(A) TITLE OF THE SECURITIES OUTSTANDING UNDER EACH SUCH OTHER INDENTURE.

Not applicable by virtue of response to Item 13.

(B) A BRIEF STATEMENT OF THE FACTS RELIED UPON AS A BASIS FOR THE CLAIM THAT NO CONFLICTING INTEREST WITHIN THE MEANING OF SECTION 310(B)(1) OF THE ACT ARISES AS A RESULT OF THE TRUSTEESHIP UNDER ANY SUCH OTHER INDENTURE, INCLUDING A STATEMENT AS TO HOW THE INDENTURE SECURITIES WILL RANK AS COMPARED WITH THE SECURITIES ISSUED UNDER SUCH OTHER INDENTURE.

Not applicable by virtue of response to Item 13.

ITEM 5. INTERLOCKING DIRECTORATES AND SIMILAR RELATIONSHIPS WITH THE OBLIGOR OR UNDERWRITERS.

IF THE TRUSTEE OR ANY OF THE DIRECTORS OR EXECUTIVE OFFICERS OF THE TRUSTEE IS A DIRECTOR, OFFICER, PARTNER, EMPLOYEE, APPOINTEE, OR REPRESENTATIVE OF THE OBLIGOR OR OF ANY UNDERWRITER FOR THE OBLIGOR, IDENTIFY EACH SUCH PERSON HAVING ANY SUCH CONNECTION AND STATE THE NATURE OF EACH SUCH CONNECTION.

Not applicable by virtue of response to Item 13.

ITEM 6. VOTING SECURITIES OF THE TRUSTEE OWNED BY THE OBLIGOR OR ITS OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY THE OBLIGOR AND EACH DIRECTOR, PARTNER AND EXECUTIVE OFFICER OF THE OBLIGOR.

AS OF MAY 2, 1996

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C
-------	--------	----------	----------

Not applicable by virtue of response to Item 13.

ITEM 7. VOTING SECURITIES OF THE TRUSTEE OWNED BY UNDERWRITERS OR THEIR OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY EACH UNDERWRITER FOR THE OBLIGOR AND EACH DIRECTOR, PARTNER, AND EXECUTIVE OFFICER OF EACH SUCH UNDERWRITER.

AS OF MAY 2, 1996

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C
-------	--------	----------	----------

Not applicable by virtue of response to Item 13.

ITEM 8. SECURITIES OF THE OBLIGOR OWNED OR HELD BY THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO SECURITIES OF THE OBLIGOR OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY THE TRUSTEE:

AS OF MAY 2, 1996

COL. A	COL. B	COL. C	COL. D
TITLE OF CLASS	WHETHER THE SECURITIES ARE VOTING OR NONVOTING SECURITIES	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C
--------	----------	----------	----------

Not applicable by virtue of response to Item 13.

ITEM 9. SECURITIES OF UNDERWRITERS OWNED OR HELD BY THE TRUSTEE.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF AN UNDERWRITER FOR THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF SECURITIES OF SUCH UNDERWRITER ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE.

AS OF MAY 2, 1996

COL. A	COL. B	COL. C	COL. D
NAME OF ISSUER AND TITLE OF CLASS	AMOUNT OUTSTANDING	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of response to Item 13.

ITEM 10. OWNERSHIP OR HOLDINGS BY THE TRUSTEE OF VOTING SECURITIES OF CERTAIN AFFILIATES OR SECURITY HOLDERS OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT VOTING SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE (1) OWNS 10 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR OR (2) IS AN AFFILIATE, OTHER THAN A SUBSIDIARY, OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF SUCH PERSON.

AS OF MAY 2, 1996

COL. A	COL. B	COL. C	COL. D
NAME OF ISSUER AND TITLE OF CLASS	AMOUNT OUTSTANDING	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of response to Item 13.

ITEM 11. OWNERSHIP OF HOLDINGS BY THE TRUSTEE OF ANY SECURITIES OF A PERSON OWNING 50 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE, OWNS 50 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF SECURITIES OF SUCH PERSON ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE.

AS OF MAY 2, 1996

COL. A	COL. B	COL. C	COL. D
NAME OF ISSUER AND TITLE OF CLASS	AMOUNT OUTSTANDING	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of response to Item 13.

ITEM 12. INDEBTEDNESS OF THE OBLIGOR TO THE TRUSTEE.

EXCEPT AS NOTED IN THE INSTRUCTIONS, IF THE OBLIGOR IS INDEBTED TO THE TRUSTEE, FURNISH THE FOLLOWING INFORMATION:

AS OF MAY 2, 1996

COL. A NATURE OF INDEBTEDNESS	COL. B AMOUNT OUTSTANDING	COL. C DATE DUE

Not applicable by virtue of response to Item 13.

ITEM 13. DEFAULTS BY THE OBLIGOR.

(A) STATE WHETHER THERE IS OR HAS BEEN A DEFAULT WITH RESPECT TO THE SECURITIES UNDER THIS INDENTURE. EXPLAIN THE NATURE OF ANY SUCH DEFAULT.

There is not nor has there been a default with respect to the securities under this indenture.

(B) IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY OTHER SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE OUTSTANDING, OR IS TRUSTEE FOR MORE THAN ONE OUTSTANDING SERIES OF SECURITIES UNDER THE INDENTURE, STATE WHETHER THERE HAS BEEN A DEFAULT UNDER ANY SUCH INDENTURE OR SERIES, IDENTIFY THE INDENTURE OR SERIES AFFECTED, AND EXPLAIN THE NATURE OF ANY SUCH DEFAULT.

There is not nor has there been a default with respect to the securities under this indenture. The trustee is a trustee under other indentures under which securities issued by the obligor and guarantor are outstanding. There is not and there has not been a default with respect to the securities outstanding under such other indentures.

ITEM 14. AFFILIATIONS WITH THE UNDERWRITERS.

IF ANY UNDERWRITER IS AN AFFILIATE OF THE TRUSTEES, DESCRIBE EACH SUCH AFFILIATION.

Not applicable by virtue of response to Item 13.

ITEM 15. FOREIGN TRUSTEE.

IDENTIFY THE ORDER OR RULE PURSUANT TO WHICH THE FOREIGN TRUSTEE IS AUTHORIZED TO ACT AS SOLE TRUSTEE UNDER INDENTURES QUALIFIED OR TO BE QUALIFIED UNDER THE ACT.

Not applicable.

ITEM 16. LIST OF EXHIBITS.

LIST BELOW ALL EXHIBITS FILED AS A PART OF THIS STATEMENT OF ELIGIBILITY.

1. A copy of the Articles of Association of First Trust of Illinois, National Association as now in effect, incorporated herein by reference to Exhibit 1 to T-1; Registration No. 33-64175.

2. A copy of the certificate of authority to commence business, incorporated herein by reference to Exhibit 2 to T-1; Registration No. 33-64175.

3. A copy of the certificate of authority to exercise corporate trust powers, incorporated herein by reference to Exhibit 3 to T-1; Registration No. 33-64175.

4. A copy of the existing By-Laws of First Trust of Illinois, National Association as now in effect, incorporated herein by reference to Exhibit 4 to T-1; Registration No. 33-64175.

5. Not applicable by virtue of response to Item 13.

6. The consent of the trustee required by Section 321(b) of the Trust Indenture Act of 1939, incorporated herein by reference to Exhibit 6 to T-1; Registration No. 33-64175.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority, filed herewith.

8. Not applicable.

9. Not applicable.

SIGNATURE

PURSUANT TO THE REQUIREMENTS OF THE TRUST INDENTURE ACT OF 1939, THE TRUSTEE, FIRST TRUST OF ILLINOIS, NATIONAL ASSOCIATION, A NATIONAL BANKING ASSOCIATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE UNITED STATES OF AMERICA, HAS DULY CAUSED THIS STATEMENT OF ELIGIBILITY TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, ALL IN THE CITY OF CHICAGO, AND STATE OF ILLINOIS, AS OF THE 2ND DAY OF MAY, 1996.

First Trust of Illinois, National Association

/s/ John W. Porter

By _____

John W. Porter

Vice President and Secretary

Consolidated Report of Condition for Insured Commercial
and State-Chartered Savings Banks for December 31, 1995

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the most outstanding as of the last business day of the quarter.

Schedule RC - Balance Sheet

			Dollar Amounts in Thousands	
ASSETS				
	RCOM			
1. Cash and balances due from depository institutions (from Schedule RC-A):	----			
a. Noninterest-bearing balances and currency and coin (1)	0081. .		69,279	1.a
b. Interest-bearing balances (2)	0071. .		0	1.b
2. Securities:				
a. Held-to-maturity securities (from Schedule RC-8, column A)	1754. .		0	2.a
b. Available-for-sale securities (from Schedule RC-8, column D)	1773. .		3,000	2.b
3. Federal funds sold and securities purchased under agreements to resell:				
a. Federal funds sold	0276. .		0	3.a
b. Securities purchased under agreements to resell	0277. .		0	3.b
4. Loans and lease financing receivables:				
	RCON			
a. Loans and leases, net of unearned income (from Schedule RC-C)	2122. .	0	. . . . .	4.a
b. LESS: Allowance for loan and lease losses	3125. .	0	. . . . .	4.b
c. LESS: Allocated transfer risk reserve	3128. .	0	. . . . .	4.c
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)	2125. .		0	4.d
5. Trading assets	3545. .		0	5.
6. Premises and fixed assets (including capitalized leases)	2145. .		0	6.
7. Other real estate owned (from Schedule RC-M)	2150. .		0	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	2130. .		0	8.
9. Customers' liability to this bank on acceptances outstanding	2155. .		0	9.
10. Intangible assets (from Schedule RC-M)	2143. .		27,568	10.
11. Other assets (from Schedule RC-F)	2160. .		401	11.
12. Total assets (sum of items 7 through 11)	2170. .		100,248	12.

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certification of deposits not held for trading.

Transit Number: 09600069

Schedule RC - Continued

			Dollar Amounts in Thousands	
LIABILITIES				
13. Deposits:		RCON		
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)		2200. .	0	13.a
	RCON			
(1) Noninterest-bearing (1)	6631. . 0		. . . . .	13.a.1
(2) Interest-bearing	6636. . 0		. . . . .	13.a.2
b. In foreign offices, Edge and agreement subsidiaries, and IBFs			. . . . .	
(1) Noninterest-bearing			. . . . .	
(2) Interest-bearing			. . . . .	
14. Federal funds purchased and securities sold under agreements to repurchase:				
a. Federal funds purchased		0278. .	0	14.a
b. Securities sold under agreements to repurchase		0279. .	0	14.b
15. a. Demand notes issued to U.S. Treasury		2840. .	0	15.a
b. Trading liabilities		3548. .	0	15.b
16. Other borrowed money:				
a. With original maturity of one year or less		2332. .	0	16.a
b. With original maturity of more than one year		2333. .	0	16.b
17. Mortgage indebtedness and obligations under capitalized leases		2910. .	0	17.
18. Bank's liability on acceptances executed and outstanding		2920. .	0	18.
19. Subordinated notes and debentures		3200. .	0	19.
20. Other liabilities (from Schedule RC-G)		2930. .	228	20.
21. Total liabilities (sum of items 13 through 20)		2948. .	228	21.
22. Limited-life preferred stock and related surplus		3282. .	0	22.
EQUITY CAPITAL				
23. Perpetual preferred stock and related surplus		3838. .	0	23.
24. Common stock		3230. .	1,000	24.
25. Surplus (exclude all surplus related to preferred stock)		3839. .	99,000	25.
26. a. Undivided profits and capital reserves		3632. .	20	26.a
b. Net unrealized holding gains (losses) on available-for-sale securities		8434. .	0	26.b
27. Cumulative foreign currency translation adjustments			. . . . .	
28. Total equity capital (sum of items 23 through 27)		3210. .	100,020	28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28		3300. .	100,248	29.

Memorandum

To be reported only with the March Report of Condition.

1.	Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1994	6724. .	N/A	M.1

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
3 = Directors' examination on the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
5 = Review of the bank's financial statements by external auditors
6 = Compilation of the bank's financial statements by external auditors
7 = Other audit procedures (excluding tax preparation work)
8 = No external audit work

- ----------
(1) Includes total demand deposits and noninterest-bearing time and savings deposits.