

/FIRST AND FINAL ADD -- HSTH007 -- Lockheed Martin Corporation/

PRNewswire

LOCKHEED MARTIN CORPORATION
Consolidated Results
Preliminary and Unaudited
(In millions, except for per share data and percentages)

	QUARTER ENDED JUNE 30,			YEAR TO DATE JUNE 30,		
	2000	1999	% Change	2000	1999	% Change
Net Sales	\$6,212	\$6,203	-- %	\$11,774	\$12,391	(5)%
Earnings before Interest and Taxes	\$325	\$134	143 %	\$651	\$750	(13)%
Interest Expense	\$220	\$191	15 %	\$447	\$383	17%
Pre-tax Earnings	\$105	(\$57)	284 %	\$204	\$367	(44)%
Income Taxes	\$63	(\$16)	494 %	\$108	\$140	(23)%
Effective Tax Rate	60%	28%	N/M	53%	38%	N/M
Earnings before Cumulative Effect of Change in Accounting	\$42	(\$41)	202 %	\$96	\$227	(58)%
Cumulative Effect of Change in Accounting (a)	--	--	N/M	--	(\$355)	N/M
Net Earnings (Loss)	\$42	(\$41)	202 %	\$96	(\$128)	175%
Basic Earnings (Loss) Per Share:						
Earnings (Loss) before Cumulative Effect of Change in Accounting	\$0.11	(\$0.11)	200 %	\$0.25	\$0.59	(58)%
Cumulative Effect of Change in Accounting (a)	--	--	N/M	--	(\$0.93)	N/M
Earnings (Loss) Per Share	\$0.11	(\$0.11)	200 %	\$0.25	(\$0.34)	174 %
Average Basic Shares Outstanding	389.5	381.4		388.3	380.8	
Diluted Earnings (Loss) Per Share:						
Earnings (Loss) before Cumulative Effect of Change in Accounting	\$0.11	(\$0.11)	200 %	\$0.25	\$0.59	(58)%
Cumulative Effect						

of Change in						
Accounting(a) --	--	N/M	--	(\$0.93)	N/M	
Earnings (Loss)						
Per Share	\$0.11	(\$0.11)	200 %	\$0.25	(\$0.34)	174%

Average Diluted Shares

Outstanding	391.2	383.9		389.3	383.3
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- (a) The Corporation adopted the American Institute of Certified Public Accountants' Statement of Position (SOP) No. 98-5, Reporting on the Costs of Start-Up Activities effective January 1, 1999.

LOCKHEED MARTIN CORPORATION

Segment Results Including Nonrecurring and Unusual Items

Preliminary and Unaudited

(In millions, except for percentages)

	QUARTER ENDED JUNE 30,			YEAR TO DATE JUNE 30,		
	2000	1999	% Change	2000	1999	% Change

Systems Integration (a)

Net Sales	\$2,334	\$2,367	(1) %	\$4,405	\$4,599	(4)%
Segment EBIT	\$202	\$205	(1) %	\$370	\$373	(1)%
Margins	8.7%	8.7%		8.4%	8.1%	

Amortization of

Goodwill and

Contract

Intangibles	\$68	\$68		\$136	\$137
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Space Systems (a)

Net Sales	\$1,780	\$1,728	3 %	\$3,452	\$3,618	(5)%
Segment EBIT	\$128	\$46	178 %	\$213	\$210	1%
Margins	7.2%	2.7%		6.2%	5.8%	

Amortization of

Goodwill and Contract

Intangibles	\$14	\$14		\$28	\$28
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Aeronautical Systems

Net Sales	\$1,253	\$1,346	(7) %	\$2,289	\$2,766	(17)%
Segment EBIT	\$89	(\$118)	175 %	\$168	\$46	265%
Margins	7.1%	(8.8)%		7.3%	1.7%	

Amortization of

Goodwill and

Contract

Intangibles	\$20	\$20		\$40	\$40
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Technology Services (b)

Net Sales	\$599	\$537	12 %	\$1,063	\$985	8%
Segment EBIT	\$36	\$36	-- %	\$62	\$68	(9)%
Margins	6.0%	6.7%		5.8%	6.9%	

Amortization of

Goodwill and

Contract

Intangibles	\$5	\$5		\$9	\$9
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Corporate and Other (c)

Net Sales	\$246	\$225	9 %	\$565	\$423	34%
Segment EBIT	(\$130)	(\$35)	N/M	(\$162)	\$53	N/M
Margins	N/M	N/M		N/M	N/M	

Amortization of

Goodwill and

Contract

Intangibles	\$8	--		\$16	\$1
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- (a) 2000 and 1999 results have been restated to reflect the transfer of the Management and Data Systems operating unit and the Space Applications Systems product line from the Systems Integration business area to the Space Systems business area.

- (b) 1999 results include the operations of LM Hanford Company, which was divested during 1999.

- (c) 2000 and 1999 results include the operations of commercial information technology and state and local government services lines of business as well as the operations of LM Global Telecommunications, Inc. 1999 results include the operations of Real3D, Inc. and the communications industry services line of business which were divested during 1999.

LOCKHEED MARTIN CORPORATION
Segment Results Excluding Nonrecurring and Unusual Items
Preliminary and Unaudited
(In millions, except for percentages)

	QUARTER ENDED JUNE 30,			YEAR TO DATE JUNE 30,		
	2000	1999	% Change	2000	1999	% Change
Systems Integration (a)						
Net Sales	\$2,334	\$2,367	(1) %	\$4,405	\$4,599	(4)%
Segment EBIT	\$202	\$205	(1) %	\$370	\$373	(1)%
Margins	8.7%	8.7%		8.4%	8.1%	
Amortization of Goodwill and Contract Intangibles	\$68	\$68		\$136	\$137	
Space Systems (a)						
Net Sales	\$1,780	\$1,728	3 %	\$3,452	\$3,618	(5)%
Segment EBIT	\$128	\$66	94 %	\$196	\$230	(15)%
Margins	7.2%	3.8%		5.7 %	6.4%	
Amortization of Goodwill and Contract Intangibles	\$14	\$14		\$28	\$28	
Aeronautical Systems						
Net Sales	\$1,253	\$1,346	(7) %	\$2,289	\$2,766	(17)%
Segment EBIT	\$89	(\$118)	175 %	\$168	\$46	265%
Margins	7.1%	(8.8%)		7.3%	1.7%	
Amortization of Goodwill and Contract Intangibles	\$20	\$20		\$40	\$40	
Technology Services (b)						
Net Sales	\$599	\$537	12 %	\$1,063	\$985	8%
Segment EBIT	\$36	\$36	-- %	\$68	\$68	--%
Margins	6.0%	6.7%		6.4%	6.9%	
Amortization of Goodwill and Contract Intangibles	\$5	\$5		\$9	\$9	
Corporate and Other (c)						
Net Sales	\$246	\$225	9 %	\$565	\$423	34%
Segment EBIT	(\$22)	(\$35)	N/M	(\$53)	(\$61)	N/M
Margins	N/M	N/M		N/M	N/M	
Amortization of Goodwill and Contract Intangibles	\$8	--		\$16	\$1	

- (a) 2000 and 1999 results have been restated to reflect the transfer of the Management and Data Systems operating unit and the Space Applications Systems product line from the Systems Integration business area to the Space Systems business area.
- (b) 1999 results include the operations of LM Hanford Company, which was divested during 1999.
- (c) 2000 and 1999 results include the operations of commercial information technology and state and local government services lines of business as well as the operations of LM Global Telecommunications, Inc. 1999 results include the operations of

Real3D, Inc. and the communications industry services line of business which were divested during 1999.

LOCKHEED MARTIN CORPORATION
Reconciliation of Pro Forma Net Earnings (a)
Preliminary and Unaudited
(In millions, except for per share amounts and percentages)

	QUARTER ENDED JUNE 30,		YEAR TO DATE JUNE 30,	
	2000	1999	2000	1999
Net Earnings (Loss)				
- As Reported	\$42	(\$41)	\$96	(\$128)
After Tax Loss on				
Globalstar Guarantee	\$91	--	\$91	--
After Tax Effect of				
Reversal of Calcomp				
Charge	(\$21)	--	(\$21)	--
After Tax Gain on				
L3 Disposition	--	--	--	(\$74)
After Tax Gain on Sale				
of Surplus Real Estate	--	--	(\$10)	--
After Tax Net Loss on				
Divestitures and Other	--	\$12	\$4	\$12
Cumulative Effect of Change				
in Accounting	--	--	--	\$355
Pro Forma Net Earnings				
(Loss)	\$112	(\$29)	\$160	\$165
Pro Forma Effective				
Tax Rate	47%	38%	47%	38%
Diluted Earnings (Loss)				
Per Share -				
As Reported	\$0.11	(\$0.11)	\$0.25	(\$0.34)
After Tax Loss on				
Globalstar Guarantee	\$0.23	--	\$0.23	--
After Tax Effect of				
Reversal of Calcomp				
Charge	(\$0.05)	--	(\$0.05)	--
After Tax Gain on				
L3 Disposition	--	--	--	(\$0.19)
After Tax Gain on Sale				
of Surplus Real Estate	--	--	(\$0.03)	--
After Tax Net Loss				
on Divestitures and Other	--	\$0.03	\$0.01	\$0.03
Cumulative Effect				
of Change in Accounting	--	--	--	\$0.93
Pro Forma Diluted Earnings				
(Loss) Per Share	\$0.29	(\$0.08)	\$0.41	\$0.43

(a) Excludes nonrecurring and unusual items.

LOCKHEED MARTIN CORPORATION
Other Financial Information
Preliminary and Unaudited
(In millions, except for percentages)

	QUARTER ENDED JUNE 30,		YEAR TO DATE JUNE 30,	
	2000	1999	2000	1999
EBIT to Sales Margin	5.2%	2.2%	5.5%	6.1%
Amortization of Goodwill				
and Contract Intangibles				
Resulting from Prior				
Acquisitions	\$115	\$107	\$229	\$215
Depreciation and				
Amortization	\$117	\$126	\$242	\$248
EBITDA	\$557	\$367	\$1,122	\$1,213

JUNE 30, DECEMBER 31,

	2000	1999 (a)
Total Backlog	\$57,072	\$45,913
Systems Integration	\$17,801	\$13,971
Space Systems	\$15,181	\$15,998
Aeronautical Systems	\$17,119	\$9,003
Technology Services	\$4,454	\$4,399
Corporate and Other	\$2,517	\$2,542
Total Debt	\$11,461	\$11,954
Long-term (including current maturities)	\$11,453	\$11,479
Short-term	\$8	\$475
Cash and Cash Equivalents	\$1,249	\$455
Stockholders' Equity	\$6,439	\$6,361
Total Debt-to-Capital	64%	65%
Total Debt-to-Capital (net of invested cash)	61%	64%

(a) 1999 results have been restated to reflect the transfer of the Management and Data Systems operating unit and the Space Applications Systems product line from the Systems Integration business area to the Space Systems business area.

LOCKHEED MARTIN CORPORATION
Consolidated Condensed Balance Sheet
Preliminary and Unaudited
(In millions)

JUNE 30, DECEMBER 31,
2000 1999

Assets

Cash and cash equivalents	\$1,249	\$455
Accounts receivable	4,182	4,348
Inventories	3,809	4,051
Other current assets	1,737	1,842
Total current assets	10,977	10,696
Property, plant and equipment	3,550	3,634
Goodwill and other intangible assets	10,208	10,421
Other noncurrent assets	5,157	5,261
Total assets	\$29,892	\$30,012

Liabilities and Stockholders' Equity

Short-term borrowings	\$8	\$475
Other accrued expenses	8,720	8,285
Current portion of long-term debt	803	52
Total current liabilities	9,531	8,812
Long-term debt	10,650	11,427
Post-retirement and other noncurrent liabilities	3,272	3,412
Stockholders' equity	6,439	6,361
Total liabilities and stockholders' equity	\$29,892	\$30,012

LOCKHEED MARTIN CORPORATION
Consolidated Condensed Statement of Cash Flows
Preliminary and Unaudited
(In millions)

YEAR TO DATE JUNE 30,
2000 1999

Operating Activities:

Earnings before cumulative			
effect of change in accounting	\$96	\$227	
Adjustments to reconcile earnings			
to net cash provided by operating activities:			
Depreciation and amortization	471	463	
Changes in operating assets and liabilities	1,031	(866)	

Net cash provided by (used for)			
operating activities	1,598	(176)	

Investing Activities:

Expenditures for property,			
plant & equipment	(185)	(276)	
Sale of shares in L-3 Communications	--	182	
Other	(43)	3	

Net cash used for investing activities	(228)	(91)	
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Financing Activities:

Net (repayments) borrowings of debt	(490)	138	
Common stock dividends	(88)	(171)	
Other	2	15	

Net cash used for financing activities	(576)	(18)	
--	-------	------	--

Net increase (decrease) in cash			
and cash equivalents	794	(285)	

Cash and cash equivalents			
at beginning of period	455	285	

Cash and cash equivalents			
at end of period	\$1,249	\$ --	

LOCKHEED MARTIN CORPORATION
Operating Data

QUARTER ENDED JUNE 30, YEAR TO DATE JUNE 30,
2000 1999 2000 1999

Deliveries

F-16	12	30	26	58
C-130J	7	3	10	10

Launches

Atlas	3	1	5	2
Proton	1	2	2	4
Athena	--	1	--	2
Titan II	--	1	--	1
Titan IV	1	3	1	3

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