

/FIRST ADD -- DCTH012 -- Lockheed Martin Earnings/

Fourth Quarter 2000 Achievements

PRNewswire

In announcing fourth quarter 2000 earnings, the Corporation cited additional events, program awards and Mission Success achievements during the quarter with positive implications for Lockheed Martin's outlook:

- * Lockheed Martin in late November completed the sale of its Aerospace Electronics Systems businesses for \$1.67 billion in cash.
- * Completed merger with COMSAT Corporation and internal combination with LM's commercial information technology arm to create a single source for customer connectivity, network services, infrastructure management and applications solutions.
- * The C-130J program received orders for three new aircraft from Denmark and 12 from the U.S. government. Six C-130J aircraft were delivered during the quarter.
- * The Corporation delivered 7 F-16 aircraft. It received contracts from the U.S. Air Force for four new F-16 aircraft being procured under fiscal 2001 funding, and from Singapore for 20 new F-16 aircraft. In addition, the government of Chile announced its intention to order 10 to 12 F-16 aircraft in 2001, which will make Chile the 21st country to select the Fighting Falcon.
- * Achieved first flights with two versions of our Joint Strike Fighter (JSF) concept demonstrator aircraft, the X-35A (USAF version) and X-35C (Navy version).
- * Lockheed Martin Space Systems successfully launched two Atlas missions this quarter, continuing the string of Atlas mission successes to 54 in a row:
- * Three Lockheed Martin Proton missions successfully placed their satellites into orbit.
- * The U.S. government allowed a seven-year-old quota on Russian launches to expire at the end of 2000. This opens the door for more aggressive marketing of the Proton launch vehicle.
- * Signed a \$1.15 billion contract with NASA for External Tank production and the operation and maintenance of the Michoud Assembly Facility. The contract period of performance is for 35 External Tanks and extends through Sept. 30, 2006.
- * In October, the U.S. Navy awarded Lockheed Martin a \$541 million contract for the follow-on production of 12 Trident II D5 fleet ballistic missiles, deployed system support and related technical services.
- * A Lockheed Martin-built GPS IIR satellite was successfully launched from Cape Canaveral in November.
- * In December, the first two massive solar array wings, built by Lockheed Martin, were successfully installed on the International Space Station.
- * Lockheed Martin Management & Data Systems became the first organization ever to achieve Level 5 in Systems Engineering Capability Maturity Model (SE-CMM) in any formal assessment, achieving Level 5 in 12 processes and Level 4 in the 13th process as well as achieving SEI Level 5 in Software Maturity Model (SW-CMM).
- * The Joint Air-to-Surface Standoff Missile (JASSM) successfully completed the second engineering and manufacturing development controls flight.
- * A Patriot Advanced Capability-3 (PAC-3) missile successfully intercepted and destroyed an incoming tactical ballistic missile target at the White Sands Missile Range, NM, marking the sixth consecutive intercept and eighth consecutive flight test success for the PAC-3 program.

- * The U.S. Army selected Team Apache Systems, led by Lockheed Martin and Boeing, to develop and build an advanced forward-looking infrared (FLIR) thermal sensor system for its fleet of AH-64 Apache helicopters. The contract has a long-term value of approximately \$1 billion.
- * Lockheed Martin received a fourth Low-Rate Initial Production contract, valued at \$119.5 million, for Multiple Launch Rocket System (MLRS) M270A1 launchers for the U.S. Army.
- * Lockheed Martin and the Republic of Georgia signed a long-term partnership agreement to modernize the Republic's aviation infrastructure. The agreement, has a total potential value of \$105 million.
- * Lockheed Martin will develop and install a new integrated weather radar system for Romania under a \$55 million contract.
- * Lands' End, a leading direct merchant of clothing, luggage, gifts and specialty items, selected Lockheed Martin to design, install and integrate an automated sorting system at the retailer's 800,000-square-foot distribution center in Dodgeville, WI.
- * Handwriting recognition technology from Lockheed Martin enabled the U.S. Postal Service to automatically "read" 75 percent of all hand-addressed envelopes processed during the year-end 2000 holiday season, up from an accurate read rate of just 3 percent before the Handwritten Improvement Program was initiated four years ago.
- * Lockheed Martin Aircraft & Logistics Centers has been selected by the Defense Logistics Agency to manage aircraft parts support for the C-5 Galaxy aircraft. The new 3-year contract provides for seven additional years in options. If all option periods are exercised, the value of the contract is estimated at approximately \$1.1 billion.
- * Lockheed Martin Information Support Services (ISS) was awarded the CIOSP II contract vehicle. This vehicle, with a contract ceiling of \$19.5 Billion over 10 years, includes the following technical areas: CIO Support, Outsourcing, IT Operations, Integration Services, Critical Infrastructure Protection, Digital Government, Enterprise Resource Planning (ERP) and Clinical Support, Research and Studies. LMISS is currently performing our EFPLS Child Support work under a CIOSP I subcontract.

Web site: <http://www.lmco.com/>

Conference call: The call will be broadcast live at 2 p.m. January 25, 2001 over the Internet (listen-only mode) at <http://www.streetfusion.com/> or <http://www.lockheedmartin.com/> (access the Investor Relations page).

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NOTE: Statements in this press release, including the statements relating to projected future financial performance, are considered forward-looking statements under the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Sometimes these statements will contain words such as "believes," "expects," "intends," "plans," "estimates," "outlook," "forecast," and other similar words. These statements are not guarantees of our future performance and are subject to risks, uncertainties and other important factors that could cause our actual performance or achievements to be materially different from those we may project.

As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent nature of projections and may be better or worse than projected. Given these uncertainties, you should not place any reliance on these forward-looking statements. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this press release to reflect events or circumstances or changes in expectations or the occurrence of anticipated events.

In addition to the factors set forth in our filings with the Securities and Exchange Commission (<http://www.sec.gov/>), the following factors could affect the forward-looking statements; the ability to achieve or quantify savings for our customers or ourselves through business area streamlining, staff reductions, global cost-cutting program and other financial management programs; the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements; changes in government priorities due to program reviews or revisions to strategic objectives; difficulties in developing and making operational advanced

technology systems in space and other business areas; economic conditions; competitive environment; international business and political conditions domestically and internationally; timing of awards and contracts; timing and customer acceptance of product delivery and launches; the outcome of contingencies, including completion of any acquisitions and divestitures, litigation and environmental remediation and program performance. These are only some of the numerous factors which may affect the forward-looking statements in this press release.

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SECOND AND FINAL ADD -- TABULAR MATERIAL -- TO FOLLOW

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