Lockheed Martin Increases Dividend 20 Percent; Increases Share Repurchase Authority By 45 Million Shares

Lockheed Martin Corporation today announced that its Board of Directors has authorized a dividend increase of 20 percent and the repurchase of up to an additional 45 million shares of the company's common stock.

The company's quarterly dividend will increase to 30 cents per share and follows a 14 percent increase in the fourth quarter 2004. The dividend is payable Dec. 30, 2005 to holders of record on Dec. 1, 2005.

Through June 30, 2005, Lockheed Martin had repurchased 34 million shares under the existing 43 million share authorization. As of June 30, 2005, Lockheed Martin had approximately 443.8 million shares of common stock outstanding. The number of shares purchased and the timing of purchases under the program are at the discretion of management and are to be made in compliance with applicable law and regulation. Shares may be purchased in the open market or in privately negotiated transactions.

"This dividend increase and additional share repurchase authorization reflects our ongoing commitment to balanced cash deployment," said Chairman, President and CEO Robert Stevens. "We're committed to providing value to our shareholders through dividends and a reduction in shares outstanding. We are also continuing to fuel innovation through internal investment while we execute our acquisition strategy in order to provide value to our customers and shareholders."

Headquartered in Bethesda, Md., Lockheed Martin employs about 135,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. The Corporation reported 2004 sales of $35.5 billion.

Safe Harbor for Forward-Looking Statements

Statements contained in this release that are not historical facts are forward-looking statements within the meaning of the federal securities laws. These statements, including but not limited to those related to possible future share repurchases, dividends, reduction in shares outstanding and future growth are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by the forward-looking statements. In addition to the factors set forth in our 2004 Form 10-K and 2005 Form 10-Q filings with the Securities and Exchange Commission (http://www.sec.gov/), the following factors could affect our forward-looking statements: Lockheed Martin's future financial performance and liquidity; the availability of government funding and customer requirements; changes in government or customer priorities due to program reviews or revisions to strategic objectives; economic business and political conditions domestically and internationally; the outcome of contingencies (including litigation and environmental remediation efforts); and the exercise of stock options may increase shares outstanding in future periods. We expressly disclaim a duty to provide updates to forward-looking statements after the date of this press release to reflect the occurrence of subsequent events, changed circumstances or changes in our expectations.

For additional information, visit our website:

http://www.lockheedmartin.com/

SOURCE: Lockheed Martin Corporation

Web site: http://www.lockheedmartin.com/

Company News On-Call: http://www.prnewswire.com/comp/534163.html

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