

Lockheed Martin Announces First Quarter 2007 Results

** First quarter earnings per share up 19% to \$1.60*

** Cash from operations of \$1.5 billion for the quarter*

** First quarter net sales up 1% to \$9.3 billion*

** Increased outlook for 2007 net sales, earnings per share, cash from operations, and return on invested capital*

PRNewswire-FirstCall
BETHESDA, Md.

Lockheed Martin Corporation today reported first quarter 2007 net earnings of \$690 million (\$1.60 per diluted share), compared to \$591 million (\$1.34 per diluted share) in 2006. Net sales were \$9.3 billion, a 1% increase over first quarter 2006 sales of \$9.2 billion. Cash from operations for the first quarter of 2007 was \$1.5 billion, compared to \$1.2 billion in 2006.

"Our first quarter earnings reflect our commitment to strong operational and financial performance," said Bob Stevens, Chairman, President and CEO. "We are proud of our capabilities and will continue to deliver on our commitments as we sustain value for our customers, shareholders and employees."

Summary Reported Results and Outlook

The following table presents the Corporation's results for the quarter ended March 31, in accordance with generally accepted accounting principles (GAAP):

| REPORTED RESULTS (In millions, except per share data) | 1st Quarter | |
|--|-------------|---------|
| | 2007 | 2006 |
| Net sales | \$9,275 | \$9,214 |
| Operating profit | | |
| Segment operating profit | \$1,003 | \$931 |
| Unallocated corporate, net: | | |
| FAS/CAS pension adjustment | (14) | (68) |
| Unusual items, net | 46 | 150 |
| Stock compensation expense | (49) | (30) |
| Other, net | 36 | (12) |
| | \$1,022 | \$971 |
| Net earnings | \$690 | \$591 |
| Diluted earnings per share | \$1.60 | \$1.34 |
| Cash from operations | \$1,482 | \$1,185 |

The following table and other sections of this press release contain forward-looking statements, which are based on the Corporation's current expectations. Actual results may differ materially from those projected. See the "Forward-Looking Statements" discussion contained in this press release.

| 2007 OUTLOOK (In millions, except per share data and percentages) | 2007 Projections | |
|--|---------------------|---------------------|
| | Current Update | January 2007 |
| Net sales | \$40,350 - \$41,350 | \$40,250 - \$41,250 |
| Operating profit: | | |
| Segment operating profit | \$4,300 - \$4,400 | \$4,200 - \$4,325 |
| Unallocated corporate expense, net(1): | | |
| FAS/CAS pension adjustment | (60) | (65) |
| Unusual items, net | 45 | -- |

| | | |
|----------------------------|-------|-------|
| Stock compensation expense | (145) | (150) |
| Other, net | 70 | 70 |

\$4,210 - \$4,310 \$4,055 - \$4,180

| | | |
|----------------------------|-----------------|-----------------|
| Diluted earnings per share | \$6.20 - \$6.35 | \$5.80 - \$6.00 |
| Cash from operations | >= \$4,000 | >= \$3,900 |
| ROIC | > 18.5 % | > 17.5 % |

(1) All amounts approximate

The increase in projected net sales primarily reflects the acquisitions of Management Systems Designers (MSD) and RLM Systems.

The \$0.35 - \$0.40 per share increase in projected 2007 earnings per share is driven by realized and anticipated operational performance improvements across all business segments (expected to be \$0.14 - \$0.19 per share) and the benefit of \$0.21 per share recognized on unusual items during the first quarter of 2007.

It is the Corporation's practice not to incorporate adjustments to its outlook and projections for proposed acquisitions, divestitures, joint ventures, or other unusual activities until such transactions have been consummated.

Balanced Cash Deployment Strategy

The Corporation continued to execute its balanced cash deployment strategy during the first quarter as follows:

- * repurchased 7.6 million shares at a cost of \$739 million;
- * declared a \$148 million dividend, which was paid early in the second quarter;
- * invested \$95 million in acquisition activities;
- * made capital expenditures of \$84 million; and
- * repaid \$17 million of long-term debt.

Segment Results

In February 2007, the Corporation announced a realignment of some of its business segments. The realignment was made to enhance support for critical customer missions and increase the Corporation's integration of resources in areas of solid growth potential. The Corporation combined the Information Technology & Global Services (IT&GS) business segment and the Integrated Systems & Solutions business segment to form the Information Systems & Global Services (IS&GS) business segment, which operates in three lines of business (LOBs): Information Systems, Global Services and Mission Solutions.

At the same time, the following additional realignments took place:

- * Transportation and Security Solutions, previously part of Electronic Systems is now part of IS&GS, with the majority of its operations reported in the Mission Solutions LOB and the remainder in the Information Systems LOB;
- * Management of Sandia National Laboratories and the ownership interest in the joint venture that manages the Atomic Weapons Establishment in the U.K., both previously part of IT&GS, now report to the Electronic Systems business segment in the Platform, Training & Energy (PT&E) LOB, formerly the Platform, Training & Transportation Solutions LOB; and
- * Aircraft & Logistics Centers, previously part of IT&GS, now reports to the Aeronautics business segment in the Other Aeronautics Programs LOB.

The Corporation now operates in four principal business segments: Aeronautics, Electronic Systems, IS&GS, and Space Systems. Schedules "I" through "K" of the attachments to this release present selected historical unaudited pro forma data that has been reclassified to reflect the reorganization.

Consistent with the manner in which the Corporation's business segment operating performance is evaluated, unusual items are excluded from segment results and included in "Unallocated corporate income / (expense), net." See our 2006 Form 10-K for a description of "Unallocated corporate income / (expense), net," including the FAS / CAS pension adjustment. Schedule "C" of the financial attachments to this release contains the current year values for the various components of "Unallocated corporate income / (expense), net."

The following table presents the operating results of the four business segments and reconciles these amounts to the Corporation's consolidated financial results.

| (In millions) | 1st Quarter | |
|---------------------------------------|-------------|---------|
| | 2007 | 2006 |
| Net sales | | |
| Aeronautics | \$2,821 | \$2,823 |
| Electronic Systems | 2,515 | 2,453 |
| Information Systems & Global Services | 2,145 | 1,969 |
| Space Systems | 1,794 | 1,969 |
| Total net sales | \$9,275 | \$9,214 |
| Operating profit | | |
| Aeronautics | \$299 | \$250 |
| Electronic Systems | 319 | 308 |
| Information Systems & Global Services | 199 | 180 |
| Space Systems | 186 | 193 |
| Segment operating profit | 1,003 | 931 |
| Unallocated corporate income, net | 19 | 40 |
| Total operating profit | \$1,022 | \$971 |

The following discussion compares the operating results for the quarter ended March 31, 2007 to the same period in 2006.

Aeronautics

| (\$ millions) | 1st Quarter | |
|------------------|-------------|---------|
| | 2007 | 2006 |
| Net sales | \$2,821 | \$2,823 |
| Operating profit | \$299 | \$250 |
| Operating margin | 10.6 % | 8.9 % |

Net sales for Aeronautics remained unchanged for the quarter ended March 31, 2007 from the 2006 period. Declines in Air Mobility and Combat Aircraft offset increased sales in Other Aeronautics Programs. The decline in Air Mobility was mainly due to lower volume on the C-5 and other air mobility programs. The decrease in Combat Aircraft was mainly due to lower volume on F-22 and F-117 programs, which more than offset increased F-35 volume. The increase in Other Aeronautics Programs was mainly due to higher volume in logistics services activities.

Segment operating profit increased by 20% for the quarter ended March 31, 2007 from the 2006 period. Operating profit increased in both Combat Aircraft and Air Mobility due to improved performance on F-22 and F-16 programs and on C-130 sustainment activities in 2007.

Electronic Systems

| (\$ millions) | 1st Quarter | |
|------------------|-------------|---------|
| | 2007 | 2006 |
| Net sales | \$2,515 | \$2,453 |
| Operating profit | \$319 | \$308 |
| Operating margin | 12.7 % | 12.6 % |

Net sales for Electronic Systems increased by 3% for the quarter ended March 31, 2007 from the 2006 period. The increase was primarily due to higher volume in platform integration activities at

PT&E and surface systems activities at Maritime Systems & Sensors (MS2). These increases more than offset declines in air defense programs at Missiles & Fire Control (M&FC).

Operating profit for Electronic Systems increased by 4% for the quarter ended March 31, 2007 compared to the 2006 period. The increase was primarily attributable to higher volume and improved performance in platform integration activities at PT&E and undersea and surface systems activities at MS2. These increases more than offset lower operating profit in air defense programs at M&FC.

Information Systems & Global Services

| (\$ millions) | 1st Quarter | |
|------------------|-------------|---------|
| | 2007 | 2006 |
| Net sales | \$2,145 | \$1,969 |
| Operating profit | \$199 | \$180 |
| Operating margin | 9.3 % | 9.1 % |

Net sales for IS&GS increased by 9% for the quarter ended March 31, 2007 from the 2006 period. Sales increased in all three of the segment's lines of business. The increase in Information Systems was due to organic growth and the acquisitions of MSD in 2007 and Aspen Systems Corporation in 2006. The increase in Global Services was due to the acquisitions of Pacific Architects and Engineers Inc. and Savi Technology Inc. in 2006.

Operating profit for IS&GS increased by 11% for the quarter ended March 31, 2007 compared to the 2006 period. The increase was primarily due to improved performance in both Mission Solutions and Information Systems.

Space Systems

| (\$ millions) | 1st Quarter | |
|------------------|-------------|---------|
| | 2007 | 2006 |
| Net sales | \$1,794 | \$1,969 |
| Operating profit | \$186 | \$193 |
| Operating margin | 10.4 % | 9.8 % |

Net sales for Space Systems decreased by 9% for the quarter ended March 31, 2007 from the 2006 period. The sales decline was expected given the formation of the United Launch Alliance (ULA) joint venture and the divestiture of the International Launch Services business in the fourth quarter of 2006. The Corporation no longer records sales on Atlas launch vehicles and related support to the U.S. Government, as ULA is accounted for under the equity method of accounting. This sales decline in Space Transportation was partially offset by increases in Strategic & Defensive Missile Systems (S&DMS) and Satellites. S&DMS sales increased due to higher volume in strategic missile programs. At Satellites, higher volume in government satellite activities more than offset declines in commercial satellite activities. There were no commercial satellite deliveries in the first quarter of 2007 compared to one delivery during the comparable 2006 period.

Segment operating profit decreased by 4% for the quarter ended March 31, 2007 compared to the 2006 period. Operating profit declines in Space Transportation were partially offset by increases in Satellites and S&DMS activities. In Space Transportation, the decline in operating profit was mainly due to benefits recognized in 2006 from risk reduction activities including the definitization of the Evolved Expendable Launch Vehicle Launch Capabilities contract and other performance improvements on the Atlas program. In Satellites, the increase was mainly due to higher volume and improved performance on government satellite activities. The S&DMS growth was primarily driven by higher volume and improved performance on strategic missile programs.

Unallocated Corporate Income (Expense), Net

| (\$ millions) | 1st Quarter | |
|----------------------------|-------------|--------|
| | 2007 | 2006 |
| FAS/CAS pension adjustment | | \$(14) |
| Unusual items, net | 46 | 150 |
| Stock compensation expense | | (49) |
| Other, net | 36 | (12) |
| Unallocated corporate | | |

| | | |
|-------------|------|------|
| income, net | \$19 | \$40 |
|-------------|------|------|

The FAS/CAS pension adjustment (calculated as the difference between FAS 87 expense and the CAS cost amounts) decreased in 2007 compared to 2006. This decrease is consistent with the Corporation's previously disclosed assumptions used to compute these amounts.

Certain items are excluded from segment results as part of senior management's evaluation of segment operating performance. For purposes of segment reporting, the following unusual items were included in "Unallocated Corporate income (expense), net" for the quarters ended March 31, 2007 and 2006:

2007 -

* A gain, net of state income taxes, of \$25 million related to the sale of land; and

* Earnings, net of state income taxes, of \$21 million related to the reversal of legal reserves from the settlement of certain litigation claims.

These items, along with the income tax benefit of \$59 million (\$0.14 per share) described below, increased net earnings by \$89 million (\$0.21 per share) during the quarter ended March 31, 2007.

2006 -

* A gain, net of state income taxes, of \$127 million from the sale of 21 million shares of Inmarsat; and

* A gain, net of state income taxes, of \$23 million related to the sale of the assets of Space Imaging, LLC.

On a net basis, these items increased net earnings by \$98 million (\$0.22 per share) during the quarter ended March 31, 2006.

Income Taxes

Our effective tax rates for the quarters ended March 31, 2007 and 2006 were 25.7% and 32.6%. Income tax expense was reduced by \$59 million (\$0.14 per share) due to the March 2007 completion of an IRS audit, which also reduced the effective tax rate for this quarter by 6.4%. Also reducing the effective tax rate were increased deductions in 2007 for US manufacturing activities and dividends related to our employee stock ownership plan. For the quarter ended March 31, 2006, the effective tax rate was lower than the statutory rate primarily due to tax benefits related to export sales and tax deductions for US manufacturing activities and dividends related to the employee stock ownership plan.

Headquartered in Bethesda, Md., Lockheed Martin employs approximately 140,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services.

Web site: www.lockheedmartin.com

Conference call: Lockheed Martin will webcast the earnings conference call (listen-only mode) at 11 a.m. E.D.T. on April 24, 2007. A live audio broadcast, including relevant charts, will be available on the Investor Relations page of the company's web site at: <http://www.lockheedmartin.com/investor>.

FORWARD-LOOKING STATEMENTS

Statements in this release that are "forward-looking statements" are based on Lockheed Martin's current expectations and assumptions. Forward-looking statements in this release include estimates of future sales, earnings and cash flow. These statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results could differ materially because of factors such as: the availability of government funding for our products and services both domestically and internationally; changes in government and customer priorities and requirements (including changes to respond to Department of Defense reviews, Congressional actions, budgetary constraints, cost-cutting initiatives, election cycles, terrorist threats and homeland security); the impact of continued military operations in Iraq and Afghanistan on funding for existing defense programs; the award or

termination of contracts; return on pension plan assets, interest and discount rates and other changes that may impact pension plan assumptions; difficulties in developing and producing operationally advanced technology systems; the timing and customer acceptance of product deliveries; materials availability and performance by key suppliers, subcontractors and customers; charges from any future impairment reviews that may result in the recognition of losses and a reduction in the book value of goodwill or other long-term assets; the future impact of legislation, changes in accounting, tax rules, or export policies; the future impact of acquisitions or divestitures, joint ventures or teaming arrangements; the outcome of legal proceedings and other contingencies (including lawsuits, government/regulatory investigations or audits, and environmental remediation efforts); the competitive environment for the Corporation's products and services; and economic, business and political conditions domestically and internationally.

These are only some of the factors that may affect the forward-looking statements contained in this press release. For further information regarding risks and uncertainties associated with Lockheed Martin's business, please refer to the Corporation's SEC filings, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors," and "Legal Proceedings" sections of the Corporation's 2006 annual report on Form 10-K, which may be obtained at the Corporation's website: <http://www.lockheedmartin.com/>.

It is the Corporation's policy to only update or reconfirm its financial projections by issuing a press release. The Corporation generally plans to provide a forward-looking outlook as part of its quarterly earnings release but reserves the right to provide an outlook at different intervals or to revise its practice in future periods. All information in this release is as of April 23, 2007. Lockheed Martin undertakes no duty to update any forward- looking statement to reflect subsequent events, actual results or changes in the Corporation's expectations. We also disclaim any duty to comment upon or correct information that may be contained in reports published by investment analysts or others.

NON-GAAP PERFORMANCE MEASURES

The Corporation believes that reporting ROIC provides investors with greater visibility into how effectively Lockheed Martin uses the capital invested in its operations. The Corporation uses ROIC to evaluate multi-year investment decisions and as a long-term performance measure, and also uses ROIC as a factor in evaluating management performance for incentive compensation purposes. ROIC is not a measure of financial performance under generally accepted accounting principles, and may not be defined and calculated by other companies in the same manner. ROIC should not be considered in isolation or as an alternative to net earnings as an indicator of performance.

The Corporation calculates ROIC as follows:

Net earnings plus after-tax interest expense divided by average invested capital (stockholders' equity plus debt), after adjusting stockholders' equity by adding back minimum pension liability balances.

| | |
|--|----------------|
| (In millions, except percentages) | 2007 Projected |
| Net Earnings] Combined | |
| Interest Expense (multiplied by 65%)(1)] Combined | |
| Return | > \$ 2,900 |
| Average debt (2),(5)] Combined | |
| Average equity (3),(5)] Combined | |
| Average Benefit Plan Adjustments(4),(5)] Combined | |
| Average Invested Capital | < \$ 15,700 |
| Return on invested capital | > 18.5 % |

- (1) Represents after-tax interest expense utilizing the federal statutory rate of 35%.
- (2) Debt consists of long-term debt, including current maturities, and short-term borrowings (if any).
- (3) Equity includes non-cash adjustments, primarily for the additional minimum pension liability in all years and the adoption of FAS 158 in 2006.
- (4) Average Benefit Plan Adjustments reflect the cumulative value of entries identified in our Statement of Stockholders' Equity under the captions "Minimum pension liability" and "Adoption of FAS 158."
- (5) Yearly averages are calculated using balances at the start of the year and at the end of each quarter.

LOCKHEED MARTIN CORPORATION
Consolidated Condensed Statement of Earnings
Preliminary and Unaudited
(In millions, except per share data and percentages)

| | THREE MONTHS ENDED MARCH 31, | |
|--|------------------------------|---------|
| | 2007 | 2006 |
| Net sales | \$9,275 | \$9,214 |
| Cost of sales | 8,365 | 8,454 |
| | 910 | 760 |
| Other income and expenses, net | 112 | 211 |
| Operating profit | 1,022 | 971 |
| Interest expense | 93 | 94 |
| Earnings before income taxes | 929 | 877 |
| Income tax expense | 239 | 286 |
| Net earnings | \$690 | \$591 |
| Effective tax rate | 25.7% | 32.6% |
| Earnings per common share: | | |
| Basic | \$1.64 | \$1.36 |
| Diluted | \$1.60 | \$1.34 |
| Average number of shares outstanding: | | |
| Basic | 421.4 | 436.0 |
| Diluted | 432.1 | 441.3 |
| Common shares reported in stockholders' equity at March 31: | 417.3 | 429.5 |

LOCKHEED MARTIN CORPORATION
Net Sales, Operating Profit and Margins
Preliminary and Unaudited
(In millions, except percentages)

| | THREE MONTHS ENDED MARCH 31, | | |
|--|------------------------------|---------|----------|
| | 2007 | 2006 | % Change |
| Net sales: | | | |
| Aeronautics | \$2,821 | \$2,823 | - |
| Electronic Systems | 2,515 | 2,453 | 3% |
| Information Systems & Global Services | 2,145 | 1,969 | 9% |
| Space Systems | 1,794 | 1,969 | (9%) |
| Total net sales | \$9,275 | \$9,214 | 1% |
| Operating profit: | | | |
| Aeronautics | \$299 | \$250 | 20% |
| Electronic Systems | 319 | 308 | 4% |
| Information Systems & Global Services | 199 | 180 | 11% |
| Space Systems | 186 | 193 | (4%) |
| Segment operating profit | 1,003 | 931 | 8% |

| | | | |
|-----------------------------------|---------|-------|----|
| Unallocated corporate income, net | 19 | 40 | |
| Total operating profit | \$1,022 | \$971 | 5% |

Margins:

| | | | |
|---------------------------------------|-------|-------|--|
| Aeronautics | 10.6% | 8.9% | |
| Electronic Systems | 12.7 | 12.6 | |
| Information Systems & Global Services | 9.3 | 9.1 | |
| Space Systems | 10.4 | 9.8 | |
| Total operating segments | 10.8% | 10.1% | |
| Total consolidated | 11.0% | 10.5% | |

LOCKHEED MARTIN CORPORATION

Selected Financial Data
Preliminary and Unaudited
(In millions)

THREE MONTHS ENDED MARCH 31,
2007 2006

| | | | |
|--|----|--------|--------|
| Summary of unallocated corporate income / (expense), net | | | |
| FAS/CAS pension adjustment | | \$(14) | \$(68) |
| Unusual items, net | 46 | 150 | |
| Stock compensation expense | | (49) | (30) |
| Other, net | 36 | (12) | |
| Unallocated corporate income, net | | \$19 | \$40 |

THREE MONTHS ENDED MARCH 31,
2007 2006

| | | | |
|--------------------------------------|-------|---------|---------|
| FAS/CAS pension adjustment | | | |
| FAS 87 expense | | \$(171) | \$(234) |
| Less: CAS costs | (157) | (166) | |
| FAS/CAS pension adjustment - expense | | \$(14) | \$(68) |

THREE MONTHS ENDED MARCH 31, 2007

| | Operating profit | Net earnings | Earnings per share |
|--|------------------|--------------|--------------------|
| Unusual Items | | | |
| Gain on sale of surplus land | \$25 | \$16 | \$0.04 |
| Earnings from reversal of legal reserves | 21 | 14 | 0.03 |
| Benefit from closure of an IRS audit | - | 59 | 0.14 |
| | \$46 | \$89 | \$0.21 |

THREE MONTHS ENDED MARCH 31, 2006

| | Operating profit | Net earnings | Earnings per share |
|--------------------------------------|------------------|--------------|--------------------|
| Unusual Items | | | |
| Gain on sale of interest in Inmarsat | \$127 | \$83 | \$0.19 |
| Gain on Space Imaging sale | 23 | 15 | 0.03 |
| | \$150 | \$98 | \$0.22 |

LOCKHEED MARTIN CORPORATION

Selected Financial Data
Preliminary and Unaudited
(In millions)

THREE MONTHS ENDED MARCH 31,
2007 2006

| | | | |
|--|-------|-------|----|
| Depreciation and amortization of plant and equipment | | | |
| Aeronautics | \$39 | \$35 | |
| Electronic Systems | 45 | 42 | |
| Information Systems & Global Services | | 15 | 14 |
| Space Systems | 29 | 30 | |
| Segments | 128 | 121 | |
| Unallocated corporate expense, net | | 13 | 14 |
| Total depreciation and amortization | \$141 | \$135 | |

THREE MONTHS ENDED MARCH 31,

| | | | |
|---|------|------|----|
| | 2007 | 2006 | |
| Amortization of purchased intangibles | | | |
| Aeronautics | \$13 | \$12 | |
| Electronic Systems | 11 | 11 | |
| Information Systems & Global Services | | 15 | 10 |
| Space Systems | 2 | 2 | |
| Segments | 41 | 35 | |
| Unallocated corporate expense, net | | 3 | 4 |
| Total amortization of purchased intangibles | \$44 | \$39 | |

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

| | | | |
|---|-------------------|----------------------|--|
| | MARCH 31, 2007 | DECEMBER 31, 2006 | |
| Assets | | | |
| Cash and cash equivalents | \$2,778 | \$1,912 | |
| Short-term investments | 296 | 381 | |
| Receivables | 4,902 | 4,595 | |
| Inventories | 1,375 | 1,657 | |
| Deferred income taxes | 964 | 900 | |
| Other current assets | 545 | 719 | |
| Total current assets | 10,860 | 10,164 | |
| Property, plant and equipment, net | 3,991 | 4,056 | |
| Goodwill | 9,353 | 9,250 | |
| Purchased intangibles, net | 574 | 605 | |
| Prepaid pension asset | 240 | 235 | |
| Deferred income taxes | 1,473 | 1,487 | |
| Other assets | 2,362 | 2,434 | |
| Total assets | \$28,853 | \$28,231 | |
| Liabilities and Stockholders' Equity | | | |
| Accounts payable | \$2,099 | \$2,221 | |
| Customer advances and amounts in excess of costs incurred | 4,056 | 3,856 | |
| Other accrued expenses | 3,748 | 3,442 | |
| Current maturities of long-term debt | 17 | 34 | |
| Total current liabilities | 9,920 | 9,553 | |
| Long-term debt, net | 4,405 | 4,405 | |
| Accrued pension liabilities | 3,201 | 3,025 | |
| Other postretirement and other noncurrent liabilities | 4,299 | 4,364 | |
| Stockholders' equity | 7,028 | 6,884 | |
| Total liabilities and stockholders' equity | \$28,853 | \$28,231 | |

Total debt-to-capitalization ratio: 39% 39%

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

THREE MONTHS ENDED MARCH 31,

| | 2007 | 2006 |
|---|---------|---------|
| Operating Activities | | |
| Net earnings | \$690 | \$591 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 185 | 174 |
| Changes in operating assets and liabilities: | | |
| Receivables | (281) | (217) |
| Inventories | 285 | 5 |
| Accounts payable | (131) | (12) |
| Customer advances and amounts in excess of costs incurred | 195 | 95 |
| Other | 539 | 549 |
| Net cash provided by operating activities | 1,482 | 1,185 |
| Investing Activities | | |
| Expenditures for property, plant and equipment | (84) | (98) |
| Sale (purchase) of short-term investments | 85 | (28) |
| Acquisitions of businesses / investments in affiliates | (95) | (153) |
| Divestitures of investments in affiliates | - | 156 |
| Other | 79 | 6 |
| Net cash used for investing activities | (15) | (117) |
| Financing Activities | | |
| Common stock activity, net | (584) | (492) |
| Common stock dividends | - | (132) |
| Repayments of long-term debt | (17) | (6) |
| Net cash used for financing activities | (601) | (630) |
| Net increase in cash and cash equivalents | 866 | 438 |
| Cash and cash equivalents at beginning of period | 1,912 | 2,244 |
| Cash and cash equivalents at end of period | \$2,778 | \$2,682 |

LOCKHEED MARTIN CORPORATION
Consolidated Condensed Statement of Stockholders' Equity
Preliminary and Unaudited
(In millions)

| | Additional Common Stock | Paid-In Capital | Accumulated Other Retained Earnings | Total Comprehensive Loss | Equity Stockholders' |
|------------------------------|----------------------------|--------------------|---|--------------------------------|-------------------------|
| Balance at December 31, 2006 | \$421 | \$755 | \$9,269 | \$(3,561) | \$6,884 |
| Adoption of FIN 48 (a) | | | 31 | 31 | |
| Net earnings | | | 690 | 690 | |

| | | | | | |
|--------------------------------------|-------|-------|---------|-----------|---------|
| Common stock dividends | | (148) | | (148) | |
| Stock-based awards and ESOP activity | 4 | 306 | | 310 | |
| Repurchases of common stock (b) | (8) | (731) | | (739) | |
| Balance at March 31, 2007 | \$417 | \$330 | \$9,842 | \$(3,561) | \$7,028 |

(a) On January 1, 2007 the Corporation adopted Financial Accounting Standards Board Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes". The cumulative effect of adopting the provision of FIN 48 was a non-cash increase to opening retained earnings of \$31 million.

(b) The Corporation has 26.7 million shares remaining under its share repurchase program at the end of the first quarter of 2007.

LOCKHEED MARTIN CORPORATION

Operating Data

Preliminary and Unaudited

(In millions)

| | MARCH 31, 2007 | DECEMBER 31, 2006 |
|---------------------------------------|-------------------|----------------------|
| Backlog | | |
| Aeronautics | \$25,600 | \$26,900 |
| Electronic Systems | 20,400 | 19,700 |
| Information Systems & Global Services | 10,200 | 10,500 |
| Space Systems | 18,500 | 18,800 |
| Total | \$74,700 | \$75,900 |

| | THREE MONTHS ENDED MARCH 31, 2007 | 2006 |
|---------------------|--------------------------------------|------|
| Aircraft Deliveries | | |
| F-16 | 9 | 18 |
| F-22 | 3 | 6 |
| C-130J | 2 | 2 |

LOCKHEED MARTIN CORPORATION

Proforma Net Sales, Operating Profit and Margins - Realigned Business Segments

Preliminary and Unaudited

(In millions, except percentages)

| | YEAR ENDED | | | | THREE MONTHS ENDED | | DECEMBER 31, | |
|---------------------------------------|-------------------|------------------|-------------------|------------------|--------------------|----------|--------------|------|
| | March 31, 2006 | June 30, 2006 | Sept. 30, 2006 | Dec. 31, 2006 | 2006 | 2005 | 2006 | 2005 |
| Net sales: | | | | | | | | |
| Aeronautics | \$2,823 | \$3,004 | \$2,983 | \$3,378 | \$12,188 | \$12,349 | | |
| Electronic Systems | 2,453 | 2,698 | 2,576 | 2,792 | 10,519 | 9,811 | | |
| Information Systems & Global Services | 1,969 | 2,158 | 2,191 | 2,672 | 8,990 | 8,233 | | |
| Space Systems | 1,969 | 2,101 | 1,855 | 1,998 | 7,923 | 6,820 | | |
| Total net sales | \$9,214 | \$9,961 | \$9,605 | \$10,840 | \$39,620 | \$37,213 | | |

Operating profit:

| | | | | | | |
|---------------------|-------|-------|-------|-------|---------|---------|
| Aeronautics | \$250 | \$272 | \$316 | \$383 | \$1,221 | \$1,019 |
| Electronic Systems | 308 | 320 | 278 | 366 | 1,272 | 1,083 |
| Information Systems | | | | | | |
| & Global Services | 180 | 195 | 205 | 229 | 809 | 721 |
| Space Systems | 193 | 189 | 176 | 188 | 746 | 609 |

Segment operating profit 931 976 975 1,166 4,048 3,432

Unallocated corporate income (expense), net 40 (33) (70) (32) (95) (446)

Total operating profit \$971 \$943 \$905 \$1,134 \$3,953 \$2,986

Margins:

| | | | | | | |
|---------------------|-------|-------|-------|-------|-------|-------|
| Aeronautics | 8.9% | 9.1% | 10.6% | 11.3% | 10.0% | 8.3% |
| Electronic Systems | 12.6% | 11.9% | 10.8% | 13.1% | 12.1% | 11.0% |
| Information Systems | | | | | | |
| & Global Services | 9.1% | 9.0% | 9.4% | 8.6% | 9.0% | 8.8% |
| Space Systems | 9.8% | 9.0% | 9.5% | 9.4% | 9.4% | 8.9% |

Total operating segments 10.1% 9.8% 10.2% 10.8% 10.2% 9.2%

Total consolidated 10.5% 9.5% 9.4% 10.5% 10.0% 8.0%

LOCKHEED MARTIN CORPORATION

Proforma Selected Financial Data - Realigned Business Segments
Preliminary and Unaudited
(In millions)

| | YEAR ENDED | | | | | |
|--|--------------------|---------------|----------------|---------------|------|------|
| | THREE MONTHS ENDED | | | DECEMBER 31, | | |
| | March 31, 2006 | June 30, 2006 | Sept. 30, 2006 | Dec. 31, 2006 | 2006 | 2005 |

Depreciation and amortization of plant and equipment

| | | | | | | |
|---------------------|------|------|------|------|-------|-------|
| Aeronautics | \$35 | \$38 | \$39 | \$42 | \$154 | \$137 |
| Electronic Systems | 42 | 45 | 48 | 55 | 190 | 178 |
| Information Systems | | | | | | |
| & Global Services | 14 | 15 | 14 | 22 | 65 | 55 |
| Space Systems | 30 | 35 | 30 | 37 | 132 | 134 |

Segment operating profit 121 133 131 156 541 504

Unallocated corporate expense, net 14 16 14 15 59 51

Total depreciation and amortization \$135 \$149 \$145 \$171 \$600 \$555

Amortization of purchased intangibles

| | | | | | | |
|---------------------|------|------|------|------|------|------|
| Aeronautics | \$12 | \$13 | \$12 | \$13 | \$50 | \$50 |
| Electronic Systems | 11 | 11 | 12 | 13 | 47 | 42 |
| Information Systems | | | | | | |
| & Global Services | 10 | 10 | 11 | 15 | 46 | 39 |
| Space Systems | 2 | 2 | 3 | 2 | 9 | 8 |

| | | | | | | |
|--------------------------|----|----|----|----|-----|-----|
| Segment operating profit | 35 | 36 | 38 | 43 | 152 | 139 |
|--------------------------|----|----|----|----|-----|-----|

| | | | | | | |
|------------------------------------|---|---|---|---|----|----|
| Unallocated corporate expense, net | 4 | 3 | 2 | 3 | 12 | 11 |
|------------------------------------|---|---|---|---|----|----|

| | | | | | | |
|---|------|------|------|------|-------|-------|
| Total amortization of purchased intangibles | \$39 | \$39 | \$40 | \$46 | \$164 | \$150 |
|---|------|------|------|------|-------|-------|

LOCKHEED MARTIN CORPORATION
Proforma Backlog - Realigned Business Segments
Preliminary and Unaudited
(In millions)

March 31, June 30, Sept. 30, Dec. 31, Dec. 31,
2006 2006 2006 2006 2005

Backlog:

| | | | | | |
|---------------------|----------|----------|----------|----------|----------|
| Aeronautics | \$29,400 | \$28,300 | \$26,200 | \$26,900 | \$31,100 |
| Electronic Systems | 19,700 | 19,900 | 19,100 | 19,700 | 18,600 |
| Information Systems | | | | | |
| & Global Services | 10,200 | 9,600 | 10,500 | 10,500 | 9,200 |
| Space Systems | 16,100 | 15,900 | 22,100 | 18,800 | 15,900 |

| | | | | | |
|---------------|----------|----------|----------|----------|----------|
| Total backlog | \$75,400 | \$73,700 | \$77,900 | \$75,900 | \$74,800 |
|---------------|----------|----------|----------|----------|----------|

First Call Analyst:
FCMN Contact:

SOURCE: Lockheed Martin Corporation

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

Company News On-Call: <http://www.prnewswire.com/comp/136533.html>

<https://news.lockheedmartin.com/2007-04-24-Lockheed-Martin-Announces-First-Quarter-2007-Results>