

Stevens Cites Hundreds Of Millions In 2011 Cost Reductions

BETHESDA, Md., May 24, 2011 /PRNewswire-FirstCall/ -- Today Lockheed Martin (NYSE: LMT) Chairman and Chief Executive Officer Bob Stevens delivered an update on key programs and shared details of the company's affordability initiatives to journalists attending the company's 2011 Media Day.

Referring to a "new reality" for the Department of Defense and Lockheed Martin, Stevens said "we know the challenges that we will face together are significant. The global security environment is only growing more volatile and complex, while economic resources are sure to be constrained as we focus on deficit and debt reduction, which is why we continue to give cost reduction and affordability a top priority across the company."

"Since our last Media Day we have consolidated facilities, divested two businesses, reduced the senior employee ranks by 26 percent, reduced expenses, frozen the salaries of our most senior employees and are critically examining every process, purchase, and transaction to get as lean and agile as we can be," Stevens continued.

In his remarks, Stevens outlined more than \$500 million in cost reductions from recent initiatives, including \$350 million attributed to the recent voluntary executive separation program (VESP), and several hundred million dollars in additional overhead cost savings in 2011 to be built into forward pricing proposals.

Noting that Lockheed Martin was off to a good start in 2011, Stevens said the company's major programs are performing well and earning customer confidence. "In our business, nothing substitutes for solid execution and I'm pleased to say the majority of our programs are on plan."

Stevens credited the company's success to the character and commitment of its 126,000 employees.

"In this time of great challenge...perhaps the area in which I am most proud is the area where we have remained very constant," Stevens said. "And that area is the character and culture of this enterprise; by maintaining absolute integrity and the highest ethical standards in business conduct, principled leadership, and the dedicated professionalism in all that we do and responsible corporate citizenship."

Stevens reinforced the Corporation's dedication and focus on delivering for its customers, "we'll focus on their missions and we'll continue to focus on the work we do to support them. We all feel it's a great privilege to serve the people that we get to work for."

To read the full transcript of Stevens' Media Day remarks, [click here](#).

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 126,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's 2010 sales from continuing operations were \$45.8 billion.

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