Lockheed Martin To Form Two New Business Areas Through Reorganization Of Electronic Systems

New Structure Streamlines Operations, Boosts Customer Alignment and Affordability

BETHESDA, Md., Oct. 8, 2012 /PRNewswire/ -- With a continuing focus on lean and efficient operations, Lockheed Martin Corporation (NYSE: LMT) today announced it will reorganize its Electronic Systems business area into two new business areas that position the company for growth by increasing customer alignment and reducing costs.

Effective December 31, the creation of the Missiles and Fire Control (MFC) and Mission Systems and Training (MST) business areas brings the company's total to five including Aeronautics, Space Systems, and Information Systems & Global Solutions. As previously announced, Marillyn Hewson, who currently leads the Electronic Systems business area, will assume the role of president and chief operating officer on January 1.

"Our customers are looking for affordable solutions to their toughest challenges whether intercepting enemy missiles, conducting naval operations in littoral waters, or securing information networks from attack," said Chris Kubasik, Lockheed Martin Vice Chairman, President and Chief Operating Officer. "This new structure will allow us to better support our customers around the world and positions our company for sustained long-term growth."

The reorganization will streamline operations and save approximately $50 million a year by eliminating the executive management teams of the Electronic Systems business area and the Global Training and Logistics (GTL) business unit. The GTL portfolio will be split between the two resulting business areas. Approximately 200 jobs will be affected.

"For the past three years, Chris has led an effort to examine all aspects of our business in an environment where every dollar counts," said Bob Stevens, Lockheed Martin Chairman and Chief Executive Officer. "This focus on maximizing value for customers and shareholders has already identified billions in savings for our customers and made us more competitive."

The new structure includes the following organizational changes:

- The MFC business area will have 16,000 employees and be headquartered in Dallas. Some of its high-profile programs will include the Terminal High Altitude Area Defense System, Joint Light Tactical Vehicle, PAC-3 Missiles, as well as logistics and other technical services from GTL.
- The MST business area will have 19,000 employees and be headquartered inWashington, DC. Some of its high-profile programs will include the Aegis Combat System, Littoral Combat Ship, MH-60 helicopter avionics, as well as military and commercial training systems from GTL including F-35 support.

To lead these new business areas,Rick Edwards and Dale Bennett have been elected executive vice presidents, effective December 31, of MFC and MST, respectively. Both executives have been with Lockheed Martin for about three decades and served in roles of increasing responsibility.

Edwards, 56, began managing MFC's program and technology execution in June after leading its Tactical Missiles and Combat Maneuver Systems line of business for seven years. He received a bachelor's degree in business administration from Gettysburg College in 1978. He will succeedJim Berry, the current president of the MFC business who plans to retire.
(Photo: http://photos.prnewswire.com/prnh/20121008/PH88409-a)

Bennett, 55, is the president of the Mission Systems & Sensors business, a role he assumed inAugust 2011 after serving as president of GTL for six years. He received a bachelor's degree in mechanical engineering from the University of South Carolina-Columbia in 1981, a master's degree in engineering from theJohns Hopkins University, and a master's in business administration from the Sloan Fellows Program at Massachusetts Institute of Technology. He also served in the Air Force.
(Photo: http://photos.prnewswire.com/prnh/20121008/PH88409-b)

Headquartered in Bethesda, Md., Lockheed Martin is a global security and aerospace company that employs about 120,000 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 net sales

for 2011 were $46.5 billion.

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Lockheed Martin Forward-Looking Statements: Statements in this release concerning future actions or consequences of actions including statements about anticipated cost savings and efficiencies are "forward-looking statements" and are based on current expectations and assumptions. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. These risks and uncertainties include our ability to implement the reorganization and cost reduction strategies consistent with our current plans as well as other risks and uncertainties described from time to time in Lockheed Martin's Form 10-K (including under the caption "Risk Factors") and other filings with the Securities and Exchange Commission. All information in this release is as of October 2, 2012. Lockheed Martin disclaims any duty to update forward-looking statements to reflect subsequent events, actual results or changes in expectations. For further information regarding risks and uncertainties associated with Lockheed Martin's business, please refer to the Corporation's SEC filings, which may be obtained at the Corporation's website: http://www.lockheedmartin.com

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