Lockheed Martin
2nd Quarter 2012
Financial Results Conference Call
July 24, 2012
11:00 a.m. EDT

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Audio replay available from 2:00 p.m. EDT July 24, 2012 through midnight August 7, 2012
Access audio replay at:
855-859-2056 U.S. & Canada
404-537-3406 International
Confirmation code: 90095661
Our presentation contains “forward-looking statements” or projections based on Lockheed Martin’s current expectations and assumptions. These statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results could differ materially due to factors such as: the availability of government funding, budgetary constraints and sequestration under the Budget Control Act of 2011; changes in customer priorities; quantity revisions to the F-35 program; return or loss on benefit plan assets, interest rates, and other changes that may affect benefit plan assumptions; the effect of capitalization changes (such as share repurchase activity, advanced pension funding, option exercises, or debt levels); the allowability of costs under government cost accounting standards; the outcome of legal proceedings; the future impact of acquisitions, divestitures or joint ventures; the timing and availability of future government awards; economic, business and regulatory conditions and other factors. We disclaim any duty to update forward-looking statements to reflect new developments.

Our SEC filings (found at www.lockheedmartin.com or at www.sec.gov), including our 2011 Form 10-K and 2012 10-Qs, contain more information on the types of risks and other factors that could adversely affect these statements.

2012 Financial Results are Unaudited
2Q Overview

• Grew Sales 3%

• Expanded Segment Operating Margin* to 12.3% in 2Q 2012 vs. 11.7% in 2Q 2011

• Increased EPS From Continuing Operations By 10%

• Generated $845M Cash From Operations After Making $607M Pension Contribution

• Increased 2012 Outlook for Operating Profit, EPS, and Cash From Operations

*See Charts 15-16 for Definitions of Non-GAAP Measures
2Q Sales Summary

($B)

Aeronautics

Electronic Systems

IS&GS

Space

Total Sales Growth Of 3% ...
On Track To Achieve Full Year Guidance
Segment Operating Margin Increased 60 bps To 12.3%
EPS Growth Driven By Strong Operational Performance

*See Charts 15-16 for Definitions of Non-GAAP Measures**
2Q Cash Flow
($M)

$2,000
$1,500
$1,000
$500
$0

2Q11
$1,219M
$325M Pension
$894M

2Q12
$1,452M
$607M Pension
$845M

Pre-Pension Cash Flow*

Cash From Ops  Pension Contributions

* See Charts 15-16 for Definitions of Non-GAAP Measures

Strong Cash Generation…
Increased Full Year Outlook to $3.9 Billion
## 2012 Outlook Update

($ Million, Except EPS)

<table>
<thead>
<tr>
<th></th>
<th>Prior (April)</th>
<th>Current (July)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$45,000 - 46,000</td>
<td>$45,000 - 46,000</td>
</tr>
<tr>
<td><strong>Segment Operating Profit</strong></td>
<td>$5,075 - 5,175</td>
<td>$5,200 - 5,300</td>
</tr>
<tr>
<td>Unallocated Corp Inc / (Exp)</td>
<td>~ (835)</td>
<td>~ (835)</td>
</tr>
<tr>
<td>FAS/CAS Adjustment</td>
<td>~ (340)</td>
<td>~ (340)</td>
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<tr>
<td><strong>Operating Profit</strong></td>
<td>$3,900 - 4,000</td>
<td>$4,025 - 4,125</td>
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<tr>
<td><strong>EPS - Continuing Operations</strong></td>
<td>$7.70 - 7.90</td>
<td>$7.90 - 8.10</td>
</tr>
<tr>
<td><strong>Cash From Operations</strong></td>
<td>≥ $3,800</td>
<td>≥ $3,900</td>
</tr>
</tbody>
</table>

* See Charts 15-16 for Definitions of Non-GAAP Measures
## 2012 EPS Outlook Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>EPS from Continuing Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>April 2012 Outlook</strong></td>
<td>$7.70 – $7.90</td>
</tr>
<tr>
<td>Segment Operating Profit Increase</td>
<td>0.25</td>
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<tr>
<td>All Other</td>
<td>(0.05)</td>
</tr>
<tr>
<td><strong>July 2012 Outlook</strong></td>
<td>$7.90 – $8.10</td>
</tr>
</tbody>
</table>

* See Charts 15-16 for Definitions of Non-GAAP Measures
2012 Sales Outlook
($ Million)

Sales (Prior)

- Aeronautics: $14,300 - 14,550
- Space: $7,550 - 7,800
- Electronic Systems: $14,550 - 14,800
- IS&GS: $8,600 - 8,850

Total: $45,000 - 46,000M

Sales (Current)

- Aeronautics: $14,100 - 14,350
- Space: $7,750 - 8,000
- Electronic Systems: $14,550 - 14,800
- IS&GS: $8,600 - 8,850

Total: $45,000 - 46,000M

Consolidated Sales Range Unchanged
2012 Segment Operating Profit Outlook
($ Million)

Segment Op Profit (Prior)

- **Aeronautics**: $1,575 - 1,600
- **Space**: $900 - 925
- **IS&GS**: $775 - 800

* See Charts 15-16 for Definitions of Non-GAAP Measures

Segment Op Profit (Current)

- **Aeronautics**: $1,625 - 1,650
- **Space**: $925 - 950
- **IS&GS**: $775 - 800

$5,075 - 5,175M

Consolidated Operating Profit Range Increased

$5,200 - 5,300M

* Note: Actual values may vary and are subject to market conditions and business performance.
Summary

- Strong First Half...On-Track for Solid Year
- Results Reflect Proactive Measures
- Well Positioned In Challenging Environment
- Third Quarter Expectations

On-Track for Full Year Goals Achievement
Financial Appendix
# F-35 Production Status

As of 20 July 2012

<table>
<thead>
<tr>
<th>Forward</th>
<th>Wing Structures</th>
<th>Wing Systems</th>
<th>Mate</th>
<th>Final</th>
<th>Pre-Flight</th>
<th>Finishes</th>
<th>Flying</th>
<th>Pre-Delivery</th>
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</thead>
<tbody>
<tr>
<td>PAX NAS Dev Test</td>
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<td>5</td>
<td>3</td>
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<td>-</td>
<td>-</td>
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<td></td>
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<tr>
<td>Eglin AFB Int Tng Ctr</td>
<td>9</td>
<td>10</td>
<td>-</td>
<td>19</td>
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<td></td>
<td></td>
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<tr>
<td>Total by Variant</td>
<td>15</td>
<td>15</td>
<td>3</td>
<td>33</td>
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</table>

## Total Aircraft Fielded

<table>
<thead>
<tr>
<th>Variant</th>
<th>F-35A</th>
<th>F-35B</th>
<th>F-35C</th>
<th>Site Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAX NAS Dev Test</td>
<td>-</td>
<td>5</td>
<td>3</td>
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Non-GAAP Financial Measures Disclosure
This presentation, and today’s conference call remarks, contain non-Generally Accepted Accounting Principles (GAAP) financial measures (as defined by SEC Regulation G). While we believe that these non-GAAP financial measures may be useful in evaluating Lockheed Martin, this information should be considered supplemental and is not a substitute for financial information prepared in accordance with GAAP. In addition, our definitions for non-GAAP measures may differ from similarly titled measures used by other companies or analysts.

Segment Operating Profit / Margin
Segment Operating Profit represents the total earnings from our business segments before unallocated corporate income and expense, interest expense, other non-operating income and expense, and income tax expense. This measure is used by our senior management in evaluating the performance of our business segments. The caption “Unallocated Corp Inc / (Exp)” reconciles Segment Operating Profit to consolidated Operating Profit. Segment Margin is calculated by dividing Segment Operating Profit by Sales. Mid-point Segment Margin represents the mid-point of the outlook range for Segment Operating Profit divided by the mid-point of the outlook range for Sales.

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<th>2Q 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>Sales: $11,921 Profit: $1,200 Margin: 10.1%</td>
<td>Sales: $11,543 Profit: $993 Margin: 8.6%</td>
</tr>
<tr>
<td>Unallocated/Other expenses, net</td>
<td>Sales: - Profit: $270 Margin: -</td>
<td>Sales: - Profit: $358 Margin: -</td>
</tr>
<tr>
<td>Segment Operating Profit</td>
<td>$11,921 Profit: $1,470 Margin: 12.3%</td>
<td>$11,543 Profit: $1,351 Margin: 11.7%</td>
</tr>
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</table>
Definitions of Non-GAAP Measures

**Pension-Adjusted Earnings Per Share**
Lockheed Martin defines adjusted earnings per share as GAAP earnings per share excluding the effect of the FAS/CAS pension adjustment. Management uses these measures as an additional means to compare and forecast the company’s operating performance before the effect of the FAS/CAS pension adjustment between periods and in comparison to that of other companies within our industry as an alternative to GAAP.

**Pre-Pension Cash Flow**
Lockheed Martin defines pre-pension cash flow as GAAP cash from operations plus the cash amount contributed to pension trusts.