



Lockheed Martin 1st Quarter 2011 Financial Results Conference Call

April 26, 2011
11:00 a.m. ET



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April 26, 2011

Forward Looking Statements



Our presentation contains “forward-looking” statements or projections based on current expectations. These statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results may differ materially due to: the availability of government funding and budgetary constraints; changes in customer priorities; additional costs or schedule revisions to the F-35 program that may result from re-planning of the restructured program; return or loss on benefit plan assets, interest and discount rates, and other changes that may affect benefit plan assumptions; the effect of capitalization changes (such as share repurchase activity, advance pension funding, option exercises, or debt levels) on earnings per share; 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 2010 Form 10-K, contain more information on the types of risks and other factors that could adversely affect these statements.

2011 Financial Results are Unaudited

1Q Overview

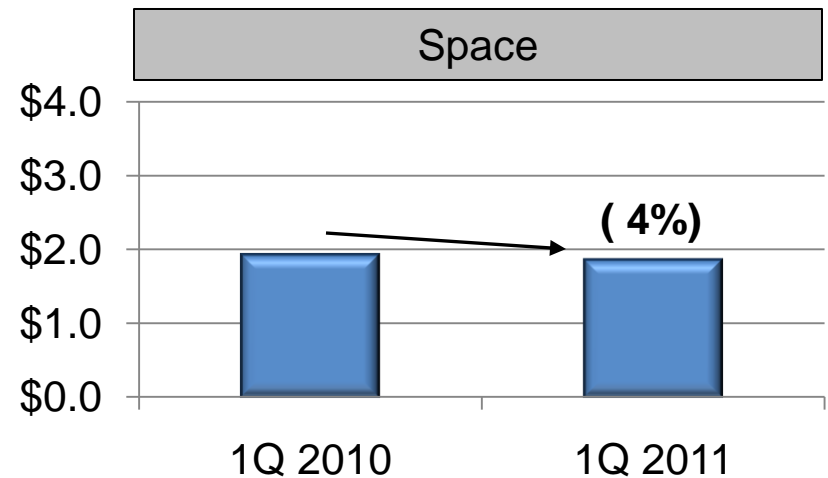
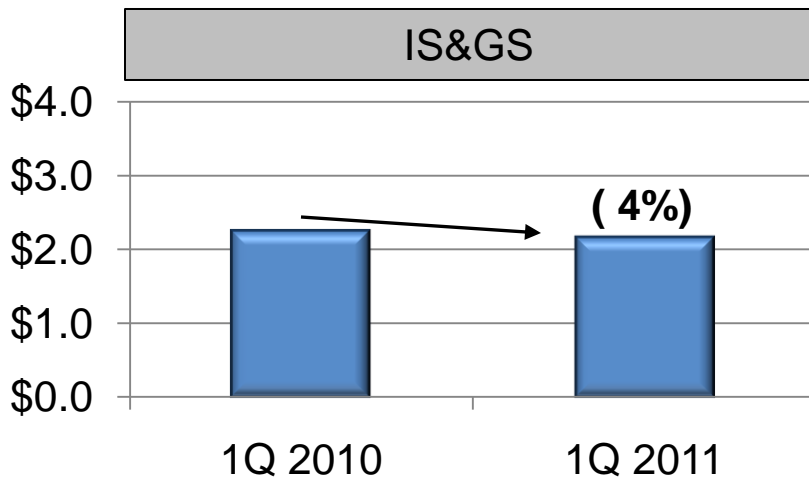
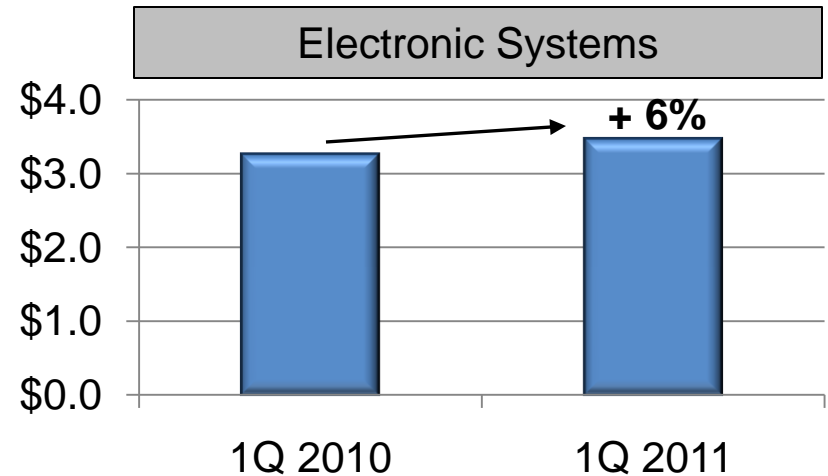
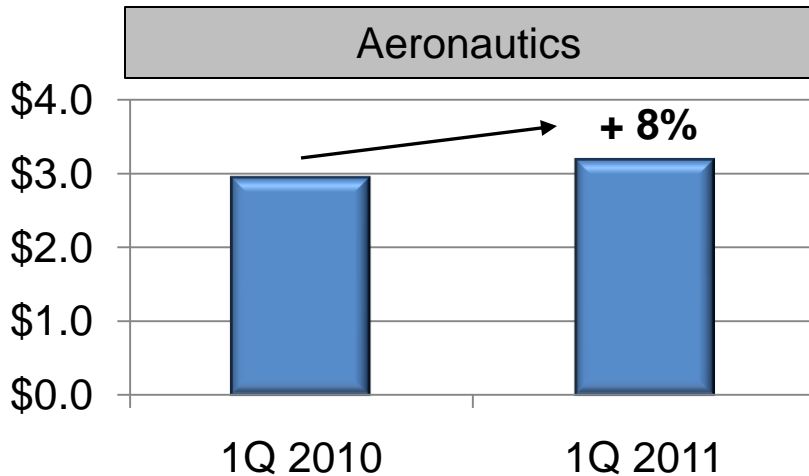


- **Grew Sales 3%**
- **Increased EPS From Continuing Operations By 12%**
- **Generated \$1.7 Billion in Cash From Operations**
- **Achieved \$80 Billion Backlog**

Strong Start To 2011

1Q Sales Summary

(\$Billion)

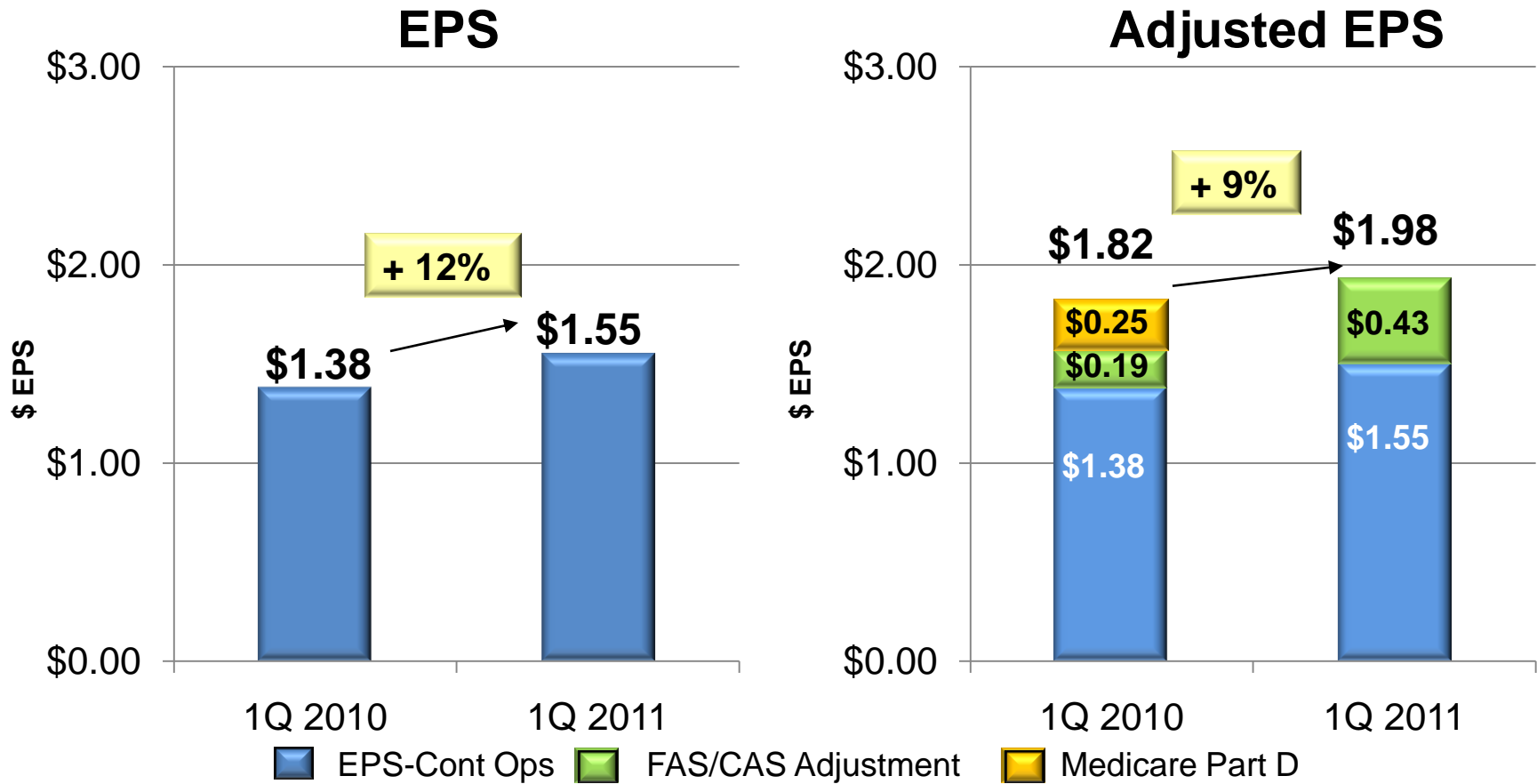


**Total Sales Growth Of +3% ...
On Track To Meet Full Year Guidance**

1Q Earnings Per Share



*See Chart 15 for Definitions of Non-GAAP Measures



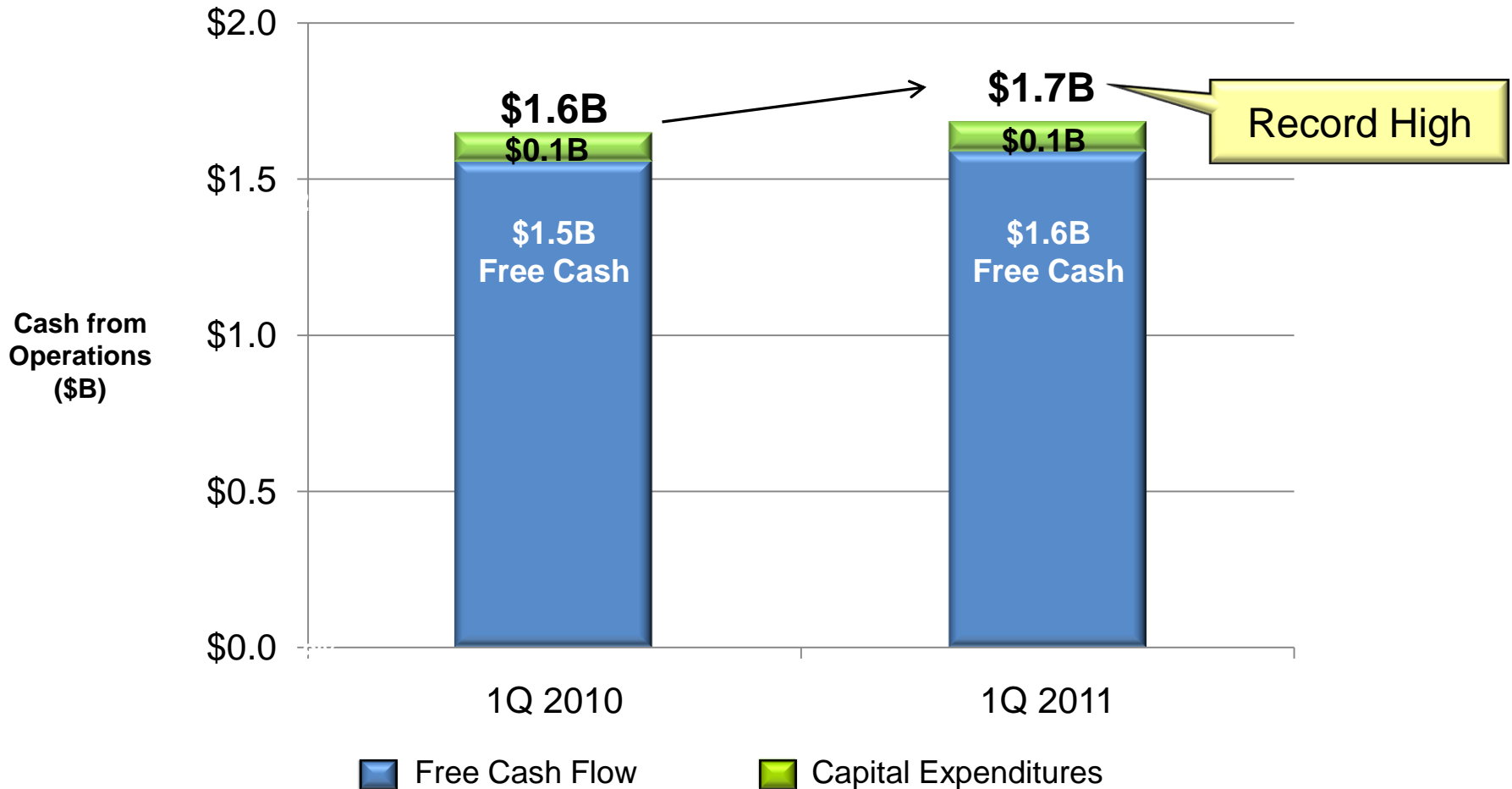
EPS Impact Greater From FAS/CAS In 2011

1Q Cash From Operations

(\$Billion)



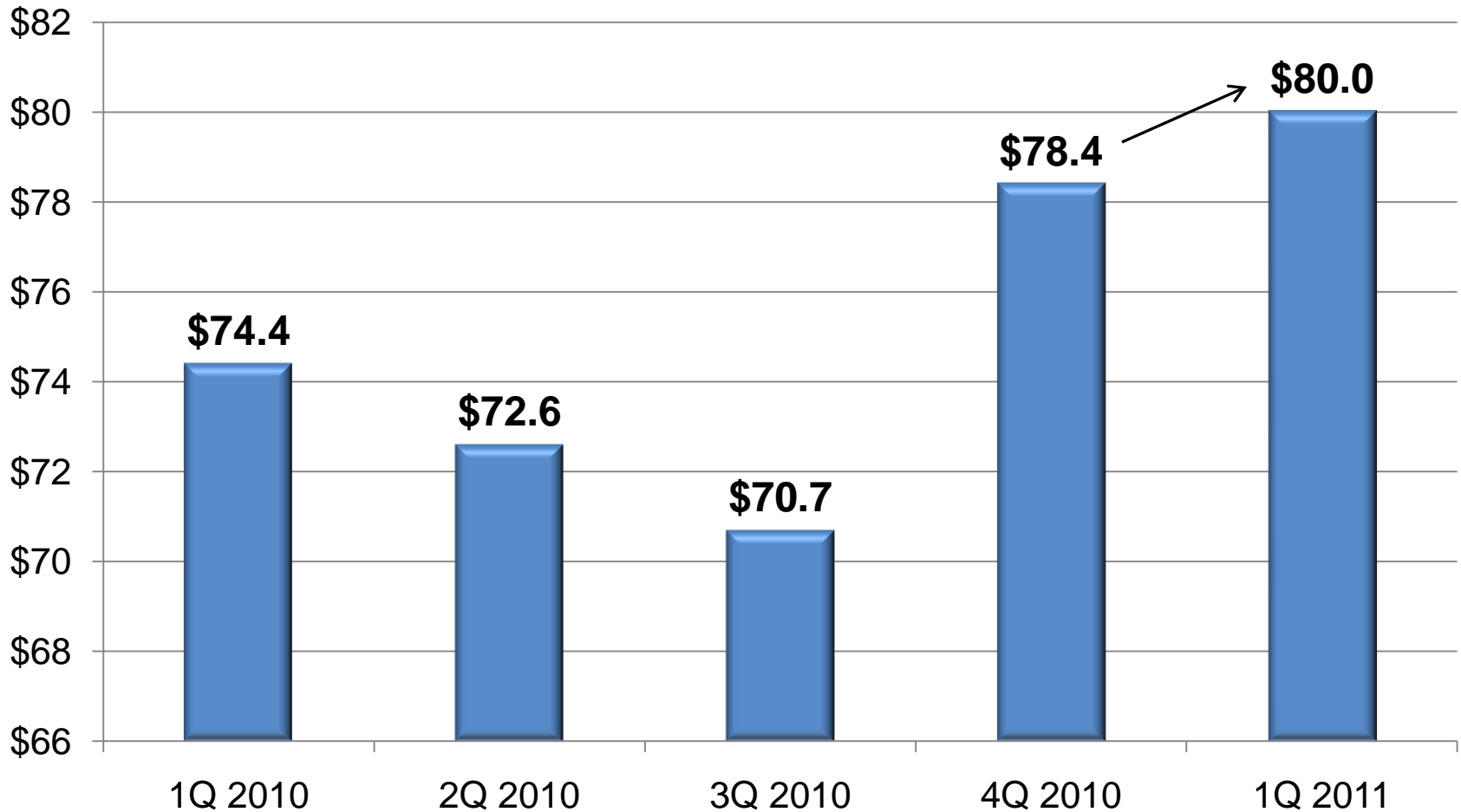
*See Chart 15 for Definitions of Non-GAAP Measures



Continuing Strong Cash Performance

Backlog

(\$Billion)



Achieved 1.15 Book-to-Bill In 1Q 2011






Portfolio Composition




↑
Growth

	F-35		Aegis		THAAD
	C-130J		Patriot		LCS
	F-16		AEHF		GPS III

↔
Stable

	Trident		Orion		MLRS
	SBIRS		MH-60		

↓
Decline

	F-22
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LMT Portfolio Well Positioned Within DoD Budget Priorities

2011 Outlook Reconciliation



	<u>EPS from Continuing Operations</u>	<u>Cash from Operations</u>
January 2011 Outlook	\$6.70 – \$7.00	\$4,000
Favorable Resolution of Prior Year Tax Matters	\$0.25*	\$100
April 2011 Outlook	\$6.95 – \$7.25	\$4,100

* Will be reflected as unusual item in 2Q 2011

**2011 Outlook Increased Due To Resolution
Of Prior Year Tax Matters**

Summary



- **Well Positioned For Full Year Goals Achievement**
- **Cash Generation Robust ... Future Firepower**
- **Quarterly Phasing**

**Improved Visibility Due To Budget Resolution ...
Opportunities Emerging**

Financial Appendix & Updated Outlook

2011 Outlook Update

(\$M, Except EPS)



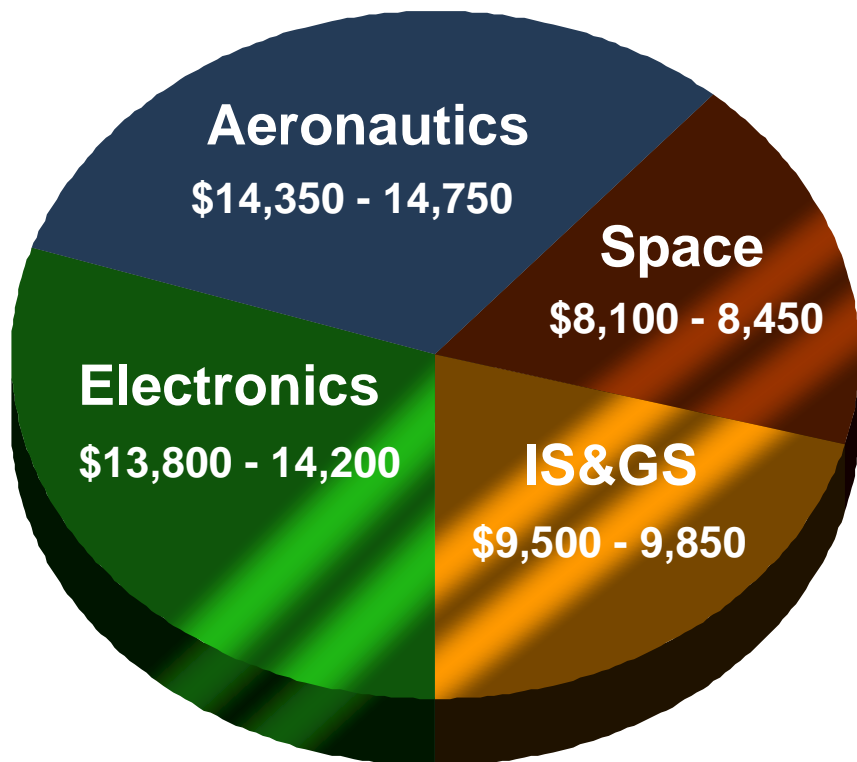
	<u>Prior (Jan)</u>	<u>Current (Apr)</u>
Sales	\$45,750 - 47,250	\$45,750 - 47,250
Segment Operating Profit	\$4,950 - 5,100	\$4,950 - 5,100
<u>Unallocated Corp Inc / (Exp)</u>		
FAS/CAS Adjustment	~ (925)	~ (925)
Other Unallocated Items	~ (325)	~ (325)
Operating Profit	\$3,700 - 3,850	\$3,700 - 3,850
EPS - Continuing Operations	\$6.70 - 7.00	\$6.95 - 7.25
Cash From Operations	≥ \$4,000	≥ \$4,100

2011 Sales Outlook

(\$M)

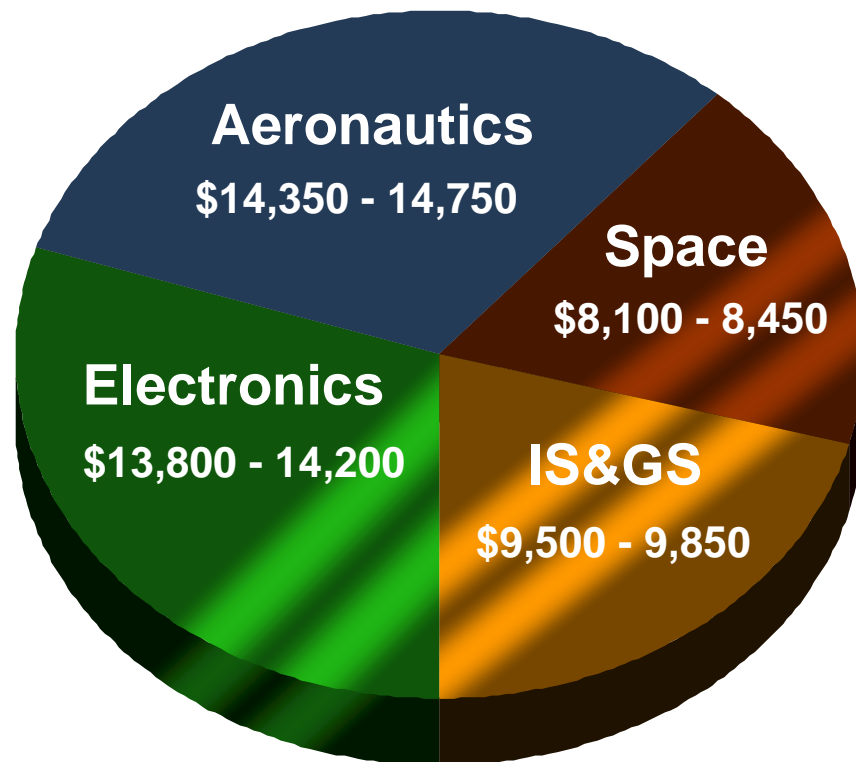


Sales (Prior)



\$45,750 - 47,250M

Sales (Current)



\$45,750 - 47,250M

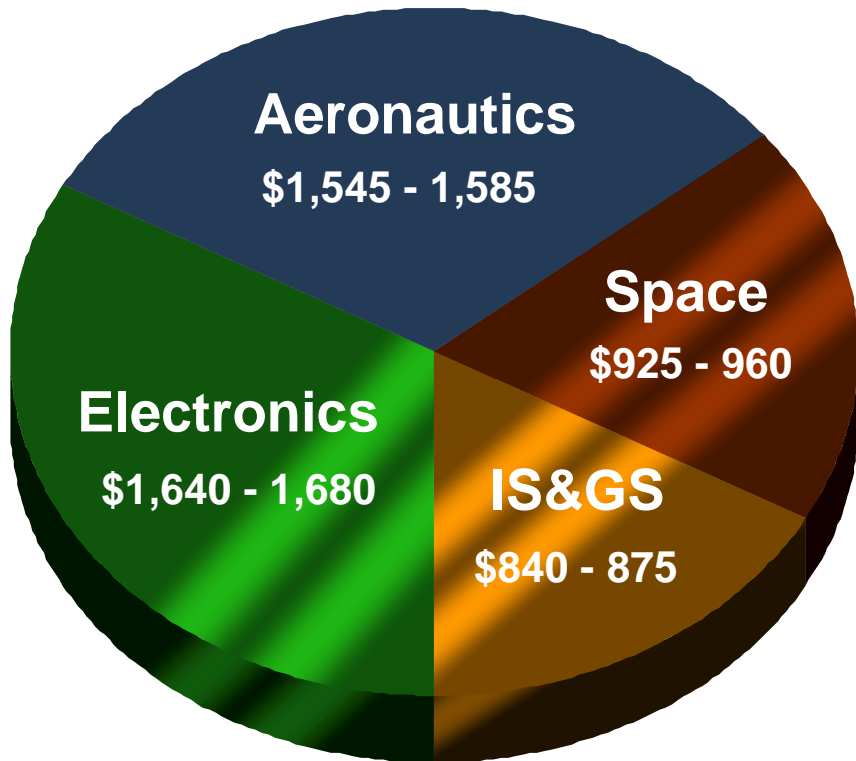
No Change To Sales Outlook

2011 Segment Operating Profit Outlook

(\$M)

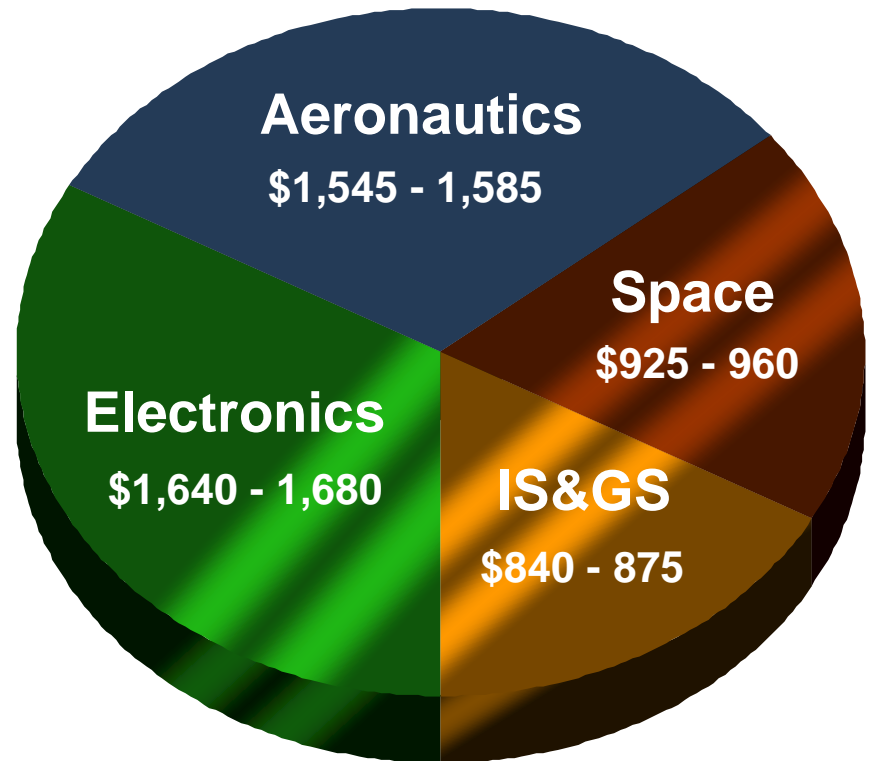


Segment Op Profit (Prior)



\$4,950 - 5,100M

Segment Op Profit (Current)



\$4,950 - 5,100M

*See Chart15 for
Definitions of Non-GAAP
Measures

No Change To Segment Operating Profit Outlook

Definitions of Non-GAAP Measures



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.

	<u>2011 Outlook (Jan)</u>	<u>2011 Outlook (April)</u>
Sales	\$45,750 - 47,250	\$45,750 - 47,250
Segment Operating Profit	\$4,950 - 5,100	\$4,950 - 5,100
Mid-Point Segment Margin	10.8%	10.8%
Consolidated Operating Profit	\$3,700 - 3,850	\$3,700 - 3,850

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.

Free Cash Flow

Lockheed Martin defines free cash flow as GAAP cash from operations less the amount identified as expenditures for property, plant and equipment.

