Lockheed Martin
1st Quarter 2011
Financial Results Conference Call
April 26, 2011
11:00 a.m. ET

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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

Aeronautics

1Q 2010 1Q 2011
$0.0  $1.0  $2.0  $3.0  $4.0

+ 8%

Electronic Systems

1Q 2010 1Q 2011
$0.0  $1.0  $2.0  $3.0  $4.0

+ 6%

IS&GS

1Q 2010 1Q 2011
$0.0  $1.0  $2.0  $3.0  $4.0

(4%)

Space

1Q 2010 1Q 2011
$0.0  $1.0  $2.0  $3.0  $4.0

(4%)
1Q Earnings Per Share

*See Chart 15 for Definitions of Non-GAAP Measures*

**EPS**

- **1Q 2010**: $1.38
- **1Q 2011**: $1.55

+ 12%

**Adjusted EPS**

- **1Q 2010**: $1.82
  - EPS-Cont Ops: $1.38
  - FAS/CAS Adjustment: $0.43
- **1Q 2011**: $1.98
  - EPS-Cont Ops: $1.55
  - FAS/CAS Adjustment: $0.43

+ 9%

**EPS Impact Greater From FAS/CAS In 2011**
1Q Cash From Operations
($Billion)

Continuing Strong Cash Performance

*See Chart 15 for Definitions of Non-GAAP Measures

1Q 2010

- Free Cash Flow: $1.5B
- Capital Expenditures: $0.1B

1Q 2011

- Free Cash Flow: $1.6B
- Capital Expenditures: $0.1B

Record High

$0.0
$0.5
$1.0
$1.5
$2.0

Cash from Operations ($B)
Backlog ($Billion)

Achieved 1.15 Book-to-Bill In 1Q 2011
LMT Portfolio Well Positioned Within DoD Budget Priorities
## 2011 Outlook Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>EPS from Continuing Operations</th>
<th>Cash from Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 2011 Outlook</strong></td>
<td>$6.70 – $7.00</td>
<td>$4,000</td>
</tr>
<tr>
<td>Favorable Resolution of Prior Year Tax Matters</td>
<td>$0.25*</td>
<td>$100</td>
</tr>
<tr>
<td><strong>April 2011 Outlook</strong></td>
<td>$6.95 – $7.25</td>
<td>$4,100</td>
</tr>
</tbody>
</table>

* Will be reflected as unusual item in 2Q 2011

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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
Financial Appendix & Updated Outlook
## 2011 Outlook Update

($M, Except EPS)

<table>
<thead>
<tr>
<th></th>
<th>Prior (Jan)</th>
<th>Current (Apr)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$45,750 - 47,250</td>
<td>$45,750 - 47,250</td>
</tr>
<tr>
<td><strong>Segment Operating Profit</strong></td>
<td>$4,950 - 5,100</td>
<td>$4,950 - 5,100</td>
</tr>
<tr>
<td>Unallocated Corp Inc / (Exp)</td>
<td>~ (925)</td>
<td>~ (925)</td>
</tr>
<tr>
<td>FAS/CAS Adjustment</td>
<td>~ (925)</td>
<td>~ (925)</td>
</tr>
<tr>
<td>Other Unallocated Items</td>
<td>~ (325)</td>
<td>~ (325)</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>$3,700 - 3,850</td>
<td>$3,700 - 3,850</td>
</tr>
<tr>
<td><strong>EPS - Continuing Operations</strong></td>
<td>$6.70 - 7.00</td>
<td>$6.95 - 7.25</td>
</tr>
<tr>
<td><strong>Cash From Operations</strong></td>
<td>≥ $4,000</td>
<td>≥ $4,100</td>
</tr>
</tbody>
</table>
2011 Sales Outlook ($M)

Sales (Prior)

Aeronautics: $14,350 - 14,750
Space: $8,100 - 8,450
Electronics: $13,800 - 14,200
IS&GS: $9,500 - 9,850

Total: $45,750 - 47,250M

Sales (Current)

Aeronautics: $14,350 - 14,750
Space: $8,100 - 8,450
Electronics: $13,800 - 14,200
IS&GS: $9,500 - 9,850

Total: $45,750 - 47,250M

No Change To Sales Outlook
No Change To Segment Operating Profit Outlook

*See Chart15 for Definitions of Non-GAAP Measures
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.

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<th>2011 Outlook (April)</th>
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<td>Sales</td>
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<td>Segment Operating Profit</td>
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<td>Mid-Point Segment Margin</td>
<td>10.8%</td>
</tr>
<tr>
<td>Consolidated Operating Profit</td>
<td>$3,700 – 3,850</td>
</tr>
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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.