

BETHESDA, Maryland, July 24, 2007 – Lockheed Martin Corporation (NYSE: LMT) today reported second quarter 2007 net earnings of \$778 million (\$1.82 per diluted share) compared to \$580 million (\$1.34 per diluted share) in 2006. Net sales were \$10.7 billion, a 7% increase over second quarter 2006 sales of \$10.0 billion. Cash from operations for the second quarter of 2007 was \$1.4 billion.

2Q 2007 Corporate Highlights

Financial Performance:

Year-to-Date Growth: Sales 4%; EPS 28%.
YTD Margin 11.3%.

Cash Generation / Deployment:

- **18** consecutive quarters positive cash from operations; **30** of last **32** quarters.
- Cash from operations for the quarter and six months ended June 30, 2007, was \$1.4 billion and \$2.9 billion respectively.
- At June 30, 2007, the Corporation had \$3.3 billion in cash and short-term investments.
- The Corporation continued to execute its balanced cash deployment strategy during the quarter and first half of the year as follows:
 - Repurchased 6.8 million shares at a cost of \$655 million in the quarter and 14.4 million shares at a cost of \$1.4 billion for the year-to-date period;
 - Paid first and second quarter cash dividends totaling \$295 million in the second quarter;
 - Made capital expenditures of \$170 million during the quarter and \$254 million during the first six months of the year;
 - Invested \$41 million in the quarter and \$136 million during the first half of the year in acquisition activities;
 - Repaid \$15 million of long-term debt in the quarter and \$32 million during the first six months of the year.

2Q 2007 Business Area Highlights

Aeronautics:

Year-to-Date Growth: Sales 2%; Segment Earnings 30%. YTD Segment Margin 11.4%.

Deliveries	QTD	YTD	Inception to Date
F-22	7	10	96
F-16	12	21	4,369
C-130	3	5	2,306

- Completed Air System Critical Design Review for the **F-35** carrier variant, verifying the design maturity of the aircraft and associated systems;
- Completed manufacture of the 100th **F-22 Raptor**, marking a significant production milestone;
- Delivered the 150th **C-130J Super Hercules**;
- Norway and the United States signed an agreement for the sale of four new **C-130J** aircraft;
- Turkey and the United States signed an agreement for the sale of 30 new Advanced **F-16** Block 50 aircraft.

Electronic Systems:

Year-to-Date Growth: Sales 6%; Segment Earnings 13%. YTD Segment Margin 13.0%.

- Awarded U.S. Army sustainment contracts worth more than \$430 million to support **AH-64 Apache** helicopter sensors and the **Hellfire II** missile;
- Conducted four successful missile defense tests, two involving the Terminal High Altitude Area Defense (**THAAD**) system and two involving target missile intercepts by the **Aegis** system;
- The U.S. and U.K. placed orders worth more than \$600 million for the Guided Multiple Launch Rocket System (**GMLRS**);
- Pakistan became the eighth international customer to select the **Sniper®** advanced targeting pod.

Information Systems & Global Services:

Year-to-Date Growth: Sales 13%; Segment Earnings 15%. YTD Segment Margin 9.3%.

- Selected by the U.S. Department of Justice (DOJ) as one of three companies authorized to compete for future task orders under the **Mega 3** Automated Litigation Support contract;
- Completed a successful System Design Review (SDR) of the TSAT Mission Operations System (**TMOS**) with the Air Force;
- Deployed the first phase of the **Sentinel** next-generation information management system across the FBI;
- Selected by the Texas Department of Information Resources (DIR) to compete for future managed services task orders;
- Acquired the defense and intelligence business of **RLM Systems Pty, Ltd.**, an Australian-based provider of system engineering, software development and integration support.

Space Systems:

Year-to-Date Change: Sales (5%); Segment Earnings 5%. YTD Segment Margin 10.4%.

- Delivery of the **ASTRA 1L** broadcasting satellite, for **SES ASTRA**, marked the 32nd consecutive success of the **A2100** spacecraft;
- A Lockheed Martin led team successfully completed a key design review of the Transformational Satellite Communications System (**TSAT**) Space Segment, signaling the team's readiness to proceed with the next development phase of the program;
- U.S. Navy's **Trident II D5 Fleet Ballistic Missile** reached a new record of 119 consecutive successful test launches since 1989—an achievement unmatched by any other large ballistic missile or space launch vehicle.

Fast Facts (\$M)

Sales

2007 YTD:	\$19,926
2006:	39,620
2005:	37,213
2004:	35,526

Backlog

2007 YTD:	\$70,700
2006:	75,900
2005:	74,825
2004:	73,986

EPS (\$ per share)

2007 YTD:	\$ 3.42
2006:	5.80
2005:	4.10
2004:	2.83

Debt Balance *

2007 YTD:	\$ 4,407
2006:	4,439
2005:	4,986
2004:	5,119

Cash from Operations

2007 YTD:	\$ 2,886
2006:	3,783
2005:	3,194
2004:	2,924

Share Repurchases

2007 YTD:	\$ 1,394
2006:	2,104
2005:	1,222
2004:	772

Dividends Paid

(\$ per share)	
2007 YTD:	\$ 0.70
2006:	1.25
2005:	1.05
2004:	0.91

Share Price

(\$ per share)	
2007 YTD:	\$ 94.13
2006:	92.07
2005:	63.63
2004:	55.55

YTD is for period ended or as of 6/30/07

**Principal, net of unamortized discount*

Investor Relations:

- **Jerry Kircher**
(301) 897-6584
- **Shamala Littlefield**
(301) 897-6455