



Lockheed Martin 1st Quarter 2012 Financial Results Conference Call

April 26, 2012

3:00 p.m. EDT



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April 26, 2012

Forward Looking Statements



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 and budgetary constraints; 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, contain more information on the types of risks and other factors that could adversely affect these statements.

2012 Financial Results are Unaudited

1Q Overview



- **Increased Sales 6%**
- **Expanded Segment Operating Margin* to 11.9% in 1Q 2012 vs. 11.0% in 1Q 2011**
- **Increased EPS From Continuing Operations By 29%**
- **Generated \$458M Cash From Operations After Making \$505M Pension Contribution**
- **Increased 2012 Segment Operating Profit Outlook**

*See Chart 13 for Definitions of Non-GAAP Measures

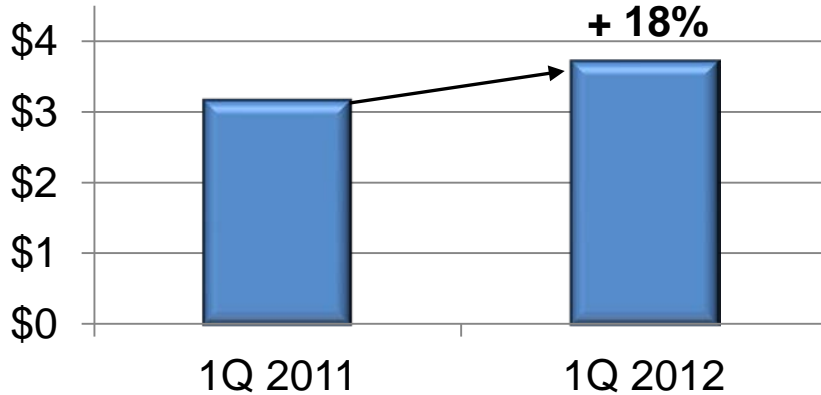
Strong Start To 2012

1Q Sales Summary

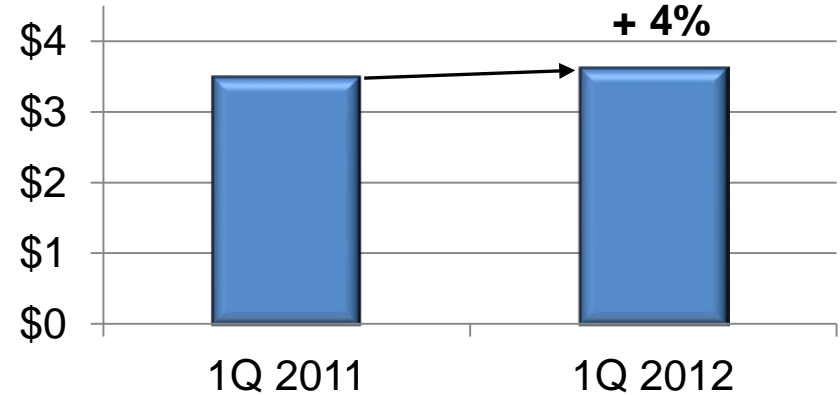
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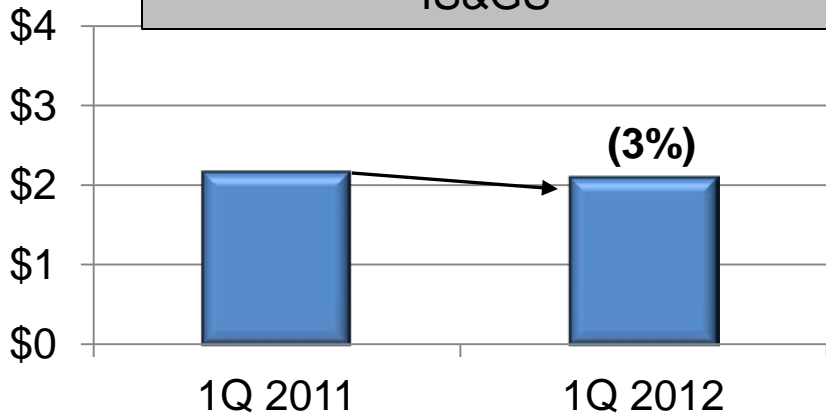
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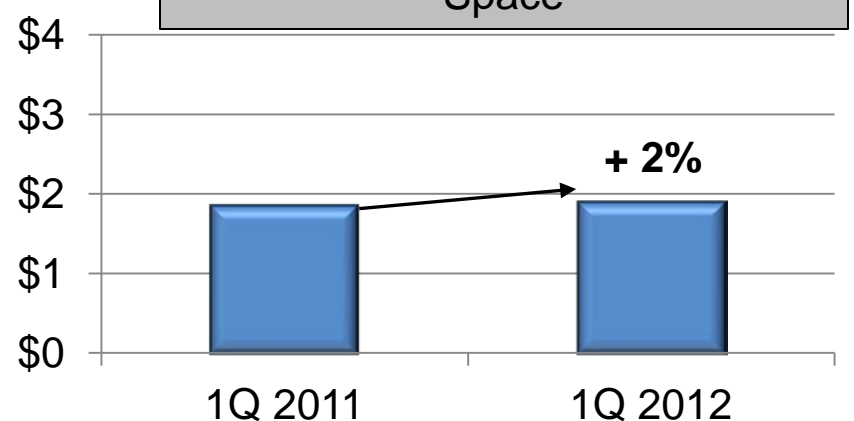
Electronic Systems



IS&GS



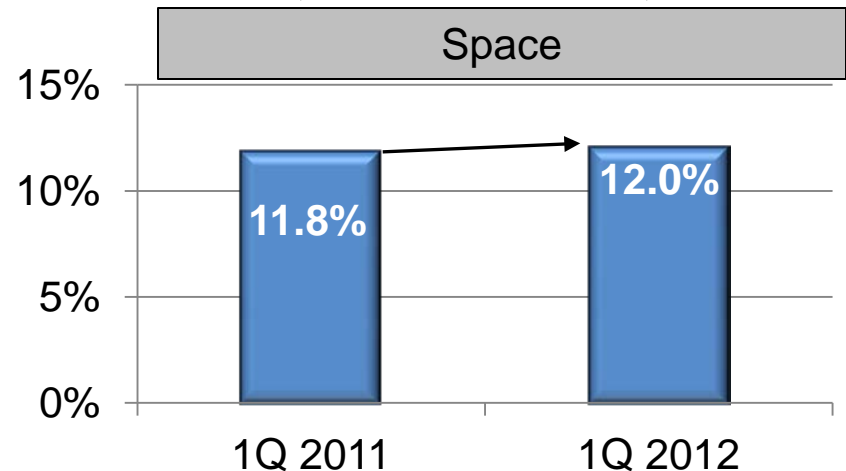
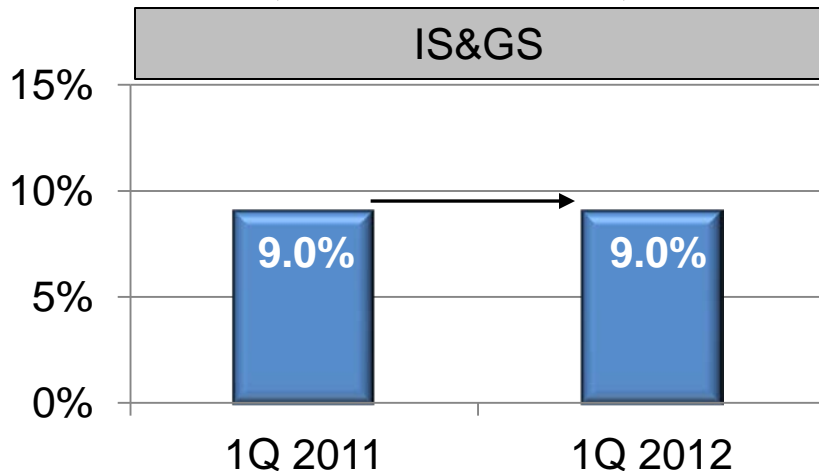
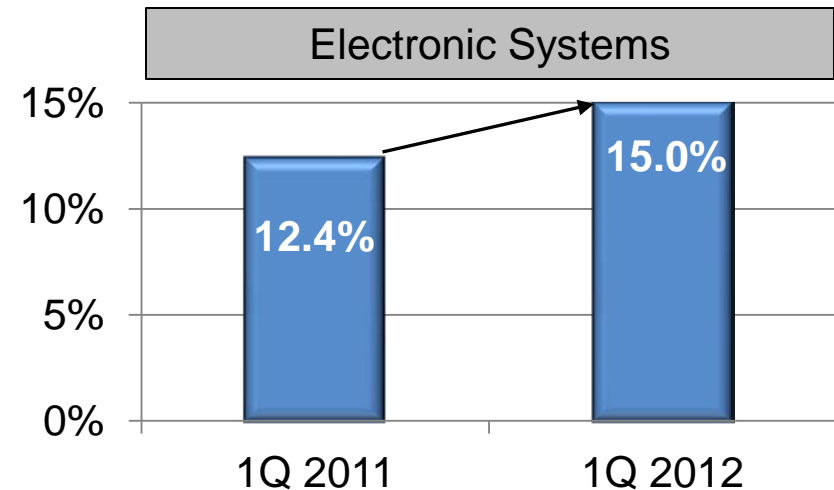
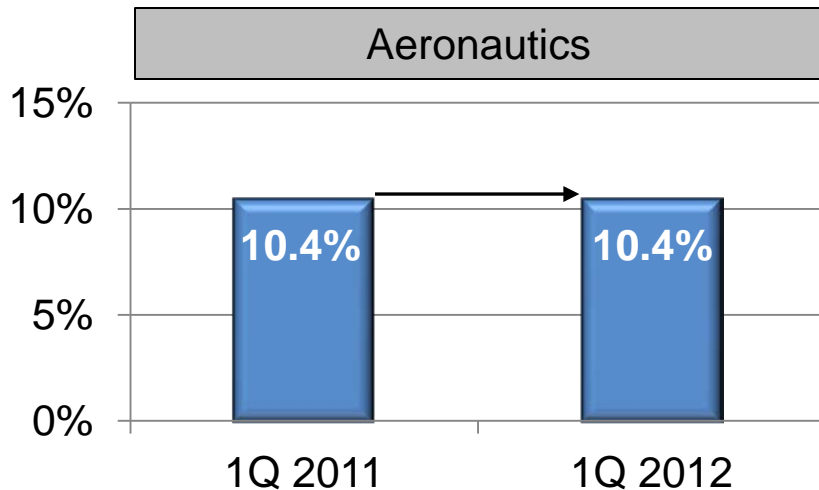
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**Total Sales Growth Of 6% ...
On Track To Meet Full Year Guidance**

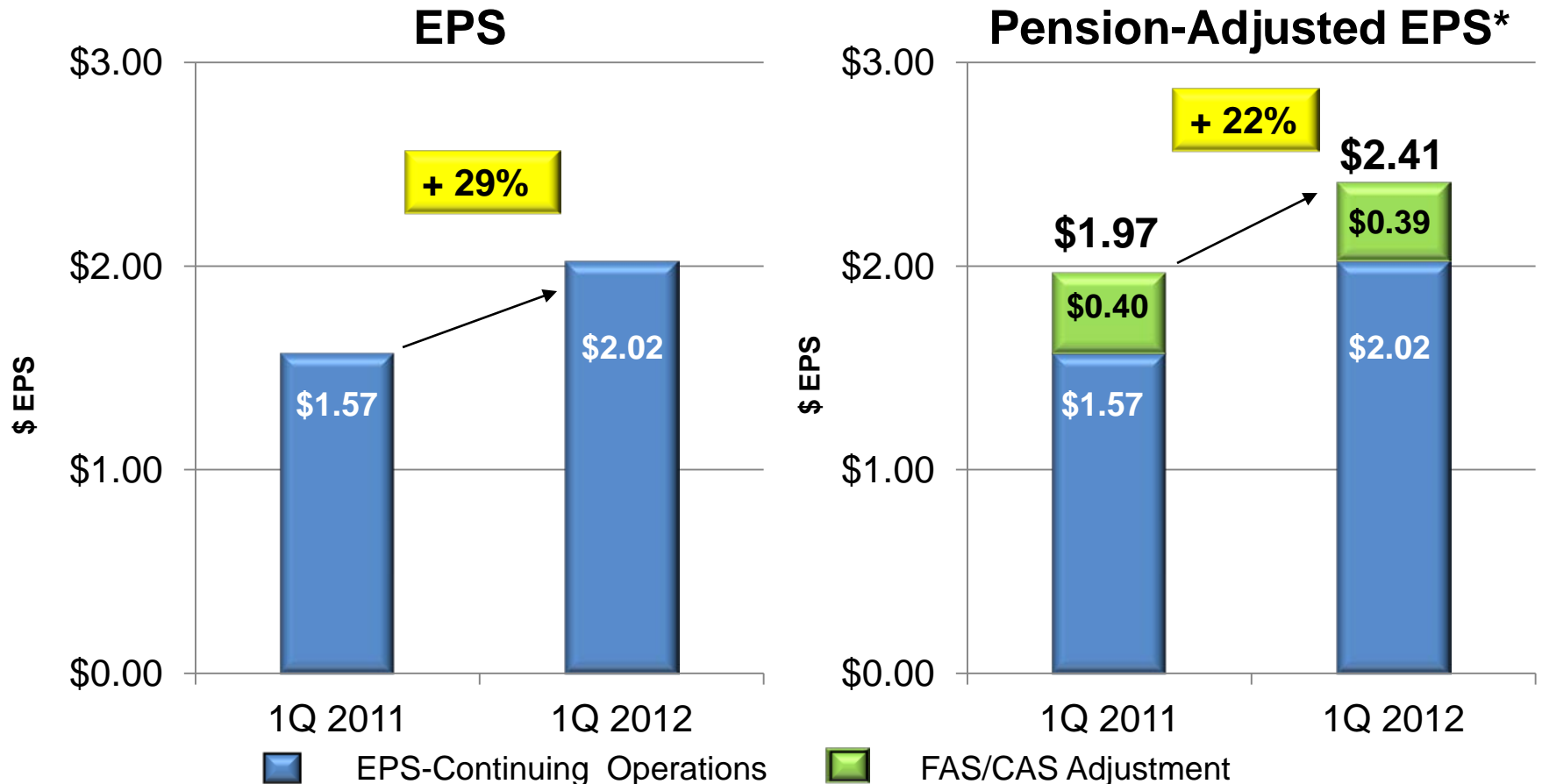
1Q Segment Margin Summary

(%)



**Margins Stable or Expanding Across all Business Areas...
Improvement Driven by Electronic Systems Risk Retirement Timing**

1Q Earnings Per Share



*See Chart 13 for Definitions of Non-GAAP Measures

EPS Growth Driven By Strong Operational Performance

2012 Outlook Update

(\$ Million, Except EPS)



	<u>Prior (Jan)</u>	<u>Current (April)</u>
Sales	\$45,000 - 46,000	\$45,000 - 46,000
Segment Operating Profit	\$5,025 - 5,125	\$5,075 - 5,175
<u>Unallocated Corp Inc / (Exp)</u>		
FAS/CAS Adjustment	~ (835)	~ (835)
Other Unallocated Expense	~ (290)	~ (340)
Operating Profit	\$3,900 - 4,000	\$3,900 - 4,000
EPS - Continuing Operations	\$7.70 - 7.90	\$7.70 - 7.90
Cash From Operations	\$3,800	≥ \$3,800

* See Chart 13 for Definitions of Non-GAAP Measures

2012 EPS Outlook Reconciliation



EPS from Continuing Operations

January 2012 Outlook

\$7.70 – \$7.90

Increase in Segment Operating Profit

0.10

Increase in Unallocated Expense

(0.10)

Increase in Non-Operating Income

0.07

(0.10)

Increase in Share Count

(0.07)

April 2012 Outlook

\$7.70 – \$7.90

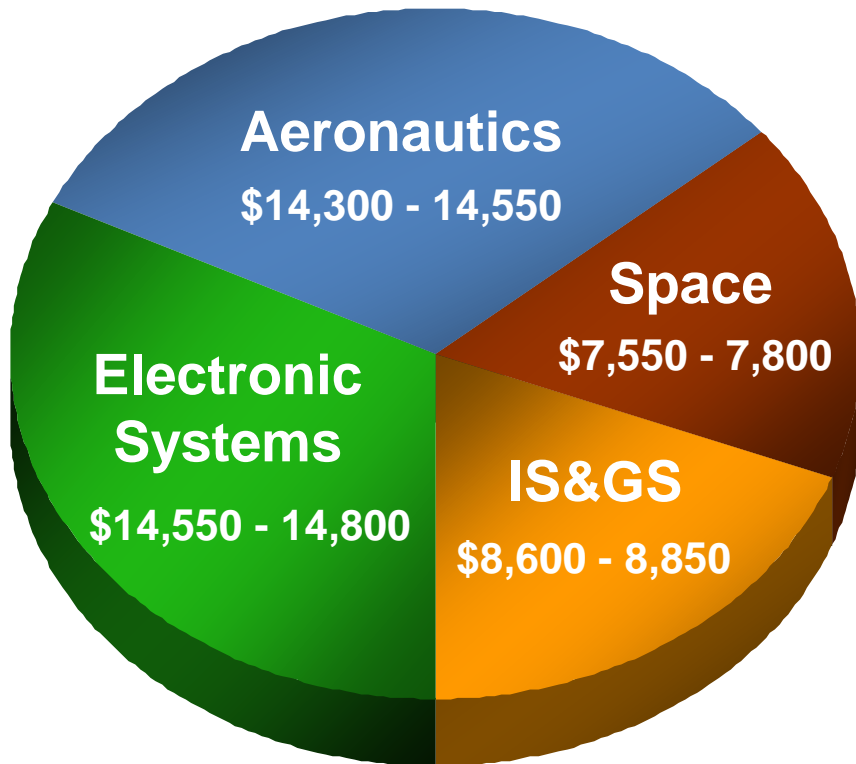
* See Chart 13 for Definitions of Non-GAAP Measures

2012 Sales Outlook

(\$ Million)

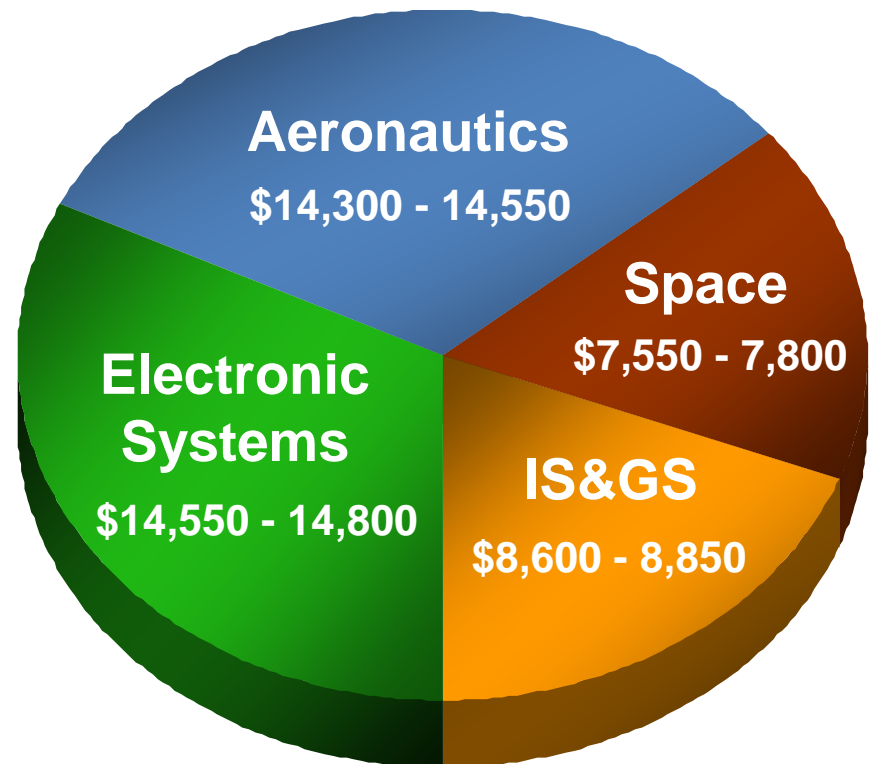


Sales (Prior)



\$45,000 - 46,000M

Sales (Current)



\$45,000 - 46,000M

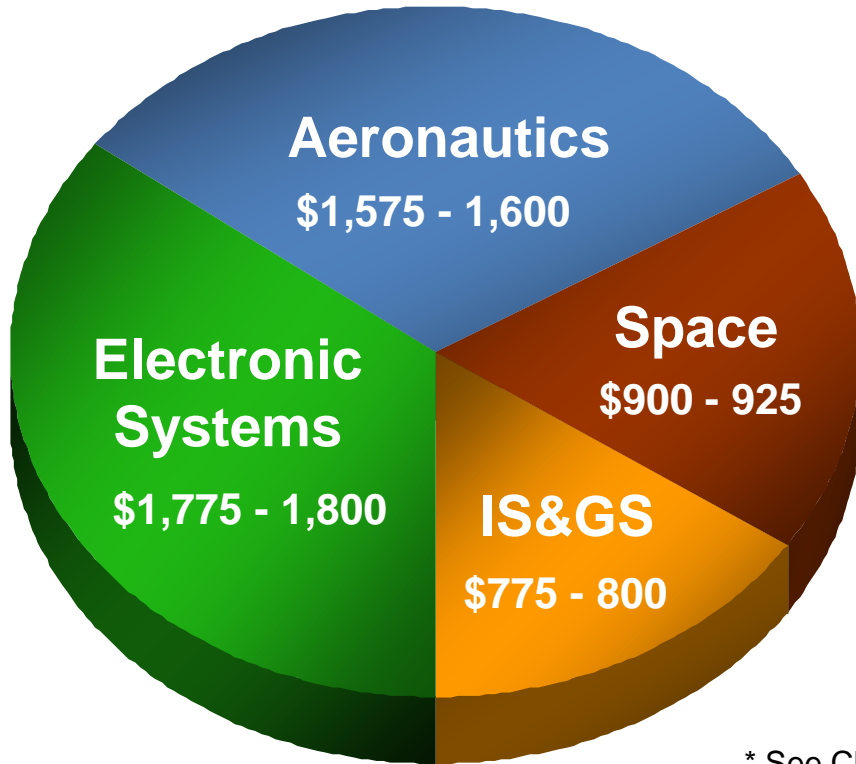
No Change to Sales Outlook

2012 Segment Operating Profit Outlook

(\$ Million)

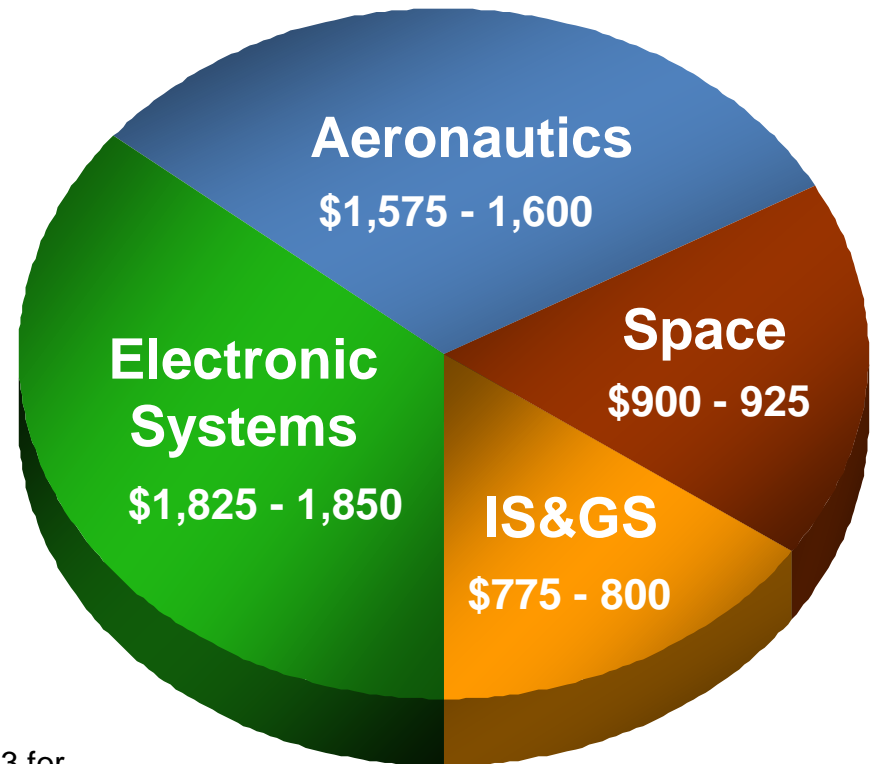


Segment Op Profit (Prior)



\$5,025 - 5,125M

Segment Op Profit (Current)



\$5,075 - 5,175M

* See Chart 13 for
Definitions of Non-GAAP
Measures

Electronic Systems / Consolidated Outlook Increased

Summary



- **Strong Start to Year**
- **Well Positioned for Full Year Goals Achievement**
- **Actions Returning Value to Shareholders and Customers**

Positioned for High Performance in 2012

Financial Appendix

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>2012 Outlook (Jan)</u>	<u>2012 Outlook (April)</u>
Sales	\$45,000 – 46,000	\$45,000 – 46,000
Segment Operating Profit	\$5,025 - 5,125	\$5,075 - 5,175
Mid-Point Segment Margin	11.2%	11.3%
Consolidated Operating Profit	\$3,900 – 4,000	\$3,900 – 4,000

	<u>1Q 2012</u>			<u>1Q 2011</u>		
	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>
Operating Profit	\$ 11,293	\$ 1,009	8.9%	\$ 10,626	\$ 864	8.1%
Unallocated/Other expenses, net	-	331		-	307	
Segment Operating Profit	\$ 11,293	\$ 1,340	11.9%	\$ 10,626	\$ 1,171	11.0%

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.

