

BETHESDA, Maryland, January 24, 2008 – Lockheed Martin Corporation (NYSE: LMT) today reported fourth quarter 2007 net earnings of \$799 million (\$1.89 per diluted share) compared to \$729 million (\$1.68 per diluted share) in 2006. Net sales were \$10.8 billion in both the fourth quarter of 2007 and 2006. Cash from operations for the fourth quarter of 2007 was \$420 million.

Corporate Highlights

Total Corporation Financial Performance:

Full Year Growth: Sales 6%; EPS 22%.
2007 Margin 10.8%.

Cash Generation / Deployment:

- 20 consecutive quarters of positive cash from operations; 32 of last 34 quarters.
- Cash from operations for the quarter and twelve months ended December 31, 2007, was \$420 million and \$4.2 billion respectively.
- At December 31, 2007, the Corporation had \$3.0 billion in cash and short-term investments.
- The Corporation continued to execute its balanced cash deployment strategy during 2007 as follows:
 - Returned \$2.7 billion to shareholders via share repurchases and dividends during 2007;
 - Repurchased 3.0 million shares at a cost of \$322 million in the quarter and 21.6 million shares at a cost of \$2.1 billion in the year;
 - Paid cash dividends totaling \$175 million in the fourth quarter and \$615 million in the year;
 - Made discretionary payments of \$491 million in the fourth quarter to pre-fund a portion of future years' funding requirements for the Corporation's defined benefit pension plan trust and retiree medical plan trust;
 - Made capital expenditures of \$460 million during the quarter and \$940 million in 2007;
 - Paid \$12 million in the quarter and \$337 million during the year for acquisition and joint venture activities;
 - Repaid \$32 million of long-term debt in 2007.

4Q 2007 Business Area Highlights

Aeronautics:

Full Year Growth: Sales 1%; Segment Earnings 21%. 2007 Segment Margin 12.0%.

Deliveries	QTR	YTD	Inception to Date
F-22	7	24	110
F-16	9	41	4,389
C-130	3	12	2,313

- Awarded a \$1.4 billion contract from the Canadian government for the purchase of 17 C-130J aircraft and related equipment and services;
- U.S. Air Force declared Full Operational Capability for the F-22 Raptor, marking another historic occasion for the world's only 5th generation fielded fighter;
- The F-35 AA-1 Lightning II test aircraft completed four flights in the quarter for a total of 22 sorties in 2007;
- The F-35B Lightning II, the first fighter with stealth, short takeoff/vertical landing (STOVL) capability and supersonic speed, achieved an on-time production roll-out in December.

Electronic Systems:

Full Year Growth: Sales 6%; Segment Earnings 12%. 2007 Segment Margin 12.7%.

- Japan successfully destroyed a ballistic missile using the Aegis system, becoming the first allied nation to demonstrate this capability;
- Successfully tested the Terminal High Altitude Area Defense (THAAD) system demonstrating the ability to detect, track and intercept an incoming target above our atmosphere;
- Awarded contracts totaling \$556 million from the U.S. Army for Patriot Advanced Capability-3 (PAC-3) hardware and services;
- Received a contract valued at \$141 million from the Portuguese Ministry of Defense to upgrade mission system avionics on five P-3 maritime surveillance aircraft;
- Successfully completed nine ground tests and two flight tests of the Joint Air-to-Surface Standoff Missile (JASSM) program.

Information Systems & Global Services:

Full Year Growth: Sales 14%; Segment Earnings 18%. 2007 Segment Margin 9.3%.

- Attained acceptance of the system developed and tested for the FAA's En Route Automation Modernization (ERAM) program; will now move into operational testing. ERAM is an integral part of the Next Generation Air Transportation System (NextGen) scheduled for deployment by 2010 at all 20 U.S. FAA En Route Air Route Traffic Control Centers;
- Received a prestigious Supplier Performance Award from NATS (formerly National Air Traffic Services), marking the first time the UK air navigation service provider honored one of its key suppliers for meeting top supply chain management performance criteria;
- Awarded two contracts by the Internal Revenue Service to modernize technologies and streamline processes.

Space Systems:

Full Year Growth: Sales 4%; Segment Earnings 15%. 2007 Segment Margin 10.4%.

- Awarded a contract valued at \$849 million from the U.S. Navy for FY08 production and deployed system support for the Trident II D5 Fleet Ballistic Missile (FBM) program; achieved the 120th consecutive successful test launch since 1989;
- Awarded a \$375 million contract from NASA to design, build and operate the spacecraft for the GRAIL lunar gravity mapping mission which will launch in 2011;
- Successfully launched two GPS IIR-M satellites for the U.S. Air Force to enhance the GPS constellation for military and civilian users.

Full Year (\$M)

Sales

2007	\$41,862
2006	39,620
2005	37,213
2004	35,526

Backlog

2007 (Y/E)	\$76,700
2006 (Y/E)	75,900
2005 (Y/E)	74,825
2004 (Y/E)	73,986

EPS (\$ per share)

2007	\$ 7.10
2006	5.80
2005	4.10
2004	2.83

Debt Balance *

2007 (Y/E)	\$ 4,407
2006 (Y/E)	4,439
2005 (Y/E)	4,986
2004 (Y/E)	5,119

Cash from Operations

2007	\$ 4,241
2006	3,783
2005	3,194
2004	2,924

Share Repurchases

2007	\$ 2,127
2006	2,104
2005	1,222
2004	772

Dividends Paid

(\$ per share)	
2007	\$ 1.47
2006	1.25
2005	1.05
2004	0.91

Share Price

(\$ per share)	
2007 (Y/E):	\$ 105.26
2006 (Y/E):	92.07
2005 (Y/E):	63.63
2004 (Y/E):	55.55

*Principal, net of unamortized discount

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