

BETHESDA, Maryland, October 23, 2007 – Lockheed Martin Corporation (NYSE: LMT) today reported third quarter 2007 net earnings of \$766 million (\$1.80 per diluted share) compared to \$629 million (\$1.46 per diluted share) in 2006. Net sales were \$11.1 billion, a 16% increase over third quarter 2006 sales of \$9.6 billion. Cash from operations for the third quarter of 2007 was \$935 million.

3Q 2007 Corporate Highlights

Financial Performance:

Year-to-Date Growth: Sales 8%; EPS 26%.
YTD Margin 11.1%.

Cash Generation / Deployment:

- 19 consecutive quarters of positive cash from operations; 31 of last 33 quarters.
- Cash from operations for the quarter and nine months ended September 30, 2007, was \$935 million and \$3.8 billion respectively.
- At September 30, 2007, the Corporation had \$3.4 billion in cash and short-term investments.
- The Corporation continued to execute its balanced cash deployment strategy during 2007 as follows:
 - Repurchased 4.2 million shares at a cost of \$411 million in the quarter and 18.6 million shares at a cost of \$1.8 billion year-to-date;
 - Authorized an additional 20 million shares under the existing share repurchase program;
 - Paid cash dividends totaling \$145 million in the third quarter; \$440 million in the nine month period;
 - Increased the quarterly dividend by 20% to \$0.42 per share, effective 12/03/07;
 - Made capital expenditures of \$226 million during the quarter and \$480 million during the nine month period;
 - Paid \$189 million in the quarter and \$325 million year-to-date for acquisition and joint venture activities;
 - Repaid \$32 million of long-term debt year-to-date.

3Q 2007 Business Area Highlights

Aeronautics:

Year-to-Date Growth: Sales 6%; Segment Earnings 30%. YTD Segment Margin 11.7%.

Deliveries	QTR	YTD	Inception to Date
F-22	7	17	103
F-16	11	32	4,380
C-130	4	9	2,310

- Awarded a multi-year contract from the U.S. Air Force for the sale of 60 new **F-22** aircraft;
- Awarded the **F-35** Low Rate Initial Production 1 contract for two conventional takeoff and landing (CTOL) aircraft and their sustainment;
- Awarded a contract from the U.S. government for long-lead tasks as part of the sale of 30 new **F-16** aircraft for Turkey;
- Awarded two contracts for **C-130J Super Hercules** — five aircraft for the U.S. Air Force and four aircraft for Norway.

Electronic Systems:

Year-to-Date Growth: Sales 7%; Segment Earnings 17%. YTD Segment Margin 12.8%.

- Awarded a 10-year U.S. Air Force Aircrew Training and Rehearsal Support II (**ATARS II**) contract, valued at \$1.1 billion, to provide training on a variety of weapons systems;
- Received a \$952 million contract from the U.S. Navy to produce and integrate advanced electronic systems for the **MH-60R** helicopter, increasing the total value of the multi-year contract to \$1.1 billion;
- Awarded contracts valued at up to \$240 million to support U.S. Army, Navy and Marine Corps programs in military sustainment and logistics;
- The **VH-71** helicopter made its maiden flight, marking a significant milestone in the development of the U.S. Presidential aircraft;
- Delivered the 500th U.S. Army **PAC-3** missile;
- Received U.S. Air Force Initial Operational Capability certification for the **A-10C** upgrade to support the use of precision munitions.

Information Systems & Global Services:

Year-to-Date Growth: Sales 17%; Segment Earnings 17%. YTD Segment Margin 9.2%.

- Awarded contract modifications valued at up to \$921 million to the General Dynamics - Lockheed Martin team for the U.S. Army Warfighter Information Network-Tactical (**WIN-T**) program;
- Selected to compete for future General Services Administration information technology task orders under the **GSA Alliant** contract;
- Selected to compete for future Centers for Medicare and Medicaid information technology task orders under the Enterprise System Development (**ESD**) contract;
- Selected by the Jet Propulsion Laboratory to provide desktop services and unified help desk support under the Desktop and Institutional Computing Environment (**DICE**) contract.

Space Systems:

Year-to-Date Change: Sales 3%; Segment Earnings 11%. YTD Segment Margin 10.2%.

- Awarded a \$178 million contract from NASA to design and build the agency's Solar Ultraviolet Imager (**SUVI**), a series of extreme ultraviolet instruments that will fly on the Geostationary Operational Environmental Satellites (**GOES**)-R Series;
- NASA's **Phoenix Mars Lander**, designed and built by Lockheed Martin, was successfully launched from Cape Canaveral;
- Delivered two commercial satellites, marking the 33rd and 34th consecutive successful deliveries of our **A2100** spacecraft.

Fast Facts (\$M)

Sales

2007 YTD:	\$31,021
2006:	39,620
2005:	37,213
2004:	35,526

Backlog

2007 YTD:	\$72,700
2006:	75,900
2005:	74,825
2004:	73,986

EPS (\$ per share)

2007 YTD:	\$ 5.21
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:	\$ 3,821
2006:	3,783
2005:	3,194
2004:	2,924

Share Repurchases

2007 YTD:	\$ 1,805
2006:	2,104
2005:	1,222
2004:	772

Dividends Paid

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

Share Price

(\$ per share)	
2007 YTD:	\$ 108.49
2006 (Y/E):	92.07
2005 (Y/E):	63.63
2004 (Y/E):	55.55

YTD is for period ended or as of 9/30/07

**Principal, net of unamortized discount*

Investor Relations:

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