Lockheed Martin Corporation

1st Quarter 2015
Financial Results Conference Call
April 21, 2015 / 11:00 am EDT

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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 may differ materially due to factors such as: the Corporation’s reliance on contracts with the U.S. Government, all of which are conditioned upon the availability of funding; declining budgets; affordability initiatives; the implementation of automatic sequestration under the Budget Control Act of 2011; U.S. Government operations under a continuing resolution or the failure to adopt a budget which may cause contracts to be delayed, canceled or funded at lower levels or which may cause the Corporation to put its funds at risk; risks related to the development, performance, schedule, cost and requirements of complex and technologically advanced programs including the Corporation’s largest, the F-35 program; economic, industry, business and political conditions (domestic and international) including their effects on governmental policy; the Corporation’s success in growing international sales and expanding into adjacent markets and risks associated with doing business in new markets and internationally; the competitive environment for the Corporation’s products and services, including increased market pressures in the Corporation’s services businesses, competition from outside the aerospace and defense industry, and increased bid protests; planned production rates for significant programs and compliance with stringent performance and reliability standards; the performance of key suppliers, teammates, joint venture partners, subcontractors, and customers; the timing and customer acceptance of product deliveries; the Corporation’s ability to attract and retain key personnel and transfer knowledge to new personnel; the impact of work stoppages or other labor disruptions; cyber security or other security threats, or other disruptions; the ability to implement, pace and effect of capitalization changes; the Corporation’s ability to recover certain costs under U.S. Government contracts and changes in contract mix; the accuracy of the Corporation’s estimates and projections; risk of a future impairment of goodwill or other long-term assets; movements in interest rates and other changes that may affect pension plan assumptions and actual returns on pension plan assets; realizing the anticipated benefits of acquisitions or divestitures, ventures, teaming arrangements or internal reorganizations, and the Corporation’s efforts to increase the efficiency of its operations and improve the affordability of its products and services; the adequacy of the Corporation’s insurance and indemnities; materials availability; the effect of changes in (or the interpretation of): legislation, regulation or policy, including those applicable to procurement, cost allowability or recovery, accounting, taxation or export, and; the outcome of legal proceedings, bid protests, environmental remediation efforts, government allegations that we have failed to comply with law, other contingencies and U.S. Government identification of deficiencies in the Corporation’s business systems. Except where required by applicable law, we disclaim any duty to update these forward-looking statements.

Our SEC filings (found at www.lockheedmartin.com/investor, or through the website maintained by the SEC at www.sec.gov), including, our Annual Report on Form 10-K for the year ended Dec. 31, 2014, contain more information on the types of risks and other factors that could adversely affect these statements.
1st Quarter 2015 Overview

• Achieved Sales of $10.1 Billion

• Achieved Segment Operating Margin* of 12.9% and Earnings Per Share of $2.74

• Generated $957 Million in Cash From Operations

• Returned $1.1 Billion of Cash to Stockholders, Including Repurchasing 3.0 M Shares for $604 Million

• Increased 2015 Full Year Outlook for Operating Profit and Earnings Per Share

*See Chart 14 for Definitions of Non-GAAP Measures

Solid Start to 2015
Sales Summary

1Q Sales Met Expectations… Tracking to Full Year Outlook
Segment Operating Margins*

1Q Margin Above Expectations... Resulting in Increase to Outlook

*See Chart 14 for Definitions of Non-GAAP Measures
Earnings Per Share

Solid EPS Performance in 1Q 2015
Cash Returned to Stockholders

Cash From Ops $ 957 M
Less CapEx (118)
Free Cash Flow* $ 839 M

$1,102M
$498M Dividends
$604M Shares

$1,500
$1,000
$500
$0
($M)

1Q 2015

Total Cash Returned (% FCF*)
131%

$0
$500
$1,000
$1,500

Share Repurchases
Dividends

*See Chart 14 for Definitions of Non-GAAP Measures

Strong Cash Returns to Stockholders
## 2015 Outlook Update

($M, Except EPS)

<table>
<thead>
<tr>
<th></th>
<th>Prior (Jan)</th>
<th>Current (April)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>$43,500 - 45,000</td>
<td>No Change</td>
</tr>
<tr>
<td>Sales</td>
<td>$43,500 - 45,000</td>
<td>No Change</td>
</tr>
<tr>
<td>Segment Operating Profit*</td>
<td>$5,100 - 5,250</td>
<td>$5,150 - 5,300</td>
</tr>
<tr>
<td>Unallocated Corp Inc / (Exp)</td>
<td>~ 475</td>
<td>No Change</td>
</tr>
<tr>
<td>FAS/CAS Pension Adjustment</td>
<td>~ (275)</td>
<td>No Change</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>$5,300 - 5,450</td>
<td>$5,350 - 5,500</td>
</tr>
<tr>
<td>EPS</td>
<td>$10.80 - 11.10</td>
<td>$10.85 - 11.15</td>
</tr>
<tr>
<td>Cash From Operations</td>
<td>≥ $5,000</td>
<td>No Change</td>
</tr>
</tbody>
</table>

*See Chart 14 for Definitions of Non-GAAP Measures*
## 2015 EPS Outlook Reconciliation

<table>
<thead>
<tr>
<th>January 2015 Outlook</th>
<th>$10.80 – $11.10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Segment Operating Profit*</td>
<td>~ 0.11</td>
</tr>
<tr>
<td>Share Repurchase Activity / Lower Share Count</td>
<td>~ 0.07</td>
</tr>
<tr>
<td>Increased Interest Expense</td>
<td>~ (0.13)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>April 2015 Outlook</th>
<th>$10.85 – $11.15</th>
</tr>
</thead>
</table>

*See Chart 14 for Definitions of Non-GAAP Measures
2015 Sales Outlook
($M)

Sales (Prior)

Aeronautics
$14,700 - 15,000

Space
$7,500 - 7,800

MFC
$7,000 - 7,300

IS&GS
$7,300 - 7,600

MST
$7,000 - 7,300

Total
$43,500 - 45,000M

Sales (Current)

Aeronautics
$14,700 - 15,000

Space
$7,500 - 7,800

MFC
$7,300 - 7,600

IS&GS
$7,000 - 7,300

MST
$7,000 - 7,300

Total
$43,500 - 45,000M

No Change to Sales Outlook
2015 Segment Operating Profit* Outlook ($M)

Segment Op Profit (Prior)

- Aeronautics: $1,610 - 1,640
- Space: $870 - 900
- IS&GS: $610 - 640
- MFC: $1,220 - 1,250
- MST: $790 - 820

Segment Op Profit (Current)

- Aeronautics: $1,625 - 1,655
- Space: $900 - 930
- IS&GS: $590 - 620
- MFC: $1,230 - 1,260
- MST: $805 - 835

Segment Operating Profit Outlook Increased By $50M

*See Chart 14 for Definitions of Non-GAAP Measures
Summary

• Solid Quarter of Operational and Financial Performance

• Cash Deployment Actions Continuing to Generate Returns to Stockholders

• Broad Portfolio Providing Financial Strength
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.

Free Cash Flow
Lockheed Martin defines Free Cash Flow (FCF) as Cash from Operations, less Capital Expenditures.

Segment Operating Profit / Margin
Segment Operating Profit represents the total earnings from our business segments before unallocated 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 “Total Unallocated Items” 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.

<table>
<thead>
<tr>
<th>($ Millions)</th>
<th>2015 Outlook (January)</th>
<th>2015 Outlook (April)</th>
</tr>
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<tbody>
<tr>
<td>Sales</td>
<td>$43,500 – 45,000</td>
<td>No Change</td>
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<tr>
<td>Segment Operating Profit</td>
<td>$5,100 – 5,250</td>
<td>$5,150 – 5,300</td>
</tr>
<tr>
<td>Mid-Point Segment Margin</td>
<td>11.7%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Consolidated Operating Profit</td>
<td>$5,300 – 5,450</td>
<td>$5,350 – 5,500</td>
</tr>
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<table>
<thead>
<tr>
<th>1Q 2015</th>
<th>1Q 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Sales</td>
</tr>
<tr>
<td>Profit</td>
<td>Profit</td>
</tr>
<tr>
<td>Margin</td>
<td>Margin</td>
</tr>
<tr>
<td>Segment Operating Profit</td>
<td>$10,111</td>
</tr>
<tr>
<td>Total Unallocated Items</td>
<td>-</td>
</tr>
<tr>
<td>Consolidated Operating Profit (GAAP)</td>
<td>$10,111</td>
</tr>
</tbody>
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April 21, 2015

Chart 14