BETHESDA, Maryland, October 21, 2008 – Lockheed Martin Corporation (NYSE: LMT) today reported third quarter 2008 net earnings of $782 million ($1.92 per diluted share), compared to $766 million ($1.80 per diluted share) in 2007. Net sales were $10.6 billion, a 5% decrease from third quarter 2007 sales of $11.1 billion. Cash from operations for the third quarter of 2008 was $1.0 billion.

Corporate Highlights

Financial Performance:
Year-to-Date Growth: Sales 2%; EPS 12%. YTD Margin 12.0%.

Cash/Debt Activities:
- 23 consecutive quarters of positive cash from operations; 35 of last 37 quarters.
- Cash from operations for the quarter and nine months ended September 28, 2008, was $1.0 billion and $3.4 billion respectively.
- At September 28, 2008, the Corporation had $2.5 billion in cash and short-term investments.
- The Corporation continued to execute its balanced cash deployment strategy as follows:
  - Repurchased 3.7 million shares at a cost of $401 million in the quarter and 22.3 million shares at a cost of $2.4 billion year-to-date;
  - Authorized an additional 30 million shares under the existing share repurchase program;
  - Paid cash dividends of $170 million in the quarter and $510 million year-to-date;
  - Increased the quarterly dividend by 36% to $0.57 per share, effective 12/01/08;
  - Made capital expenditures of $229 million during the quarter and $503 million during the nine month period;
  - Retired $1.0 billion of long-term debt in the quarter and a total of $11.1 billion year-to-date;
  - Invested $107 million in the quarter and $195 million during the nine month period for acquisition and investment activities.

3Q 2008 Business Area Highlights

Aeronautics:
Year-to-Date Change: Sales (7%); Segment Earnings (2%). YTD Segment Margin 12.4%.

- Deliveries
  - F-22: QTR 7, YTD 17, Inception to Date 127
  - F-16: QTR 7, YTD 23, Inception to Date 4,412
  - C-130: QTR 3, YTD 9, Inception to Date 2,322
- Awarded a $394 million contract for four C-130Js plus training and spares for Qatar;
- Awarded a $129 million contract for 13 new wing sets for the U.S. Navy’s P-3 Orion fleet;
- The F-22 Raptor surpassed the 50,000 flight hours milestone while establishing new standards in capability and maturity;
- The DoD recognized the F-22 team with the 2008 Performance Based Logistics (PBL) Award;
- F-35A Lightning II conventional takeoff and landing aircraft achieved its 50th flight while the F-35B short takeoff/vertical landing (STOVL) variant began a planned modification interval in preparation for STOVL-mode flight next year;
- President Bush presented the Skunk Works® with the National Medal of Technology and Innovation.

Electronic Systems:
Year-to-Date Change: Sales 5%; Segment Earnings 8%. YTD Segment Margin 13.1%.
- The Department of Defense notified Congress of the first potential international sale of the Terminal High Altitude Area Defense (THAAD) system to the United Arab Emirates;
- Selected by Canada for two long-term contracts valued at approximately $1.9 billion to modernize 12 Halifax Class Navy frigates;
- Awarded the Defense Logistics Agency’s Fleet Automotive Support Initiative-Global (FASI-G) contract to support land-based vehicle sustainment for all of the U.S. military’s land-based vehicles over 10 years—indefinite delivery/indefinite quantity contract has a potential value of up to $5.6 billion;
- Delivered the nation’s first Littoral Combat Ship, Freedom (LCS 1), to the U.S. Navy;
- The VH-71 presidential helicopter program achieved a major milestone when the first operational pilot production helicopter (PP-1) completed its maiden flight.

Information Systems & Global Services:
Year-to-Date Growth: Sales 2%; Segment Earnings 14%. YTD Segment Margin 9.3%.
- Selected by the Department of Energy to provide a broad range of site services for its Hanford site—potential total program value of $3 billion over a 10-year period;
- Awarded a contract to manage the Integrated Hiring Operations and Personnel (IHOP) Program for the Transportation Security Administration (TSA) with a potential value of $1.2 billion over eight years;
- Awarded one of 12 prime contracts under the U.S. Air Force’s Future Flexible Acquisition & Sustainment Tool (F2AST) to compete for a maximum of $6.9 billion under a 10-year acquisition contracting program;
- Awarded an approximately $300 million contract to support the 2011 Census for England, Wales and Northern Ireland.

Space Systems:
Year-to-Date Change: Sales (1%); Segment Earnings 20%. YTD Segment Margin 12.4%.
- A team comprising Lockheed Martin, the University of Colorado and NASA’s Goddard Space Flight Center was chosen to design, build and operate the spacecraft for the Mars Atmosphere and Volatile Evolution (MAVEN) program to analyze the upper atmosphere and past climate change on Mars—the total program value is $485 million;
- The Trident II D5 missile achieved the 124th consecutive successful test launch—a record unmatched by any other large ballistic missile or space launch vehicle.

Full Year

<table>
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<tr>
<th>($M)</th>
<th>2008 (YTD)</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
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<tbody>
<tr>
<td>Sales</td>
<td>$31,599</td>
<td>$41,862</td>
<td>$39,620</td>
<td>$37,213</td>
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<tr>
<td>Backlog</td>
<td>$76,000</td>
<td>$76,700</td>
<td>$75,900</td>
<td>$74,825</td>
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<tr>
<td>EPS</td>
<td>$5.82</td>
<td>$7.10</td>
<td>$5.80</td>
<td>$4.10</td>
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<tr>
<td>Cash from Operations</td>
<td>$3,406</td>
<td>$4,241</td>
<td>$3,783</td>
<td>$3,194</td>
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<tr>
<td>Debt Balance</td>
<td>$3,805</td>
<td>$2,356</td>
<td>$2,127</td>
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<tr>
<td>Dividends Paid</td>
<td>$1.26</td>
<td>$1.47</td>
<td>$1.25</td>
<td>$1.05</td>
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<tr>
<td>Share Price</td>
<td>$112.55</td>
<td>$105.26</td>
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<td>$63.63</td>
</tr>
</tbody>
</table>

YTD is for period ended or as of 9/28/08

*Principal, net of unamortized discount

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