

BETHESDA, Md. Oct. 20, 2009 – Lockheed Martin Corporation (NYSE: LMT) today reported third quarter 2009 net earnings of \$797 million (\$2.07 per diluted share), compared to \$782 million (\$1.92 per diluted share) in 2008. Net sales for the third quarter of 2009 were \$11.1 billion, compared to \$10.6 billion in 2008. Cash from operations for the third quarter of 2009 was \$1.4 billion.

## Corporate Highlights

### Financial Performance:

Year-to-Date Change: Sales 3%; EPS -4%.  
YTD Margin 9.9%.

### Cash / Debt Activities:

- 27 consecutive quarters of positive cash from operations; 39 of last 41 quarters.
- Cash from operations for the quarter and 9 months ended September 27, 2009 was \$1.4 billion and \$3.8 billion respectively.
- At September 27, 2009, the Corporation had \$2.7 billion in cash and cash equivalents.
- The Corporation continued to execute its balanced cash deployment strategy during the third quarter as follows:
  - Repurchasing 4.6 million shares at a cost of \$354 million;
  - Paying cash dividends totaling \$219 million;
  - Investing \$233 million for acquisition and investment activities;
  - Making capital expenditures of \$182 million.

## 3Q 2009 Business Area Highlights

### Aeronautics:

Year-to-Date Change: Sales 4%; Segment Earnings 8%. YTD Segment Margin 12.9%.

- | Deliveries | YTD | Inception to Date |
|------------|-----|-------------------|
| F-22       | 14  | 147               |
| F-16       | 24  | 4,441             |
| C-130      | 10  | 2,335             |
- Received undefinitized contract actions for two FMS C-130Js for Iraq;
  - Delivered First Set of P-3 Orion New Production Wings To Norway;
  - Awarded a maintenance, repair, and overhaul contract for the Customs and Border Protection P-3 Orion fleet with a potential value of up to \$821 million;
  - Inducted the first C-5 Galaxy strategic transport into the Reliability Enhancement and Re-engining Program (RERP) production line;
  - Unveiled first F-35C carrier variant, CF-1, for the U.S. Navy;
  - U.S. Secretary of Defense Robert Gates visited the Fort Worth facility, underscoring the importance of the F-35 Joint Strike Fighter.

### Electronic Systems:

Year-to-Date Change: Sales 3%; Segment Earnings 4%. YTD Segment Margin 13.3%.

- Laid the keel for our second Littoral Combat Ship and installed the main propulsion gas turbine engines on the future USS Fort Worth—more than 50 percent of the ship's modules are now under construction.

- Awarded a \$142 million contract for the **Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensor (M-TADS/PNVS)** for the AH-64D Apache helicopter;
- Awarded a \$23 million contract for production of 12 **Joint Air-to-Surface Standoff Missile-Extended Range (JASSM-ER)** test missiles;
- Received a \$30 million FMS contract for Royal Moroccan Air Force F-16 block 50 **Sniper® Advanced Targeting Pods (ATPs)**.

### Information Systems & Global Services:

Year-to-Date Change: Sales 5%; Segment Earnings -5%. YTD Segment Margin 8.4%.

- One of several contractors selected to support the Environmental Protection Agency's **Information Technology Solutions-EPA II (ITS-EPA II)** agreement—the contract has a seven year period of performance and a \$955 million ceiling;
- One of two selected to compete for future task orders under the U.S. Air Force's **Europe Advisory and Assistance Services** contract—an IDIQ contract with a one year base, four one year option periods, and a ceiling of \$375 million;
- Successfully completed the critical design review for the **Next Generation Identification (NGI)** system's fingerprint identification capability— this cleared the way for further progress on the Federal Bureau of Investigation's (FBI) new multi-modal, state-of-the-art biometrics system.

### Space Systems:

Year-to-Date Change: Sales 1%; Segment Earnings -10%. YTD Segment Margin 11.1%.

- The second **Space Based Infrared System (SBIRS)** Highly Elliptical Orbit (HEO-2) payload and associated ground systems were officially certified for missile warning operations by U.S. Strategic Command;
- Successfully launched the last in a series of eight modernized **Global Positioning System IIR (GPS IIR-M)** satellites— the satellites were declared fully operational by the U.S. Air Force for military and civilian navigation users;
- Successfully launched the **PAN** satellite aboard a United Launch Alliance Atlas V launch vehicle;
- The Government Accountability Office dismissed Boeing's protest of the **Geostationary Operational Environmental Satellite R-series (GOES-R)** satellite system award—contract is for two GOES-R satellites and options for two more spacecraft, and is valued at \$1.1 billion.

## Full Year (\$M)

### Sales

2009 (YTD)	\$ 32,665
2008	42,731
2007	41,862
2006	39,620

### Backlog

2009 (YTD)	\$76,400
2008 (Y/E)	80,900
2007 (Y/E)	76,700
2006 (Y/E)	75,900

### EPS (\$ per share)

2009 (YTD)	\$ 5.61
2008	7.86
2007	7.10
2006	5.80

### Debt Balance \*

2009 (YTD)	\$3,805
2008 (Y/E)	3,805
2007 (Y/E)	4,407
2006 (Y/E)	4,439

### Cash from Operations

2009 (YTD)	\$3,778
2008	4,421
2007	4,238
2006	3,765

### Share Repurchases

2009 (YTD)	\$ 1,362
2008	2,931
2007	2,127
2006	2,104

### Dividends Paid

(\$ per share)	
2009 (YTD)	\$ 1.71
2008	1.83
2007	1.47
2006	1.25

### Share Price

(\$ per share)	
2009 (YTD)	\$ 77.89
2008 (Y/E)	84.08
2007 (Y/E)	105.26
2006 (Y/E)	92.07

*YTD is for period ended or as of 9/27/09*

*\*Principal, net of unamortized discount*

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