

BETHESDA, Maryland, April 24, 2007 – Lockheed Martin Corporation (NYSE: LMT) today reported first quarter 2007 net earnings of \$690 million (\$1.60 per diluted share) compared to \$591 million (\$1.34 per diluted share) in 2006. Net sales were \$9.3 billion, a 1% increase over first quarter 2006 sales of \$9.2 billion. Cash from operations for the first quarter of 2007 was \$1.5 billion.

1Q 2007 Corporate Highlights

Financial Performance:

Year-to-Year Growth: Sales 1%; EPS 19%.
YTD Margin 11.0%.

Cash Generation / Deployment:

- **17** consecutive quarters positive cash from operations; **29** of last **31** quarters.
- Cash from operations for the quarter ended March 31, 2007 was \$1.5 billion.
- At March 31, 2007, the Corporation had \$3.1 billion in cash and short-term investments.
- The Corporation continued to execute its balanced cash deployment strategy during the first quarter as follows:
 - Repurchased 7.6 million shares at a cost of \$739 million;
 - Declared a \$148 million dividend, which was paid early in the second quarter;
 - Invested \$95 million for acquisition activities;
 - Made capital expenditures of \$84 million;
 - Repaid \$17 million of long-term debt.

1Q 2007 Business Area Highlights

Aeronautics:

Year-to-Year Change: Sales 0%; Segment Earnings 20%. YTD Segment Margin 10.6%.

- | Deliveries | YTD | Inception to Date |
|-------------------|------------|--------------------------|
| F-22 | 3 | 89 |
| F-16 | 9 | 4,357 |
| C-130 | 2 | 2,303 |
- Completed airworthiness testing on the **F-35** Cooperative Avionics Test Bed (CATB);
 - Inducted the third **C-5M** Super Galaxy into the C-5M flight test program;
 - The Lockheed Martin led **F-22** team won the 2006 National Aeronautic Association (NAA) Robert J. Collier Trophy, considered America's most prestigious award for aeronautical and space development;
 - Signed F-35 Production, Sustainment and Follow-on Development (PSFD) Memorandum of Understanding (MOU) with the remaining four partner countries (Denmark, Italy, Norway & Turkey). All eight partner countries have now signed PSFD MOUs with the U.S. Government.

Electronic Systems:

Year-to-Year Growth: Sales 3%; Segment Earnings 4%. YTD Segment Margin 12.7%.

- Received a contract valued at nearly \$1 billion to evolve the capabilities of the **Aegis** sea-based missile defense capability;
- Conducted a successful test of the Terminal High Altitude Area Defense (**THAAD**) weapon system, which intercepted a unitary target in its first flight test at the Pacific Missile Range Facility;
- Delivered a new shipboard operations training facility to the U.S. Coast Guard; as part of the **Deepwater** program, the facility will use state-of-the-art simulators, radars and electronic equipment to train Coast Guard crews;
- Delivered four Lightweight Prime Mover (**LWPM**) vehicles to the U.S. Marine Corps;
- The United Kingdom, Canada and Belgium selected Lockheed Martin's **Sniper®** advanced targeting pod to improve target detection, identification and engagement.

Information Systems & Global Services:

Year-to-Year Growth: Sales 9%; Segment Earnings 11%. YTD Segment Margin 9.3%.

- The Advanced Technologies & Oceanic Procedures (**ATOP**) air traffic management system for the FAA became fully operational;
- Selected by the Transportation Security Administration (TSA) for the Transportation Worker Identification Credential (**TWIC**) Phase IV program;
- The Department of Justice awarded the Justice / Lockheed Martin Team (JLT) a contract to operate & maintain its two Data Centers and improve IT solutions;
- Completed the acquisition of **Management Systems Designers**, a provider of information technology and scientific solutions supporting government life science, national security and other civil agency missions.

Space Systems:

Year-to-Year Growth: Sales (9%); Segment Earnings (4%). YTD Segment Margin 10.4%.

- Delivered the eighth and final satellite in the modernized Global Position System Block IIR (**GPS IIR-M**) program to the U.S. Air Force;
- Awarded a \$655 million U.S. Navy contract for fiscal year 2007 production of the **Trident II D5** Fleet Ballistic Missile;
- Space Based Infrared Radar System (**SBIRS**) GEO-1 and Mobile User Objective System (**MUOS**) satellite contracts successfully completed critical program requirements.

Fast Facts (\$M)

Sales

2007 YTD:	\$ 9,275
2006:	39,620
2005:	37,213
2004:	35,526

Backlog

2007 YTD:	\$74,664
2006:	75,905
2005:	74,825
2004:	73,986

EPS (\$ per share)

2007 YTD:	\$ 1.60
2006:	5.80
2005:	4.10
2004:	2.83

Debt Balance *

2007 YTD:	\$ 4,422
2006:	4,439
2005:	4,986
2004:	5,119

Cash from Operations

2007 YTD:	\$ 1,482
2006:	3,783
2005:	3,194
2004:	2,924

Share Repurchases

2007 YTD:	\$ 739
2006:	2,104
2005:	1,222
2004:	772

Dividend Paid or Payable

(\$ per share)

2007 YTD:	\$ 0.35
2006:	1.25
2005:	1.05
2004:	0.91

Market Capitalization

2007 YTD:	\$ 40,710
2006:	38,900
2005:	27,800
2004:	24,500

Year-to-Date (YTD) as of March 31, 2007

**Principal, net of unamortized discount*

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