

BETHESDA, Md, July 21, 2009 – Lockheed Martin Corporation (NYSE: LMT) today reported second quarter 2009 net earnings of \$734 million (\$1.88 per diluted share), compared to \$882 million (\$2.15 per diluted share) in 2008. Net sales for the second quarter of 2009 were \$11.2 billion, compared to \$11.0 billion in 2008. Cash from operations for the second quarter of 2009 was \$1.1 billion.

Corporate Highlights

Financial Performance:

Year-to-Date Change: Sales 3%; EPS -9%.
YTD Margin 9.9%.

Cash / Debt Activities:

- **26** consecutive quarters of positive cash from operations; **38** of last **40** quarters.
- Cash from operations for the quarter and 6 months ended June 28, 2009 was \$1.1 billion and \$2.4 billion respectively.
- At June 28, 2009, the Corporation had \$2.7 billion in cash and cash equivalents.
- The Corporation continued to execute its balanced cash deployment strategy during the second quarter as follows:
 - Repurchasing 5.6 million shares at a cost of \$453 million;
 - Paying cash dividends totaling \$222 million;
 - Investing \$31 million for acquisition and investment activities;
 - Making capital expenditures of \$167 million.

2Q 2009 Business Area Highlights

Aeronautics:

Year-to-Date Change: Sales 3%; Segment Earnings 9%. YTD Segment Margin 12.9%.

	YTD	Inception to Date
F-22	10	143
F-16	16	4,433
C-130	6	2,331

- Received \$2.1 billion contract for 17 aircraft in the third low-rate production lot of the **F-35 Joint Strike Fighter**;
- Deployed the **Cooperative Avionics Test Bed** ("CATBird") aircraft to Edwards Air Force Base, California, where it demonstrated the avionics systems being developed for the F-35 Joint Strike Fighter;
- Received Undefinitized Contract Actions, one under a foreign military sale of four **C-130J** aircraft to Iraq and another pursuant to the USMC's Harvest Hawk program for modifications of three KC-130J aircraft;
- Received a contract from Oman for one **C-130J** aircraft.

Electronic Systems:

Year-to-Date Change: Sales 2%; Segment Earnings 3%. YTD Segment Margin 13.3%.

- Signed a foreign military sales contract to deliver **Sniper Advanced Targeting Pods** to the Royal Saudi Air Force—this is the first phase of a multi-year \$100 million precision sensor modernization program for Royal Saudi Air Force F-15S aircraft;

- Selected by the U.S. Air Force to modernize and sustain the **A-10 close air support fighter jet** as one of three contractors;
- Awarded a contract by the Kuwait Ministry of Defense to upgrade the Kuwait Air Force **AN/FPS-117 long-range radar**;
- Completed the official roll out of the **Terminal High Altitude Area Defense (THAAD)** Weapon System launcher and Fire Control and Communications unit, marking the first production THAAD ground segment vehicles.

Information Systems & Global Services:

Year-to-Date Change: Sales 8%; Segment Earnings -2%. YTD Segment Margin 8.5%.

- Awarded a contract from the **Department of Energy** to manage and operate the Mission Support Contract at its **Hanford**, Washington site. Total program value is \$3.1 billion over a 10-year period—with an initial five-year base contract of \$1.5 billion and options to extend it an additional five years;
- Selected by the U.S. Army to compete for future task orders as one of six companies on the **Battle Command Family of Products**, an indefinite-delivery-indefinite-quantity contract with a \$777 million contract ceiling;
- Selected by the **General Services Administration** to compete for future information technology orders under its next generation **Alliant** contract. Under this contract, Lockheed Martin will compete for government task orders as one of 59 companies over a five-year base period, which may be extended for five option years, with a \$50 billion contract ceiling.

Space Systems:

Year-to-Date Change: Sales -3%; Segment Earnings -13%. YTD Segment Margin 11.0%.

- Awarded a \$1.5 billion contract by the U.S. Air Force for the third highly elliptical orbit payload, the third geosynchronous orbit satellite and associated ground modifications for the **Space-Based Infrared System constellation**;
- Received the second planned contract revision from NASA for the **Orion** spacecraft program in the amount of \$1.9 billion—bringing total contract value to approximately \$6.3 billion;
- Awarded a multi-million dollar contract by SKY Perfect JSAT Corporation of Japan to build its next commercial geostationary communications satellite. Designated **JCSAT-13**, the spacecraft is planned for launch in 2013;
- Lockheed Martin U.K. Limited acquired **IMES Strategic Support Limited (ISSL)**, which provides engineering, maintenance, repair and support services for key subsystems of the U.K. Royal Navy's Trident Strategic Weapons System program.

Full Year (\$M)

Sales

2009 (YTD)	\$ 21,609
2008	42,731
2007	41,862
2006	39,620

Backlog

2009 (YTD)	\$79,200
2008 (Y/E)	80,900
2007 (Y/E)	76,700
2006 (Y/E)	75,900

EPS (\$ per share)

2009 (YTD)	\$ 3.55
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)	\$2,354
2008	4,421
2007	4,238
2006	3,765

Share Repurchases

2009 (YTD)	\$ 1,008
2008	2,931
2007	2,127
2006	2,104

Dividends Paid

(\$ per share)	
2009 (YTD)	\$ 1.14
2008	1.83
2007	1.47
2006	1.25

Share Price

(\$ per share)	
2009 (YTD)	\$ 80.97
2008 (Y/E)	84.08
2007 (Y/E)	105.26
2006 (Y/E)	92.07

YTD is for period ended or as of 6/28/09

**Principal, net of unamortized discount*

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