

BETHESDA, Md. Jan. 28, 2010 – Lockheed Martin Corporation (NYSE: LMT) today reported fourth quarter 2009 net earnings of \$827 million, compared to \$823 million in 2008. Net sales for the fourth quarter of 2009 were \$12.5 billion, compared to \$11.1 billion in 2008. Cash from operations for 2009 was \$3.2 billion, after making \$1.5 billion in discretionary payments to pre-fund pension trusts.

Corporate Highlights

Financial Performance:

Full Year Change: Sales 6%; EPS -1%.
2009 Margin 9.9%.

Cash / Debt Activities:

- Cash from operations for the quarter and 12 months ended December 31, 2009 was (\$605) million and \$3.2 billion respectively.
- At December 31, 2009, the Corporation had \$2.4 billion in cash and cash equivalents.
- The Corporation continued to execute its balanced cash deployment strategy during the fourth quarter as follows:
 - Repurchasing 6.6 million shares at a cost of \$489 million;
 - Repaying \$241 million of debt;
 - Paying cash dividends totaling \$240 million;
 - Making capital expenditures of \$371 million.

4Q 2009 Business Area Highlights

Aeronautics:

Full Year Change: Sales 6%; Segment Earnings 10%. 2009 Segment Margin 12.9%.

- | Deliveries | YTD | Inception to Date |
|------------|-----|-------------------|
| F-22 | 20 | 153 |
| F-16 | 31 | 4,448 |
| C-130 | 16 | 2,341 |
- Ferried two **F-35B Lightning II** short takeoff/vertical landing (STOVL) stealth fighters (BF-1 and BF-2) to Naval Air Station Patuxent River, Md., to continue the process of validating the propulsion system through a series of short takeoffs, hovers and vertical landings;
 - Conducted the inaugural flight of the optimized conventional takeoff and landing (CTOL) **F-35 Lightning II** fighter (AF-1) marking the fourth F-35 to begin flight operations;
 - The government of Egypt signed a Letter of Offer and Acceptance (LOA) for 20 new **F-16** aircraft representing a critical extension to the F-16 production program;
 - Received an undefinitized contract action for 11 FY10 **C-130J** aircraft;
 - Awarded LRIP contract valued at \$340 million for **C-5 RERP**.

Electronic Systems:

Full Year Change: Sales 5%; Segment Earnings 6%. 2009 Segment Margin 13.1%.

- Awarded a \$968 million U.S. Army contract for **Patriot Advanced Capability-3 missiles** and associated hardware;

- Awarded a \$1 billion contract for continued development and evolution of the **Aegis Ballistic Missile Defense System** for the U.S. and allied navies;
- The **Joint Air-to-Surface Standoff Missile (JASSM)** program completed reliability flight tests of Lot 7 missiles with a record of 15 successes out of 16 flights. Separately, JASSM's Extended Range variant successfully completed its sixth flight test and is now six for six in the tests;
- The **Javelin Joint Venture** received a \$176 million contract from the United Kingdom's Ministry of Defense for more than 1,300 Javelin missile rounds and engineering support;
- Received a \$151 million contract to supply **High Mobility Artillery Rocket System** full rate production Lot 5 launchers;
- Awarded a \$133 million U.S. Army contract to provide eight additional **Persistent Threat Detection Systems**.

Information Systems & Global Services:

Full Year Change: Sales 4%; Segment Earnings -6%. 2009 Segment Margin 8.3%.

- Completed Critical Design Review for the **Airborne, Maritime/ Fixed Station Joint Tactical Radio System**;
- Opened the **NexGen Cyber Innovation and Technology Center**, a world-class research and development center for customer and partner collaboration located in Gaithersburg, Md.;
- Awarded a \$293 million contract by the U.S. Army Information Technology Agency to provide network operations maintenance, management, and security support;
- Awarded \$170 million in new Health & Human Services (HHS) information technology contracts.

Space Systems:

Full Year Change: Sales 8%; Segment Earnings 2%. 2009 Segment Margin 11.2%.

- Awarded a U.S. Navy contract valued at up to \$851 million for production and deployed system support for the **Trident II D5** fleet ballistic missile program;
- The **Space Based Infrared System** team successfully completed thermal vacuum testing of the first geosynchronous (GEO-1) satellite, one of the most significant program milestones validating spacecraft performance in a simulated space environment;
- Commercial Launch Services successfully placed a telecommunications satellite into orbit for Intelsat aboard an Atlas V booster provided by **United Launch Alliance**.

Full Year (\$M)

Sales

2009	\$ 45,189
2008	42,731
2007	41,862
2006	39,620

Backlog

2009 (Y/E)	\$ 78,000
2008 (Y/E)	80,900
2007 (Y/E)	76,700
2006 (Y/E)	75,900

EPS (\$ per share)

2009	\$ 7.78
2008	7.86
2007	7.10
2006	5.80

Debt Balance *

2009 (Y/E)	\$ 5,052
2008 (Y/E)	3,805
2007 (Y/E)	4,407
2006 (Y/E)	4,439

Cash from Operations

2009	\$ 3,173
2008	4,421
2007	4,238
2006	3,765

Share Repurchases

2009	\$ 1,851
2008	2,931
2007	2,127
2006	2,104

Dividends Paid

(\$ per share)	
2009	\$ 2.34
2008	1.83
2007	1.47
2006	1.25

Share Price

(\$ per share)	
2009 (Y/E)	\$ 75.35
2008 (Y/E)	84.08
2007 (Y/E)	105.26
2006 (Y/E)	92.07

*Principal, net of unamortized discount

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