

BETHESDA, Maryland, April 22, 2008 – Lockheed Martin Corporation (NYSE: LMT) today reported first quarter 2008 net earnings of \$730 million (\$1.75 per diluted share) compared to \$690 million (\$1.60 per diluted share) in 2007. Net sales were \$10.0 billion, an 8% increase over first quarter 2007 sales of \$9.3 billion. Cash from operations for the first quarter of 2008 was \$882 million.

## Corporate Highlights

### Financial Performance:

Year-to-Date Growth: Sales 8%; EPS 9%.  
YTD Margin 11.8%.

### Cash / Debt Activities:

- 21 consecutive quarters of positive cash from operations; 33 of last 35 quarters.
- Cash from operations for the quarter ended March 30, 2008 was \$882 million.
- At March 30, 2008, the Corporation had \$2.9 billion in cash and short-term investments.
- The Corporation continued to execute its balanced cash deployment strategy during the first quarter as follows:
  - Repurchased 11.3 million shares at a cost of \$1.2 billion;
  - Paid cash dividends totaling \$172 million;
  - Made capital expenditures of \$104 million.
- Issued \$500 million of debt due in 2013 with a coupon rate of 4.121%.

## 1Q 2008 Business Area Highlights

### Aeronautics:

Year-to-Date Change: Sales 0%; Segment Earnings 8%. YTD Segment Margin 11.5%.

- |              | YTD | Inception to Date |
|--------------|-----|-------------------|
| <b>F-22</b>  | 4   | 114               |
| <b>F-16</b>  | 9   | 4,398             |
| <b>C-130</b> | 3   | 2,316             |
- Received Unfinalized Contract Actions for eight **C-130J** aircraft — the purchase of six aircraft for India through the Foreign Military Sales (FMS) program and two tankers for the U.S. Marine Corps;
  - Successfully completed aerial refueling trials for the **F-35 Lightning II**, another milestone in a series leading to first production deliveries in 2010;
  - Received approval from the DoD to proceed with Low Rate Initial Production for the C-5 Re-Engining and Reliability Enhancement Program (**RERP**) for 49 aircraft;
  - Announced a teaming agreement with Boeing to pursue the **Next Generation Bomber** for the U.S. Air Force;
  - Definitized the F-22 Follow-On Agile Sustainment for the Raptor (**FASTeR**) contract for integrating and accomplishing all sustainment activities as the Product Support Integrator in partnership with the U.S. Air Force System Support Manager.

### Electronic Systems:

Year-to-Date Growth: Sales 11%; Segment Earnings 15%. YTD Segment Margin 13.1%.

- Awarded an approximately \$200 million contract from the U.K. Ministry of Defence for the Land Environment Air Picture Provision (**LEAPP**) program, which will provide ground troops a new level of situational awareness;
- An **Aegis** Ballistic Missile Defense (BMD) Weapon System successfully destroyed an errant U.S. satellite;
- Began integration of mission systems aboard the third **VH-71** for the Presidential Helicopter program; previously delivered test vehicles have accumulated nearly 700 flight hours;
- France and the U.S. signed a Letter of Offer and Acceptance to sell **HELLFIRE II** missiles for the French Army's attack helicopter fleet;
- Delivered three missionized Maritime Patrol Aircraft and the first missionized **HC-130J** long-range surveillance aircraft to the U.S. Coast Guard for the Deepwater program.

### Information Systems & Global Services:

Year-to-Date Growth: Sales 17%; Segment Earnings 16%. YTD Segment Margin 9.2%.

- Awarded a ten-year, \$1 billion contract by the FBI to develop and maintain the Next Generation Identification (**NGI**) system, a multi-modal, state-of-the-art biometrics system for use by local, state, and federal authorities;
- Awarded \$766 million Airborne and Maritime/Fixed Stations Joint Tactical Radio System (**AMF JTRS**) contract to provide tactical communications and networking to the U.S. Air Force, Army, Navy, and other users;
- Awarded the Next Generation Technical Services contract with an anticipated total value of \$344 million for support to four DoD high performance computing centers;
- Received the George M. Low Award, NASA's highest quality and performance award, for the Mission Support Operations Contract (**MSOC**).

### Space Systems:

Year-to-Date Growth: Sales 5%; Segment Earnings 25%. YTD Segment Margin 12.3%.

- Awarded a \$350 million contract for long-lead activities associated with the third Space Based Infrared System's (**SBIRS**) Geostationary Earth Orbit (GEO-3) satellite and third Highly Elliptical Earth Orbit payload (HEO-3);
- Sixth Global Positioning System Block IIR (**GPS IIR-M**) successfully launched and declared operational in record time; previous GPS IIR-M launched in December 2007 also achieved a rapid turnover to operations;
- The **A-2100** satellite fleet achieved 200 years of successful in-orbit operations.

## Full Year (\$M)

### Sales

2008 (YTD)	\$ 9,983
2007	41,862
2006	39,620
2005	37,213

### Backlog

2008 (YTD)	\$74,700
2007 (Y/E)	76,700
2006 (Y/E)	75,900
2005 (Y/E)	74,825

### EPS (\$ per share)

2008 (YTD)	\$ 1.75
2007	7.10
2006	5.80
2005	4.10

### Debt Balance \*

2008 (YTD)	\$4,907
2007 (Y/E)	4,407
2006 (Y/E)	4,439
2005 (Y/E)	4,986

### Cash from Operations

2008 (YTD)	\$ 882
2007	4,241
2006	3,783
2005	3,194

### Share Repurchases

2008 (YTD)	\$ 1,185
2007	2,127
2006	2,104
2005	1,222

### Dividends Paid

(\$ per share)	
2008 (YTD)	\$ 0.42
2007	1.47
2006	1.25
2005	1.05

### Share Price

(\$ per share)	
2008 (YTD)	\$ 100.18
2007 (Y/E)	105.26
2006 (Y/E)	92.07
2005 (Y/E)	63.63

*YTD is for period ended or as of 3/30/08*

*\*Principal, net of unamortized discount*

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