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%.

- **Deliveries**
  - YTD
  - Inception to Date
  - F-22: 4, 114
  - F-16: 9, 4,398
  - C-130: 3, 2,316

- Received Undesignated 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;
- Defined the F-22 Follow-On Agile Sustainment for the Raptor (FATeR) 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)**

<table>
<thead>
<tr>
<th></th>
<th>2008 (YTD)</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$ 730.0</td>
<td>690</td>
<td>676</td>
<td>650</td>
</tr>
<tr>
<td><strong>Cash from Operations</strong></td>
<td>$882</td>
<td>882</td>
<td>882</td>
<td>882</td>
</tr>
<tr>
<td><strong>EPS ($ per share)</strong></td>
<td>$1.75</td>
<td>1.60</td>
<td>1.50</td>
<td>1.47</td>
</tr>
<tr>
<td><strong>Debt Balance</strong></td>
<td>$2.9B</td>
<td>2.9B</td>
<td>2.9B</td>
<td>2.9B</td>
</tr>
<tr>
<td><strong>Cash Repurchases</strong></td>
<td>$1.2B</td>
<td>1.2B</td>
<td>1.2B</td>
<td>1.2B</td>
</tr>
<tr>
<td><strong>Dividends Paid</strong></td>
<td>$0.42</td>
<td>0.42</td>
<td>0.42</td>
<td>0.42</td>
</tr>
<tr>
<td><strong>Share Price</strong></td>
<td>$98.86</td>
<td>101.3</td>
<td>102.1</td>
<td>103.7</td>
</tr>
</tbody>
</table>

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

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