Lockheed Martin
4th Quarter 2011
Financial Results Conference Call
January 26, 2012
3:00 p.m. EST

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Our SEC filings (found at www.lockheedmartin.com or at www.sec.gov), including our 2010 Form 10-K, contain more information on the types of risks and other factors that could adversely affect these statements.

2011 Financial Results are Unaudited
2011 Overview

- Grew Sales 2% in 2011
- Achieved 4Q Orders of $19.8 Billion and Record Backlog of $80.7 Billion
- Expanded Segment Operating Margin to 11.4% in 2011 vs. 11.0% in 2010
- Increased EPS From Continuing Operations By 11% in 2011
- Generated $4.3 Billion in Cash From Operations after $1.0 Billion Accelerated Pension Contributions
Full Year Sales Summary

($B)

**Aeronautics**

- FY 2010: $8
- FY 2011: $12
- Year-on-Year Growth: +10%

**Electronic Systems**

- FY 2010: $12
- FY 2011: $16
- Year-on-Year Growth: +2%

**IS&GS**

- FY 2010: $8
- FY 2011: $7
- Year-on-Year Growth: -5%

**Space**

- FY 2010: $8
- FY 2011: $8
- Year-on-Year Growth: -1%

**Total Corporate Annual Sales Growth of 2%**
4Q Backlog ($B)

Aeronautics

3Q 2011: $20
4Q 2011: +10% $22

Electronic Systems

3Q 2011: $20
4Q 2011: +14% $23

IS&GS

3Q 2011: $15
4Q 2011: +12% $17

Space

3Q 2011: $15
4Q 2011: +5% $16

Increase in Backlog by All Business Areas
Maintained Book-to-Bill Ratio Above 1.00 …
Grew Full Year 2011 Backlog by $2.3 Billion
Program Execution and Cost Reduction
Actions Driving Margin Expansion
Operational Performance Driving EPS Growth

*See Charts 17-18 for Definitions of Non-GAAP Measures
2011 Cash Deployment
($B)

Cash Flow From Operations

- $4.3B
  - $3.3B Free Cash Flow
  - $1.0B

Cash Returned to Shareholders

- $3.6B
  - $2.5B Share Repurchases
  - $1.1B Dividends

Free Cash Flow Returned = 109%

Exceeded 50% Goal for 9th Year in a Row

* See Charts 17-18 for Definitions of Non-GAAP Measures

Chart 9

January 26, 2012
Share Reduction History

Continued Strong Share Repurchase Program…
Achieved 7% Share Count Reduction 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Share Reduction (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>11.9</td>
</tr>
<tr>
<td>2008</td>
<td>16.7</td>
</tr>
<tr>
<td>2009</td>
<td>19.8</td>
</tr>
<tr>
<td>2010</td>
<td>27.0</td>
</tr>
<tr>
<td>2011</td>
<td>24.8</td>
</tr>
</tbody>
</table>
Total Shareholder Return - 2011

LMT Significant Outperformance vs. All Major Indices

*See Charts 17-18 for Definitions of Non-GAAP Measures
## 2012 Outlook

($M, Except EPS)

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Current (Jan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$45,000 - 46,000</td>
</tr>
<tr>
<td>Segment Operating Profit</td>
<td>$5,025 - 5,125</td>
</tr>
<tr>
<td>Unallocated Corp Inc / (Exp)</td>
<td>~ (835)</td>
</tr>
<tr>
<td>FAS/CAS Adjustment</td>
<td>~ (290)</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>$3,900 - 4,000</td>
</tr>
<tr>
<td>EPS - Continuing Operations</td>
<td>$7.70 - 7.90</td>
</tr>
<tr>
<td>Cash From Operations</td>
<td>$3,800</td>
</tr>
</tbody>
</table>

See Charts 17-18 for Definitions of Non-GAAP Measures
2012 Outlook ($M)

Sales

- Aeronautics: $14,300 - 14,550
- Space: $7,550 - 7,800
- Electronics: $14,550 - 14,800
- IS&GS: $8,600 - 8,850

$45,000 - 46,000M

Segment Op Profit

- Aeronautics: $1,575 - 1,600
- Space: $900 - 925
- Electronics: $1,775 - 1,800
- IS&GS: $775 - 800

$5,025 - 5,125M

See Charts 17-18 for Definitions of Non-GAAP Measures
October 2011 Sensitivity Scenario ~ ($925)

25 bps Increase in Discount Rate 4.50% → 4.75% 115

All Other Updates (25)

January 2012 Outlook ~ ($835)
Summary

2011
- Excellent Year Operationally and Financially
- Results Reflect Program Execution and Proactive Measures
- Strong Total Shareholder Return

2012
- Solid Financial Foundation…Backlog and Cash
- Portfolio Alignment with Customer Needs

Positioned for Performance in 2012
Financial Appendix
Definitions of Non-GAAP Measures

Non-GAAP Financial Measures Disclosure
This presentation, and today’s conference call remarks, contain non-Generally Accepted Accounting Principles (GAAP) financial measures (as defined by SEC Regulation G). While we believe that these non-GAAP financial measures may be useful in evaluating Lockheed Martin, this information should be considered supplemental and is not a substitute for financial information prepared in accordance with GAAP. In addition, our definitions for non-GAAP measures may differ from similarly titled measures used by other companies or analysts.

Segment Operating Profit / Margin
Segment Operating Profit represents the total earnings from our business segments before unallocated corporate income and expense, interest expense, other non-operating income and expense, and income tax expense. This measure is used by our senior management in evaluating the performance of our business segments. The caption “Unallocated Corp Inc / (Exp)” reconciles Segment Operating Profit to consolidated Operating Profit. Segment Margin is calculated by dividing Segment Operating Profit by Sales. Mid-point Segment Margin represents the mid-point of the outlook range for Segment Operating Profit divided by the mid-point of the outlook range for Sales.

2012 Outlook (Jan)
Sales $45,000 – 46,000
Segment Operating Profit $5,025 - 5,125
Mid-Point Segment Margin 11.2%
Consolidated Operating Profit $3,900 – 4,000

<table>
<thead>
<tr>
<th></th>
<th>4th Quarter</th>
<th></th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Profit</td>
<td>$1,382</td>
<td>$1,404</td>
<td>$5,028</td>
</tr>
<tr>
<td>Margin</td>
<td>10.8%</td>
<td>11.5%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Segment Operating Profit/Margin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated Corporate Income/(Expense)</td>
<td>(267)</td>
<td>(2.1%)</td>
<td>(979)</td>
</tr>
<tr>
<td>Margin</td>
<td>(2.6%)</td>
<td></td>
<td>(2.8%)</td>
</tr>
<tr>
<td>Consolidated Operating Profit/Margin</td>
<td>$1,115</td>
<td>8.7%</td>
<td>$4,049</td>
</tr>
<tr>
<td></td>
<td>$1,082</td>
<td></td>
<td>$3,980</td>
</tr>
<tr>
<td>Margin</td>
<td>8.9%</td>
<td></td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Pension-Adjusted Earnings Per Share
Lockheed Martin defines adjusted earnings per share as GAAP earnings per share excluding the effect of the FAS/CAS pension adjustment. Management uses these measures as an additional means to compare and forecast the company’s operating performance before the effect of the FAS/CAS pension adjustment between periods and in comparison to that of other companies within our industry as an alternative to GAAP.
**Definitions of Non-GAAP Measures**

**Free Cash Flow**
Lockheed Martin defines free cash flow as GAAP cash from operations less the amount identified as expenditures for property, plant and equipment and capitalized software.

<table>
<thead>
<tr>
<th></th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash From Operations *</td>
<td>$4,253</td>
</tr>
<tr>
<td>Less: Capital Expenditures *</td>
<td>(987)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$3,266</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Repurchases</td>
<td>$2,465</td>
</tr>
<tr>
<td>Add: Dividends Paid</td>
<td>1,095</td>
</tr>
<tr>
<td>Total Cash Returned to Shareholders</td>
<td>$3,560</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash Returned to Shareholders</td>
<td>$3,560</td>
</tr>
<tr>
<td>Divided by: Free Cash Flow</td>
<td>3,266</td>
</tr>
<tr>
<td>Percentage of Free Cash Flow Returned to Shareholders</td>
<td>109%</td>
</tr>
</tbody>
</table>

**Total Shareholder Return**
Total Shareholder Return represents the percentage share price change from the beginning of the year to year-end, plus dividend yield on Lockheed Martin stock for the current year.

**Internal-Use Software**
The Corporation revised the classification of cash payments associated with the development or purchase of internal-use software from operating cash flows to investing cash flows. Cash flows for all periods presented have been adjusted for this change. Cash payments for internal-use software were $47 million and $173 million for the quarter and year ended December 31, 2011, respectively, and $50 million and $254 million for the quarter and year ended December 31, 2010, respectively, and are included in the capital expenditures amount above. The presentation change did not impact Free Cash Flows.