

**LOCKHEED MARTIN CORPORATION**  
**Consolidated Condensed Statement of Earnings**  
**Preliminary and Unaudited**  
(In millions, except per share data and percentages)

	<b>THREE MONTHS ENDED MARCH 31,</b>	
	<u>2007</u>	<u>2006</u>
Net sales	\$ 9,275	\$ 9,214
Cost of sales	<u>8,365</u>	<u>8,454</u>
	910	760
Other income and expenses, net	<u>112</u>	<u>211</u>
Operating profit	1,022	971
Interest expense	<u>93</u>	<u>94</u>
Earnings before income taxes	929	877
Income tax expense	<u>239</u>	<u>286</u>
Net earnings	<u>\$ 690</u>	<u>\$ 591</u>
Effective tax rate	<u>25.7%</u>	<u>32.6%</u>
Earnings per common share:		
Basic	\$ 1.64	\$ 1.36
Diluted	\$ 1.60	\$ 1.34
Average number of shares outstanding:		
Basic	421.4	436.0
Diluted	432.1	441.3
Common shares reported in stockholders' equity at March 31:	417.3	429.5

**LOCKHEED MARTIN CORPORATION**  
**Net Sales, Operating Profit and Margins**  
**Preliminary and Unaudited**  
**(In millions, except percentages)**

**THREE MONTHS ENDED MARCH 31,**

	<u>2007</u>	<u>2006</u>	<u>% Change</u>
<b><u>Net sales:</u></b>			
Aeronautics	\$ 2,821	\$ 2,823	-
Electronic Systems	2,515	2,453	3%
Information Systems & Global Services	2,145	1,969	9%
Space Systems	1,794	1,969	(9%)
<b>Total net sales</b>	<b>\$ 9,275</b>	<b>\$ 9,214</b>	<b>1%</b>
<b><u>Operating profit:</u></b>			
Aeronautics	\$ 299	\$ 250	20%
Electronic Systems	319	308	4%
Information Systems & Global Services	199	180	11%
Space Systems	186	193	(4%)
<b>Segment operating profit</b>	<b>1,003</b>	<b>931</b>	<b>8%</b>
Unallocated corporate income, net	19	40	
<b>Total operating profit</b>	<b>\$ 1,022</b>	<b>\$ 971</b>	<b>5%</b>
<b><u>Margins:</u></b>			
Aeronautics	10.6%	8.9%	
Electronic Systems	12.7	12.6	
Information Systems & Global Services	9.3	9.1	
Space Systems	10.4	9.8	
<b>Total operating segments</b>	<b>10.8%</b>	<b>10.1%</b>	
<b>Total consolidated</b>	<b>11.0%</b>	<b>10.5%</b>	

LOCKHEED MARTIN CORPORATION  
Selected Financial Data  
Preliminary and Unaudited  
(In millions)

**THREE MONTHS ENDED MARCH 31,**

	<u>2007</u>	<u>2006</u>
<b><u>Summary of unallocated corporate income / (expense), net</u></b>		
FAS/CAS pension adjustment	\$ (14)	\$ (68)
Unusual items, net	46	150
Stock compensation expense	(49)	(30)
Other, net	36	(12)
<b>Unallocated corporate income, net</b>	<b><u>\$ 19</u></b>	<b><u>\$ 40</u></b>

**THREE MONTHS ENDED MARCH 31,**

	<u>2007</u>	<u>2006</u>
<b><u>FAS/CAS pension adjustment</u></b>		
FAS 87 expense	\$ (171)	\$ (234)
Less: CAS costs	(157)	(166)
<b>FAS/CAS pension adjustment - expense</b>	<b><u>\$ (14)</u></b>	<b><u>\$ (68)</u></b>

**THREE MONTHS ENDED MARCH 31, 2007**

	<u>Operating profit</u>	<u>Net earnings</u>	<u>Earnings per share</u>
<b><u>Unusual Items</u></b>			
Gain on sale of surplus land	\$ 25	\$ 16	\$ 0.04
Earnings from reversal of legal reserves	21	14	0.03
Benefit from closure of an IRS audit	-	59	0.14
	<b><u>\$ 46</u></b>	<b><u>\$ 89</u></b>	<b><u>\$ 0.21</u></b>

**THREE MONTHS ENDED MARCH 31, 2006**

	<u>Operating profit</u>	<u>Net earnings</u>	<u>Earnings per share</u>
<b><u>Unusual Items</u></b>			
Gain on sale of interest in Inmarsat	\$ 127	\$ 83	\$ 0.19
Gain on Space Imaging sale	23	15	0.03
	<b><u>\$ 150</u></b>	<b><u>\$ 98</u></b>	<b><u>\$ 0.22</u></b>

**LOCKHEED MARTIN CORPORATION**  
**Selected Financial Data**  
**Preliminary and Unaudited**  
(In millions)

**THREE MONTHS ENDED MARCH 31,**

	<u>2007</u>	<u>2006</u>
<b><u>Depreciation and amortization of plant and equipment</u></b>		
Aeronautics	\$ 39	\$ 35
Electronic Systems	45	42
Information Systems & Global Services	15	14
Space Systems	29	30
<b>Segments</b>	<u>128</u>	<u>121</u>
Unallocated corporate expense, net	13	14
<b>Total depreciation and amortization</b>	<u>\$ 141</u>	<u>\$ 135</u>

**THREE MONTHS ENDED MARCH 31,**

	<u>2007</u>	<u>2006</u>
<b><u>Amortization of purchased intangibles</u></b>		
Aeronautics	\$ 13	\$ 12
Electronic Systems	11	11
Information Systems & Global Services	15	10
Space Systems	2	2
<b>Segments</b>	<u>41</u>	<u>35</u>
Unallocated corporate expense, net	3	4
<b>Total amortization of purchased intangibles</b>	<u>\$ 44</u>	<u>\$ 39</u>

**LOCKHEED MARTIN CORPORATION**  
**Consolidated Condensed Balance Sheet**  
**Preliminary and Unaudited**  
(In millions)

	<b>MARCH 31,</b> <b>2007</b>	<b>DECEMBER 31,</b> <b>2006</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,778	\$ 1,912
Short-term investments	296	381
Receivables	4,902	4,595
Inventories	1,375	1,657
Deferred income taxes	964	900
Other current assets	545	719
Total current assets	<b>10,860</b>	10,164
Property, plant and equipment, net	3,991	4,056
Goodwill	9,353	9,250
Purchased intangibles, net	574	605
Prepaid pension asset	240	235
Deferred income taxes	1,473	1,487
Other assets	2,362	2,434
<b>Total assets</b>	<b>\$ 28,853</b>	<b>\$ 28,231</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Accounts payable	\$ 2,099	\$ 2,221
Customer advances and amounts in excess of costs incurred	4,056	3,856
Other accrued expenses	3,748	3,442
Current maturities of long-term debt	17	34
Total current liabilities	<b>9,920</b>	9,553
Long-term debt, net	4,405	4,405
Accrued pension liabilities	3,201	3,025
Other postretirement and other noncurrent liabilities	4,299	4,364
Stockholders' equity	7,028	6,884
<b>Total liabilities and stockholders' equity</b>	<b>\$ 28,853</b>	<b>\$ 28,231</b>
<b>Total debt-to-capitalization ratio:</b>	<b>39%</b>	<b>39%</b>

**LOCKHEED MARTIN CORPORATION**  
**Consolidated Condensed Statement of Cash Flows**  
**Preliminary and Unaudited**  
**(In millions)**

	<b>THREE MONTHS ENDED MARCH 31,</b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>
<b><u>Operating Activities</u></b>		
Net earnings	\$ 690	\$ 591
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	185	174
Changes in operating assets and liabilities:		
Receivables	(281)	(217)
Inventories	285	5
Accounts payable	(131)	(12)
Customer advances and amounts in excess of costs incurred	195	95
Other	539	549
<b>Net cash provided by operating activities</b>	<b><u>1,482</u></b>	<b><u>1,185</u></b>
<b><u>Investing Activities</u></b>		
Expenditures for property, plant and equipment	(84)	(98)
Sale (purchase) of short-term investments	85	(28)
Acquisitions of businesses / investments in affiliates	(95)	(153)
Divestitures of investments in affiliates	-	156
Other	79	6
<b>Net cash used for investing activities</b>	<b><u>(15)</u></b>	<b><u>(117)</u></b>
<b><u>Financing Activities</u></b>		
Common stock activity, net	(584)	(492)
Common stock dividends	-	(132)
Repayments of long-term debt	(17)	(6)
<b>Net cash used for financing activities</b>	<b><u>(601)</u></b>	<b><u>(630)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>866</b>	<b>438</b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>1,912</u></b>	<b><u>2,244</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 2,778</u></b>	<b><u>\$ 2,682</u></b>

**LOCKHEED MARTIN CORPORATION**  
**Consolidated Condensed Statement of Stockholders' Equity**  
**Preliminary and Unaudited**  
**(In millions)**

	<b>Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Total Stockholders' Equity</b>
<b>Balance at December 31, 2006</b>	\$ 421	\$ 755	\$ 9,269	\$ (3,561)	\$ 6,884
<b>Adoption of FIN 48 (a)</b>			31		31
<b>Net earnings</b>			690		690
<b>Common stock dividends</b>			(148)		(148)
<b>Stock-based awards and ESOP activity</b>	4	306			310
<b>Repurchases of common stock (b)</b>	(8)	(731)			(739)
<b>Balance at March 31, 2007</b>	<u>\$ 417</u>	<u>\$ 330</u>	<u>\$ 9,842</u>	<u>\$ (3,561)</u>	<u>\$ 7,028</u>

(a) On January 1, 2007 the Corporation adopted Financial Accounting Standards Board Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes". The cumulative effect of adopting the provision of FIN 48 was a non-cash increase to opening retained earnings of \$31 million.

(b) The Corporation has 26.7 million shares remaining under its share repurchase program at the end of the first quarter of 2007.

**LOCKHEED MARTIN CORPORATION**

**Operating Data**

**Preliminary and Unaudited**

**(In millions)**

	<b>MARCH 31, 2007</b>	<b>DECEMBER 31, 2006</b>
<b><u>Backlog</u></b>		
Aeronautics	\$ 25,600	\$ 26,900
Electronic Systems	20,400	19,700
Information Systems & Global Services	10,200	10,500
Space Systems	18,500	18,800
<b>Total</b>	<b>\$ 74,700</b>	<b>\$ 75,900</b>

**THREE MONTHS ENDED MARCH 31,**

<b><u>Aircraft Deliveries</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>F-16</b>	<b>9</b>	<b>18</b>
<b>F-22</b>	<b>3</b>	<b>6</b>
<b>C-130J</b>	<b>2</b>	<b>2</b>

**LOCKHEED MARTIN CORPORATION**

**Proforma Net Sales, Operating Profit and Margins - Realigned Business Segments**

**Preliminary and Unaudited**

**(In millions, except percentages)**

	<b>THREE MONTHS ENDED</b>				<b>YEAR ENDED DECEMBER 31,</b>	
	<b>March 31, 2006</b>	<b>June 30, 2006</b>	<b>September 30, 2006</b>	<b>December 31, 2006</b>	<b>2006</b>	<b>2005</b>
<b><u>Net sales:</u></b>						
Aeronautics	\$ 2,823	\$ 3,004	\$ 2,983	\$ 3,378	\$ 12,188	\$ 12,349
Electronic Systems	2,453	2,698	2,576	2,792	10,519	9,811
Information Systems & Global Services	1,969	2,158	2,191	2,672	8,990	8,233
Space Systems	1,969	2,101	1,855	1,998	7,923	6,820
<b>Total net sales</b>	<b>\$ 9,214</b>	<b>\$ 9,961</b>	<b>\$ 9,605</b>	<b>\$ 10,840</b>	<b>\$ 39,620</b>	<b>\$ 37,213</b>
<b><u>Operating profit:</u></b>						
Aeronautics	\$ 250	\$ 272	\$ 316	\$ 383	\$ 1,221	\$ 1,019
Electronic Systems	308	320	278	366	1,272	1,083
Information Systems & Global Services	180	195	205	229	809	721
Space Systems	193	189	176	188	746	609
<b>Segment operating profit</b>	<b>931</b>	<b>976</b>	<b>975</b>	<b>1,166</b>	<b>4,048</b>	<b>3,432</b>
Unallocated corporate income (expense), net	40	(33)	(70)	(32)	(95)	(446)
<b>Total operating profit</b>	<b>\$ 971</b>	<b>\$ 943</b>	<b>\$ 905</b>	<b>\$ 1,134</b>	<b>\$ 3,953</b>	<b>\$ 2,986</b>
<b><u>Margins:</u></b>						
Aeronautics	8.9%	9.1%	10.6%	11.3%	10.0%	8.3%
Electronic Systems	12.6	11.9	10.8	13.1	12.1	11.0
Information Systems & Global Services	9.1	9.0	9.4	8.6	9.0	8.8
Space Systems	9.8	9.0	9.5	9.4	9.4	8.9
<b>Total operating segments</b>	<b>10.1%</b>	<b>9.8%</b>	<b>10.2%</b>	<b>10.8%</b>	<b>10.2%</b>	<b>9.2%</b>
<b>Total consolidated</b>	<b>10.5%</b>	<b>9.5%</b>	<b>9.4%</b>	<b>10.5%</b>	<b>10.0%</b>	<b>8.0%</b>

**LOCKHEED MARTIN CORPORATION**  
**Proforma Selected Financial Data - Realigned Business Segments**  
**Preliminary and Unaudited**  
(In millions)

	<b>THREE MONTHS ENDED</b>				<b>YEAR ENDED DECEMBER 31,</b>	
	<b>March 31, 2006</b>	<b>June 30, 2006</b>	<b>September 30, 2006</b>	<b>December 31, 2006</b>	<b>2006</b>	<b>2005</b>
<b><u>Depreciation and amortization of plant and equipment</u></b>						
Aeronautics	\$ 35	\$ 38	\$ 39	\$ 42	\$ 154	\$ 137
Electronic Systems	42	45	48	55	190	178
Information Systems & Global Services	14	15	14	22	65	55
Space Systems	30	35	30	37	132	134
<i>Segment operating profit</i>	<b>121</b>	<b>133</b>	<b>131</b>	<b>156</b>	<b>541</b>	<b>504</b>
Unallocated corporate expense, net	14	16	14	15	59	51
<b>Total depreciation and amortization</b>	<b>\$ 135</b>	<b>\$ 149</b>	<b>\$ 145</b>	<b>\$ 171</b>	<b>\$ 600</b>	<b>\$ 555</b>
<b><u>Amortization of purchased intangibles</u></b>						
Aeronautics	\$ 12	\$ 13	\$ 12	\$ 13	\$ 50	\$ 50
Electronic Systems	11	11	12	13	47	42
Information Systems & Global Services	10	10	11	15	46	39
Space Systems	2	2	3	2	9	8
<i>Segment operating profit</i>	<b>35</b>	<b>36</b>	<b>38</b>	<b>43</b>	<b>152</b>	<b>139</b>
Unallocated corporate expense, net	4	3	2	3	12	11
<b>Total amortization of purchased intangibles</b>	<b>\$ 39</b>	<b>\$ 39</b>	<b>\$ 40</b>	<b>\$ 46</b>	<b>\$ 164</b>	<b>\$ 150</b>

**LOCKHEED MARTIN CORPORATION**  
**Proforma Backlog - Realigned Business Segments**  
**Preliminary and Unaudited**  
**(In millions)**

	<u>March 31, 2006</u>	<u>June 30, 2006</u>	<u>September 30, 2006</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>
<b><u>Backlog:</u></b>					
Aeronautics	\$ 29,400	\$ 28,300	\$ 26,200	\$ 26,900	\$ 31,100
Electronic Systems	19,700	19,900	19,100	19,700	18,600
Information Systems & Global Services	10,200	9,600	10,500	10,500	9,200
Space Systems	16,100	15,900	22,100	18,800	15,900
<b>Total backlog</b>	<b><u>\$ 75,400</u></b>	<b><u>\$ 73,700</u></b>	<b><u>\$ 77,900</u></b>	<b><u>\$ 75,900</u></b>	<b><u>\$ 74,800</u></b>