

Consolidated Results
Preliminary and Unaudited
(In millions, except per share data and percentages)

	<u>QUARTER ENDED DECEMBER 31,</u>		<u>YEAR TO DATE DECEMBER 31,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Net Sales	\$8,978	\$7,780	\$31,824	\$26,578
Operating Profit (Loss) [EBIT]	\$616	(\$418)	\$2,019	\$1,158
Interest Expense	\$111	\$141	\$487	\$581
Pre-tax Earnings (Loss)	\$505	(\$559)	\$1,532	\$577
Income Tax Expense (Benefit)	\$161	(\$217)	\$479	\$44
Effective Tax Rate	31.9%	38.8%	31.3%	7.6%
Earnings (Loss) from Continuing Operations	\$344	(\$342)	\$1,053	\$533
Loss from Discontinued Operations	-	(\$5)	-	(\$33)
Net Earnings (Loss)	\$344	(\$347)	\$1,053	\$500
Basic Earnings (Loss) Per Share:				
Continuing Operations	\$0.77	(\$0.76)	\$2.36	\$1.20
Discontinued Operations	-	(0.01)	-	(0.07)
Earnings (Loss) Per Share	<u>\$0.77</u>	<u>(\$0.77)</u>	<u>\$2.36</u>	<u>\$1.13</u>
Average Basic Shares Outstanding	445.2	449.8	446.5	445.1
Diluted Earnings (Loss) Per Share:				
Continuing Operations	\$0.77	(\$0.76)	\$2.34	\$1.18
Discontinued Operations	-	(0.01)	-	(0.07)
Earnings (Loss) Per Share	<u>\$0.77</u>	<u>(\$0.77)</u>	<u>\$2.34</u>	<u>\$1.11</u>
Average Diluted Shares Outstanding	448.4	449.8 ¹	450.0	452.0

¹ Due to antidilution, basic shares are utilized as diluted shares.

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

	<u>QUARTER ENDED DECEMBER 31,</u>			<u>YEAR TO DATE DECEMBER 31,</u>		
	<u>2003</u>	<u>2002</u>	<u>% Change</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Net sales						
Aeronautics	\$ 3,034	\$ 1,922	58 %	\$ 10,202	\$ 6,471	58 %
Electronic Systems	2,602	2,729	(5) %	8,991	8,685	4 %
Space Systems	1,451	1,313	11 %	6,021	5,287	14 %
Integrated Systems & Solutions	916	863	6 %	3,420	3,015	13 %
Information & Technology Services	972	947	3 %	3,174	3,104	2 %
<i>Segment net sales</i>	<u>8,975</u>	<u>7,774</u>	15 %	<u>31,808</u>	<u>26,562</u>	20 %
Other	<u>3</u>	<u>6</u>	(50) %	<u>16</u>	<u>16</u>	- %
Total net sales	<u>\$ 8,978</u>	<u>\$ 7,780</u>	15 %	<u>\$ 31,824</u>	<u>\$ 26,578</u>	20 %
Operating profit (loss)						
Aeronautics	\$ 200	\$ 139	44 %	\$ 690	\$ 448	54 %
Electronic Systems	241	276	(13) %	858	875	(2) %
Space Systems	103	66	56 %	403	279	44 %
Integrated Systems & Solutions	77	56	38 %	291	241	21 %
Information & Technology Services	76	55	38 %	226	177	28 %
<i>Segment operating profit</i>	<u>697</u>	<u>592</u>	18 %	<u>2,468</u>	<u>2,020</u>	22 %
Unallocated corporate (expense) income, net ¹	<u>(81)</u>	<u>(1,010)</u>	N/M	<u>(449)</u>	<u>(862)</u>	N/M
Total operating profit (loss)	<u>\$ 616</u>	<u>\$ (418)</u>	N/M	<u>\$ 2,019</u>	<u>\$ 1,158</u>	74 %
Margins						
Segments:						
Aeronautics	6.6%	7.2%		6.8%	6.9%	
Electronic Systems	9.3%	10.1%		9.5%	10.1%	
Space Systems	7.1%	5.0%		6.7%	5.3%	
Integrated Systems & Solutions	8.4%	6.5%		8.5%	8.0%	
Information & Technology Services	7.8%	5.8%		7.1%	5.7%	
Segments	7.8%	7.6%		7.8%	7.6%	
Total Consolidated	6.9%	NM		6.3%	4.4%	

¹ "Unallocated corporate (expense) income, net" includes earnings and losses from equity investments (mainly telecommunications), interest income, corporate costs not allocated to the operating segments, the FAS/CAS pension adjustment, costs for stock-based compensation programs, unusual items not considered in the evaluation of segment operating performance, and other miscellaneous corporate activities.

LOCKHEED MARTIN CORPORATION
Preliminary and Unaudited
Operating Data

	<u>QUARTER ENDED DECEMBER 31,</u>		<u>YEAR TO DATE DECEMBER 31,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Deliveries</u>				
F-16	22	5	62	21
C-130J	6	2	15	8
<u>Launches</u>				
Atlas	2	1	5	5
Proton ¹	-	1	2	4
Titan II ²	1	-	2	1
Titan IV	-	-	2	1

¹ In the first quarter of 2003, we recognized sales, per contract terms, upon delivery in orbit of a Lockheed Martin built satellite launched in the fourth quarter of 2002 on a Proton launch vehicle.

² Titan II space launch vehicle completed its final mission; over the life of the program all thirteen Titan II's were successfully launched.

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

	Common Stock	Additional Paid-In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
Balance at January 1, 2003	\$ 455	\$ 2,796	\$ 4,262	\$ (50)	\$ (1,598)	\$ 5,865
Net earnings			1,053			1,053
Common stock dividends ¹			(261)			(261)
Repurchases of common stock	(11)	(471)				(482)
Stock awards and options, and ESOP activity	2	152		33		187
Other comprehensive income					394	394
Balance at December 31, 2003	<u>\$ 446</u>	<u>\$ 2,477</u>	<u>\$ 5,054</u>	<u>\$ (17)</u>	<u>\$ (1,204)</u>	<u>\$ 6,756</u>

¹ The Corporation paid a quarterly dividend of \$0.12 per share January through September 2003. On September 15, 2003 the Corporation announced that its board of directors authorized an increase to the dividend paid on the common stock from \$0.12 per-quarter to \$0.22 per-quarter. This increase was paid December 31, 2003 for stockholders of record as of December 1, 2003.

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

YEAR TO DATE DECEMBER 31.

	<u>2003</u>	<u>2002</u>
<u>Operating Activities</u>		
Net earnings	\$ 1,053	\$ 500
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization of property, plant and equipment	480	433
Amortization of purchased intangibles	129	125
Changes in operating assets and liabilities:		
Receivables	(258)	394
Inventories	(94)	585
Accounts payable	330	(317)
Customer advances and amounts in excess of costs incurred	(285)	(460)
Other	454	1,028
Net cash provided by operating activities	<u>1,809</u>	<u>2,288</u>
<u>Investing Activities</u>		
Expenditures for property, plant and equipment	(687)	(662)
Short-term investments	(240)	-
Acquisitions of businesses / investments in affiliated companies	(821)	(104)
Proceeds from divestitures of affiliated companies	234	134
Other	53	93
Net cash used for investing activities	<u>(1,461)</u>	<u>(539)</u>
<u>Financing Activities</u>		
Issuances of long-term debt	1,000	-
Repayments related to long-term debt	(2,202)	(110)
Long-term debt issuance and repayment costs	(175)	-
Issuances of common stock	44	436
Repurchases of common stock	(482)	(50)
Common stock dividends	(261)	(199)
Net cash (used for) provided by financing activities	<u>(2,076)</u>	<u>77</u>
Net (decrease) increase in cash and cash equivalents	(1,728)	1,826
Cash and cash equivalents at beginning of period	<u>2,738</u>	<u>912</u>
Cash and cash equivalents at end of period	<u>\$ 1,010</u>	<u>\$ 2,738</u>

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

	DECEMBER 31, 2003	DECEMBER 31, 2002
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<u>Assets</u>		
Cash and cash equivalents	\$ 1,010	\$ 2,738
Short-term investments	240	-
Accounts receivable	4,039	3,655
Inventories	2,348	2,250
Other current assets	1,764	1,983
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Total current assets	9,401	10,626
Property, plant and equipment, net	3,489	3,258
Investments in equity securities	1,060	1,009
Goodwill	7,879	7,380
Purchased intangibles, net	807	814
Other noncurrent assets	2,708	2,671
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Total assets	\$ 25,344	\$ 25,758
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<u>Liabilities and Stockholders' Equity</u>		
Accounts payable	\$ 1,434	\$ 1,102
Customer advances and amounts in excess of costs incurred	4,256	4,542
Other accrued expenses	3,335	2,812
Current maturities of long-term debt	136	1,365
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Total current liabilities	9,161	9,821
Long-term debt	6,072	6,217
Pension liabilities	-	651
Post-retirement and other noncurrent liabilities	3,355	3,204
Stockholders' equity	6,756	5,865
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Total liabilities and stockholders' equity	\$ 25,344	\$ 25,758
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LOCKHEED MARTIN CORPORATION
Selected Financial Data
Preliminary and Unaudited
(In millions)

	<u>QUARTER ENDED DECEMBER 31,</u>		<u>YEAR TO DATE DECEMBER 31,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Summary of unallocated corporate (expense) income, net</u>				
FAS/CAS pension adjustment	\$ (80)	\$ 74	\$ (300)	\$ 243
Other	(16)	28	4	7
Unusual items	15	(1,112)	(153)	(1,112)
Unallocated corporate (expense) income, net	\$ (81)	\$ (1,010)	\$ (449)	\$ (862)
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<u>FAS/CAS pension adjustment</u>				
FAS 87 (expense) income	\$ (131)	\$ 48	\$ (484)	\$ 156
CAS funding and (expense)	(51)	(26)	(184)	(87)
FAS/CAS pension adjustment - (expense) income	\$ (80)	\$ 74	\$ (300)	\$ 243
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<u>Depreciation and amortization of property, plant and equipment</u>				
Aeronautics	\$ 25	\$ 14	\$ 89	\$ 74
Electronic Systems	43	44	160	153
Space Systems	36	33	120	108
Integrated Systems & Solutions	9	15	29	34
Information & Technology Services	11	11	42	36
Segments	124	117	440	405
Unallocated corporate expense, net	12	7	40	28
Total depreciation and amortization	\$ 136	\$ 124	\$ 480	\$ 433
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<u>Amortization of purchased intangibles</u>				
Aeronautics	\$ 12	\$ 13	\$ 50	\$ 50
Electronic Systems	12	12	47	49
Space Systems	2	1	8	7
Integrated Systems & Solutions	4	3	14	12
Information & Technology Services	3	2	8	7
Segments	33	31	127	125
Unallocated corporate expense, net	2	-	2	-
Total amortization of purchased intangibles	\$ 35	\$ 31	\$ 129	\$ 125