



DEAR FELLOW SHAREHOLDERS,

This is a milestone year for Lockheed Martin: our 100th anniversary. Our company's success over the past century is due to the exceptional character and ingenuity of the hundreds of thousands of people who have walked through the doors of our heritage companies. As this remarkable enterprise begins its second century, we and our customers face unprecedented global security challenges and an uncertain economic environment.

Despite the unsettling business climate, Lockheed Martin reaffirmed its reputation as an industry leader by recording another year of excellent financial and operational results. We were well served in 2011 by a durable, well-balanced portfolio, and a strategy that focuses on execution, affordability, and the agility to respond effectively to change.

***Our Leadership Team:** From Left to Right: Larry A. Lawson Executive Vice President, Aeronautics (effective April 1); Joanne M. Maguire, Executive Vice President, Space Systems; Marilyn A. Hewson, Executive Vice President, Electronic Systems; Robert J. Stevens, Chairman and Chief Executive Officer; Christopher E. Kubasik, President and Chief Operating Officer; Linda R. Gooden, Executive Vice President, Information Systems & Global Solutions; Ralph D. Heath, Executive Vice President, Aeronautics (retiring April 1); Bruce L. Tanner, Executive Vice President and Chief Financial Officer. This photograph of our leadership team against the backdrop of our NexGen Cyber Innovation and Technology Center underscores the commitment of Lockheed Martin's leadership to protecting our customers' networks with trusted, reliable, mission-resilient systems. Lockheed Martin addresses cyber security challenges worldwide with innovative technologies that keep us ahead of a constantly evolving threat. Cyber security is a critical component of everything we do, and every solution we develop.*