Lockheed Martin Corporation
Consolidated Statements of Earnings[1]
(unaudited; in millions, except per share data)

	Quarters Ended	
	March 31, 2013	**March 25, 2012**
Net sales	**$ 11,070**	$ 11,293
Cost of sales	**(10,029)**	(10,284)
Gross profit	**1,041**	1,009
Other income, net	**78**	35
Operating profit	**1,119**	1,044
Interest expense	**(92)**	(96)
Other non-operating (expense) income, net	**(2)**	3
Earnings before income taxes	**1,025**	951
Income tax expense	**(264)**	(283)
Net earnings	**$ 761**	$ 668
Effective tax rate	**25.8 %**	29.8 %
Earnings per common share		
Basic	**$ 2.37**	$ 2.06
Diluted	**$ 2.33**	$ 2.03
Weighted average shares outstanding		
Basic	**321.7**	324.1
Diluted	**326.3**	328.6
Common shares reported in stockholders' equity at end of period	**318**	322

[1] The Corporation closes its books and records on the last Sunday of the calendar quarter to align its financial closing with its business processes, which was on March 31 for the first quarter of 2013 and March 25 for the first quarter of 2012. The consolidated financial statements and tables of financial information included herein are labeled based on that convention. This practice only affects interim periods, as the Corporation's fiscal year ends on Dec. 31.

Lockheed Martin Corporation
Business Segment Summary Operating Results
(unaudited; in millions)

	Quarters Ended		
	March 31, 2013	**March 25, 2012**	**% Change**
Net sales			
Aeronautics	**$ 3,186**	$ 3,706	(14) %
Information Systems & Global Solutions	**2,106**	2,090	1 %
Missiles and Fire Control	**1,988**	1,766	13 %
Mission Systems and Training	**1,830**	1,838	- %
Space Systems	**1,960**	1,893	4 %
Total net sales	**$ 11,070**	$ 11,293	(2) %
Operating profit			
Aeronautics	**$ 379**	$ 385	(2) %
Information Systems & Global Solutions	**189**	188	1 %
Missiles and Fire Control	**344**	371	(7) %
Mission Systems and Training	**201**	157	28 %
Space Systems	**230**	239	(4) %
Total business segment operating profit	**1,343**	1,340	- %
Unallocated expenses, net			
Non-cash FAS/CAS pension adjustment			
FAS pension expense	**(487)**	(485)	
Less: CAS expense	**366**	278	
Non-cash FAS/CAS pension adjustment	**(121)**	(207)	
Special item - severance charges[1]	**(30)**	-	
Stock-based compensation	**(53)**	(41)	
Other, net	**(20)**	(48)	
Total unallocated expenses, net	**(224)**	(296)	(24) %
Total consolidated operating profit	**$ 1,119**	$ 1,044	7 %
Operating margins			
Aeronautics	**11.9 %**	10.4 %	
Information Systems & Global Solutions	**9.0 %**	9.0 %	
Missiles and Fire Control	**17.3 %**	21.0 %	
Mission Systems and Training	**11.0 %**	8.5 %	
Space Systems	**11.7 %**	12.6 %	
Total business segment operating margins	**12.1 %**	11.9 %	
Total consolidated operating margins	**10.1 %**	9.2 %	

[1] Severance charges for the first quarter of 2013 consist of amounts associated with the planned elimination of certain positions at the Corporation's Information Systems & Global Solutions business segment. Severance charges for initiatives that are not significant are included in business segment operating profit.

Lockheed Martin Corporation
Consolidated Balance Sheets
(unaudited; in millions, except par value)

	March 31, 2013	Dec. 31, 2012
Assets		
Current assets		
Cash and cash equivalents	**$ 3,065**	$ 1,898
Receivables, net	**6,968**	6,563
Inventories, net	**2,895**	2,937
Deferred income taxes	**1,261**	1,269
Other current assets	**683**	1,188
Total current assets	**14,872**	13,855
Property, plant, and equipment, net	**4,617**	4,675
Goodwill	**10,356**	10,370
Deferred income taxes	**4,750**	4,809
Other noncurrent assets	**4,985**	4,948
Total assets	**$ 39,580**	$ 38,657
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	**$ 2,123**	$ 2,038
Customer advances and amounts in excess of costs incurred	**6,406**	6,503
Salaries, benefits, and payroll taxes	**1,710**	1,649
Current portion of long-term debt	**150**	150
Other current liabilities	**2,236**	1,815
Total current liabilities	**12,625**	12,155
Accrued pension liabilities	**15,397**	15,278
Other postretirement benefit liabilities	**1,220**	1,220
Long-term debt, net	**6,154**	6,158
Other noncurrent liabilities	**3,880**	3,807
Total liabilities	**39,276**	38,618
Stockholders' equity		
Common stock, $1 par value per share	**318**	321
Additional paid-in capital	**-**	-
Retained earnings	**13,268**	13,211
Accumulated other comprehensive loss	**(13,282)**	(13,493)
Total stockholders' equity	**304**	39
Total liabilities and stockholders' equity	**$ 39,580**	$ 38,657

Lockheed Martin Corporation
Consolidated Statements of Cash Flows
(unaudited; in millions)

	Quarters Ended	
	March 31, 2013	**March 25, 2012**
Operating activities		
Net earnings	**$ 761**	$ 668
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	**232**	231
Stock-based compensation	**53**	41
Special item - severance charges	**30**	-
Changes in operating assets and liabilities:		
Receivables, net	**(384)**	(654)
Inventories, net	**43**	104
Accounts payable	**83**	116
Customer advances and amounts in excess of costs incurred	**(98)**	(251)
Postretirement benefit plans	**493**	(8)
Income taxes	**862**	111
Other, net	**10**	100
Net cash provided by operating activities[1]	**2,085**	458
Investing activities		
Capital expenditures	**(106)**	(131)
Other, net	**(50)**	(18)
Net cash used for investing activities	**(156)**	(149)
Financing activities		
Repurchases of common stock[2]	**(461)**	(242)
Proceeds from stock option exercises	**55**	159
Dividends paid	**(371)**	(327)
Other, net	**15**	37
Net cash used for financing activities	**(762)**	(373)
Net change in cash and cash equivalents	**1,167**	(64)
Cash and cash equivalents at beginning of period	**1,898**	3,582
Cash and cash equivalents at end of period	**$ 3,065**	$ 3,518

[1] The Corporation did not make contributions to its pension trust during the first quarter of 2013, but made contributions of $505 million during the first quarter of 2012. The Corporation received net tax refunds of approximately $540 million during the first quarter of 2013 compared to making net tax payments of $150 million during the first quarter of 2012.

[2] During the first quarter of 2013, the Corporation paid $461 million to repurchase 5.1 million shares of its common stock. The Corporation reduced stockholders' equity by $477 million, which represents the 5.3 million shares of common stock repurchases the Corporation committed to during the first quarter of 2013, a portion of which will settle in cash in the second quarter of 2013.

Lockheed Martin Corporation
Consolidated Statement of Stockholders' Equity
(unaudited; in millions)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at Dec. 31, 2012	**$ 321**	**$ -**	**$ 13,211**	**$ (13,493)**	**$ 39**
Net earnings	-	-	761	-	761
Other comprehensive income, net of tax [1]	-	-	-	211	211
Repurchases of common stock [2]	(5)	(139)	(333)	-	(477)
Dividends declared [3]	-	-	(371)	-	(371)
Stock-based awards and ESOP activity	2	139	-	-	141
Balance at March 31, 2013	**$ 318**	**$ -**	**$ 13,268**	**$ (13,282)**	**$ 304**

[1] Primarily represents the reclassification adjustment for recognition of prior period amounts related to postretirement benefit plans of $254 million.

[2] The Corporation reduced stockholders' equity by $477 million, which represents the 5.3 million shares of common stock repurchases the Corporation committed to during the first quarter of 2013, a portion of which will settle in cash in the second quarter of 2013. As of March 31, 2013, the Corporation had repurchased a total of 59.6 million shares of its common stock under a share repurchase program approved by the Corporation's Board of Directors for $4.7 billion, and had remaining authorization of $1.8 billion for future share repurchases.

[3] Includes dividends of $1.15 per share declared during the first quarter of 2013.

Lockheed Martin Corporation
Operating Data
(unaudited; in millions, except aircraft deliveries)

Backlog	**March 31, 2013**	**Dec. 31, 2012**
Aeronautics	**$ 28,000**	$ 30,100
Information Systems & Global Solutions	**7,800**	8,700
Missiles and Fire Control	**13,400**	14,700
Mission Systems and Training	**10,800**	10,700
Space Systems	**17,900**	18,100
Total backlog	**$ 77,900**	$ 82,300

	Quarters Ended	
Aircraft Deliveries	**March 31, 2013**	**March 25, 2012**
F-16	**3**	13
F-22	**-**	4
F-35	**-**	2
C-130J	**6**	10
C-5M	**-**	1