
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported) – January 17, 2005

LOCKHEED MARTIN CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of Incorporation)

1-11437
(Commission File Number)

52-1893632
(IRS Employer
Identification No.)

6801 Rockledge Drive, Bethesda, Maryland
(Address of principal executive offices)

20817
(Zip Code)

(301) 897-6000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement**Item 8.01 Other Events**

As previously announced, Ralph D. Heath was elected Executive Vice President of Lockheed Martin Corporation and President of Lockheed Martin's Aeronautics Company, effective January 17, 2005, succeeding Dain M. Hancock, who is retiring after nearly 40 years of service.

The Corporation has an existing Executive Retention Agreement with Mr. Heath. A copy of the Executive Retention Agreement is provided as Exhibit 99 to this report.

Item 9.01 Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99	Executive Retention Agreement, between Lockheed Martin Corporation Aeronautics Company and Ralph D. Heath, dated June 23, 2003

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LOCKHEED MARTIN CORPORATION

/s/ David A. Dedman

David A. Dedman
Associate General Counsel

January 20, 2005

Lockheed Martin Corporation
6801 Rockledge Drive Bethesda, MD 20817
Telephone 3018976000

LOCKHEED MARTIN

Executive Retention Agreement

The purpose of this agreement between Lockheed Martin Corporation Aeronautics Company (the "Business Unit") and Ralph D. Heath (the "Executive") is to provide for continuity of management and the success of business operations for a major program by ensuring the commitment of the Executive to continue to serve the Business Unit diligently for a three-year period. The retention payment herein provided is intended to be consideration for the successful performance and satisfaction of the criteria set forth in Paragraph 2 by the personal services of the Executive.

1. Term of Agreement

This agreement will be in effect from the date of execution through July 1, 2006, unless terminated earlier in accordance with Paragraph 5 or 6.

2. Criteria for Retention Payment

The executive will be eligible for payments under this agreement if:

- The Executive remains employed at the Business Unit (or at the discretion of the Corporation, at another Lockheed Martin Business Area/Unit) through July 1, 2005, for the first payment, and through July 1, 2006, for the second payment.
- The Executive devotes full effort and diligence to the operation and successful performance of the FA-22 Program, and to the execution of other Business Unit objectives as may be assigned by the Lockheed Martin Executive Vice President - Aeronautics Company.

3. Amount of Retention Payment

The retention payment under this agreement will be \$400,000. This payment is in addition to the Executive's continued participation in the Corporation's annual bonus and long-term incentive programs.

4. Payment of Retention Amount

The retention payment under this agreement shall be paid in two installments. The first installment will be \$150,000 and will be payable within 30 days after July 1, 2005, or within 60 days of notice of termination if the executive becomes eligible for a payment under Paragraph 5. The second installment will be \$250,000 and will be payable within 30 days after July 1, 2006, or within 60 days of notice of termination if the Executive becomes eligible for a payment under Paragraph 5.

5. Layoff, Disability or Death

If during the term of this agreement, the Executive (i) becomes disabled, or (ii) dies, the Executive will be eligible for a pro rata retention payment under this agreement. The pro rata payment shall be calculated by multiplying the total potential payment (\$400,000) by a fraction, the numerator being the number of months prior to disability or death, and the denominator being the total number of months of the term of agreement. The amount so calculated shall be reduced by any installment payment already made. For a layoff, payment will be made in full in addition to any severance payments otherwise due the Executive.

6. Retirement, Resignation or Termination for Cause

If the Executive retires, resigns or is discharged for cause during the term of this agreement, the Executive will not be eligible for any remaining payment under this agreement, and the agreement will be terminated immediately.

7. Termination of Agreement

This retention agreement will terminate on July 1, 2006.

8. No Contract of Employment

This agreement does not limit the ability of either the Executive or Lockheed Martin to terminate the employment relationship at will.

9. No Assignment

No benefit payable under this agreement may be assigned, transferred, pledged or otherwise encumbered or subjected to any legal process for the payment of any claim against the Executive.

10. Governing Law

This agreement shall be governed in all respects by and in accordance with the laws of the State of Maryland without regard to its conflict of law provisions.

If you agree to all terms and provisions of this agreement, please indicate your acceptance by signing below.

Agreed to and accepted:

For Lockheed Martin:

/s/ Ralph D. Heath

/s/ Dain M. Hancock

Ralph D. Heath
Dated: 28 June 2003

Dain M. Hancock
Executive Vice President
Lockheed Martin Aeronautics Company

/s/ Terry F. Powell

Terry F. Powell
Sr. Vice President, Human Resources
Lockheed Martin Corporation