SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K*

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1994 COMMISSION FILE NUMBER 1-11437

[LOGO OF LOCKHEED MARTIN APPEARS HERE]

LOCKHEED MARTIN CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND	52-1893632
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

6801 ROCKLEDGE DRIVE
BETHESDA, MARYLAND 20817-1877
(301/897-6000)
(ADDRESS AND TELEPHONE NUMBER OF PRINCIPAL EXECUTIVE OFFICES)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $1 par value	New York Stock Exchange, Inc.

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark, if the disclosure of delinquent filers pursuant to Item 405 or Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

State the aggregate market value of the voting stock held by non-affiliates of the registrant. Approximately $10,532,000,000 as of March 31, 1995.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. Common Stock, $1 par value, 199,648,000 shares outstanding as of March 31, 1995.

DOCUMENTS INCORPORATED BY REFERENCE

N/A

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* This Annual Report on Form 10-K is being filed pursuant to Rule 15d-2 under the Securities Exchange Act of 1934 and contains only certified financial statements as required by Rule 15d-2.

On March 15, 1995, Lockheed Corporation ("Lockheed") and Martin Marietta Corporation ("Martin Marietta") consummated a transaction (the "Combination") pursuant to which Lockheed and Martin Marietta became wholly-owned subsidiaries of a newly created holding corporation, Lockheed Martin Corporation ("Lockheed Martin"). A detailed description of the Combination is included within the Joint Proxy Statement/Prospectus which forms a part of Lockheed Martin's Form S-4 Registration Statement relating to the Combination (Registration Statement No. 33-57645) filed with the Securities and Exchange Commission on February 9, 1995.

Rule 15d-2 under the Securities Exchange Act of 1934 provides generally that, if a registrant files a registration statement under the Securities Act of 1933 which does not contain certified financial statements for the registrant's last full fiscal year (or for the life of the registrant if less than a full fiscal year), then the registrant shall, within 90 days after the effective date of the registration statement, file a special report furnishing certified financial statements for such last full fiscal year or other period as the case may be. Rule 15d-2 further provides that such special financial report is to be filed under cover of the facing sheet appropriate for annual reports of the registrant.

Lockheed Martin's Form S-4 Registration Statement referenced above did not contain the certified financial statements contemplated by Rule 15d-2, therefore, as required by Rule 15d-2, these are being filed with the Securities and Exchange Commission under cover of the facing page of an Annual Report on Form 10-K.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) List of Financial Statements filed as part of the Form 10-K

The following Financial Statements of Lockheed Martin Corporation are filed as part of this Form 10-K. Page numbers refer to this Form 10-K.

(a)(2) List of Financial Statement Schedules filed as part of this Form 10-K

None.

(b) Reports on Form 8-K

Not applicable to this filing.

(c) Exhibits

(23) Consent of Ernst & Young LLP, Independent Auditors
(24) Powers of Attorney
(27) Financial Data Schedule

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

Lockheed Martin Corporation

Date: 9 May 1995

/s/ Frank H. Menaker, Jr.
By: ___________________________________
FRANK H. MENAKER, JR.
Vice President and General Counsel

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURES	TITLE	DATE
/s/ Daniel M. Tellep* DANIEL M. TELLEP	Chief Executive Officer and Director	May 9, 1995
/s/ Marcus C. Bennett* MARCUS C. BENNETT	Chief Financial Officer and Director	May 9, 1995
/s/ Robert E. Rulon* ROBERT E. RULON	Chief Accounting Officer	May 9, 1995
/s/ Norman R. Augustine* NORMAN R. AUGUSTINE	Director	May 9, 1995
/s/ Lynne V. Cheney* LYNNE V. CHENEY	Director	May 9, 1995
/s/ A. James Clark* A. JAMES CLARK	Director	May 9, 1995
/s/ Edwin I. Colodny* EDWIN I. COLODNY	Director	May 9, 1995

SIGNATURES	TITLE	DATE
/s/ Lodwrick M. Cook* - ------------------------------------ LODWRICK M. COOK	Director	May 9, 1995
/s/ James L. Everett, III* - ------------------------------------ JAMES L. EVERETT, III	Director	May 9, 1995
/s/ Houston I. Flournoy* - ------------------------------------ HOUSTON I. FLOURNOY	Director	May 9, 1995
/s/ James F. Gibbons* - ------------------------------------ JAMES F. GIBBONS	Director	May 9, 1995
/s/ Edward L. Hennessy, Jr.* - ------------------------------------ EDWARD L. HENNESSY, JR.	Director	May 9, 1995
/s/ Edward E. Hood, Jr.* - ------------------------------------ EDWARD E. HOOD, JR.	Director	May 9, 1995
/s/ Caleb B. Hurtt* - ------------------------------------ CALEB B. HURTT	Director	May 9, 1995
/s/ Gwendolyn S. King* - ------------------------------------ GWENDOLYN S. KING	Director	May 9, 1995
/s/ Lawrence O. Kitchen* - ------------------------------------ LAWRENCE O. KITCHEN	Director	May 9, 1995
/s/ Gordon S. Macklin* - ------------------------------------ GORDON S. MACKLIN	Director	May 9, 1995

SIGNATURES	TITLE	DATE
/s/ Vincent N. Marafino* VINCENT N. MARAFINO	Director	May 9, 1995
/s/ Eugene F. Murphy* EUGENE F. MURPHY	Director	May 9, 1995
/s/ Allen E. Murray* ALLEN E. MURRAY	Director	May 9, 1995
/s/ David S. Potter* DAVID S. POTTER	Director	May 9, 1995
/s/ Frank Savage* FRANK SAVAGE	Director	May 9, 1995
/s/ Carlisle A. H. Trost* CARLISLE A. H. TROST	Director	May 9, 1995
/s/ James R. Ukropina* JAMES R. UKROPINA	Director	May 9, 1995
/s/ Douglas C. Yearley* DOUGLAS C. YEARLEY	Director	May 9, 1995

/s/ Stephen M. Piper
*By: ________________________________
(Stephen M. Piper, Attorney-in-fact**)
May 9, 1995

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** By authority of Powers of Attorney filed with this Annual Report on Form 10-K

Audited Consolidated Financial
Statements

Lockheed Martin Corporation

As of December 31, 1994 and 1993 and for the three
years in the period ended December 31, 1994
with Report of Independent Auditors

Lockheed Martin Corporation

Audited Consolidated Financial Statements

As of December 31, 1994 and 1993 and for the three years in the period ended December 31, 1994

Contents

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Board of Directors and Stockholders
Lockheed Martin Corporation

We have audited the accompanying consolidated balance sheet of Lockheed Martin Corporation as of December 31, 1994 and 1993, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Lockheed Martin Corporation at December 31, 1994 and 1993, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

The Corporation changed its method of accounting for the Employee Stock Ownership Plan effective January 1, 1994 as discussed in Note 1 to the consolidated financial statements. Additionally, as discussed in Note 1 and Note 8 to the consolidated financial statements, effective January 1, 1992, the Corporation changed its methods of accounting for post-retirement and post-employment benefits and income taxes.

Washington, D.C.
May 5, 1995

Lockheed Martin Corporation

Consolidated Statement of Earnings

	Year ended December 31, 1994	1993	1992
	(In millions, except per share data)		
Net sales	$ 22,906	$ 22,397	$ 16,030
Costs and expenses	21,127	20,857	14,891
Earnings from operations	1,779	1,540	1,139
Other income and expenses, net	200	44	42
	1,979	1,584	1,181
Interest expense	304	278	177
Earnings before income taxes and cumulative effect of changes in accounting	1,675	1,306	1,004
Income tax expense	620	477	355
Earnings before cumulative effect of changes in accounting	1,055	829	649
Cumulative effect of changes in accounting	(37)	--	(1,010)
Net earnings (loss)	$ 1,018	$ 829	$ (361)
Earnings (loss) per common share:			
Assuming no dilution:			
Before cumulative effect of changes in accounting	$ 5.32	$ 3.99	$ 3.31
Cumulative effect of changes in accounting	(.20)	--	(5.15)
	$ 5.12	$ 3.99	$ (1.84)
Assuming full dilution:			
Before cumulative effect of changes in accounting	$ 4.83	$ 3.75	$ 3.31
Cumulative effect of changes in accounting	(.17)	--	(5.15)
	$ 4.66	$ 3.75	$ (1.84)

See accompanying Notes to Consolidated Financial Statements.

Lockheed Martin Corporation

Consolidated Statement of Cash Flows

	Year ended December 31, 1994	1993	1992
	(In millions)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before cumulative effect of changes in accounting	$ 1,055	$ 829	$ 649
Adjustments to reconcile earnings to net cash provided by operating activities:			
Depreciation and amortization	638	680	520
Amortization of intangible assets	299	256	74
Deferred income taxes	73	165	(13)
Gain - Materials public offering	(118)	--	--
Acquisition termination fee	(50)	--	--
Changes in operating assets and liabilities:			
Receivables	(169)	80	212
Inventories	(221)	63	225
Customer advances	(42)	(246)	(62)
Other current liabilities	63	(165)	(401)
Other liabilities	(120)	(174)	(16)
Other	85	(29)	(10)
Net cash provided by operating activities	1,493	1,459	1,178
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to properties, net of purchased operations	(509)	(536)	(498)
Acquisition of GD Fort Worth Division	--	(1,521)	--
Acquisition of GE Aerospace	--	(883)	--
Other acquisition activities	(125)	(16)	(19)
Net proceeds -- Materials public offering	189	--	--
Purchases of marketable securities	--	--	(200)
Proceeds from sales of marketable securities	--	114	214
Other	(57)	34	(88)
Net cash used for investing activities	(502)	(2,808)	(591)

Lockheed Martin Corporation

Consolidated Statement of Cash Flows (continued)

	Year ended December 31, 1994	1993	1992
	(In millions)		
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	$ (7)	$ (9)	$ (2)
Increases in long-term debt	43	2,281	345
Repayments and extinguishments of long-term debt	(512)	(741)	(492)
Issuances of common stock	32	88	44
Purchases of common stock	--	--	(266)
Dividends on common stock	(214)	(215)	(204)
Dividends on preferred stock	(60)	(45)	--
Net cash (used for) provided by financing activities	(718)	1,359	(575)
Net increase in cash and cash equivalents	273	10	12
Cash and cash equivalents at beginning of year	366	356	344
Cash and cash equivalents at end of year	$ 639	$ 366	$ 356

See accompanying Notes to Consolidated Financial Statements.

Lockheed Martin Corporation

Consolidated Balance Sheet

	December 31, 1994	December 31, 1993
	(In millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 639	$ 366
Receivables	3,473	3,277
Inventories	3,159	2,614
Deferred income taxes	597	326
Other current assets	275	378
Total current assets	8,143	6,961
Property, plant and equipment	3,455	3,643
Intangible assets related to contracts and programs acquired	1,971	2,127
Cost in excess of net assets acquired	2,831	2,697
Deferred income taxes	--	283
Other assets	1,649	1,397
	$18,049	$17,108

Lockheed Martin Corporation

Consolidated Balance Sheet (continued)

	December 31, 1994	1993
	(In millions)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,306	$ 1,245
Customer advances	1,544	1,102
Salaries, benefits and payroll taxes	767	757
Income taxes	111	204
Current maturities of long-term debt	285	346
Other current liabilities	1,622	1,537
Total current liabilities	5,635	5,191
Long-term debt	3,594	4,026
Post-retirement benefit liabilities	1,756	1,719
Other liabilities	978	971
Stockholders' equity:		
Series A preferred stock, $50 liquidation preference per share	1,000	1,000
Common stock, $1 par value per share	199	198
Additional paid-in capital	734	689
Retained earnings	4,470	3,721
Unearned ESOP shares	(317)	--
Guarantee of ESOP obligations	--	(407)
	6,086	5,201
	$18,049	$17,108

See accompanying Notes to Consolidated Financial Statements.

Lockheed Martin Corporation

Consolidated Statement of Stockholders' Equity

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Unearned ESOP Shares	Guarantee of ESOP Obligations	Total Stockholders' Equity
	(In millions)						
Balance at December 31, 1991	$ --	$ 201	$ 781	$ 3,695	$ --	$ (452)	$4,225
Earnings before cumulative effect of changes in accounting	--	--	--	649	--	--	649
Cumulative effect of changes in accounting	--	--	--	(1,010)	--	--	(1,010)
Dividends declared on common stock ($1.04 per share)	--	--	--	(204)	--	--	(204)
Reduction of ESOP obligations guaranteed	--	--	--	--	--	21	21
Tax benefits from dividends paid to ESOP on unallocated shares	--	--	--	6	--	--	6
Stock awards and options exercised	--	3	58	--	--	--	61
Common shares purchased	--	(9)	(257)	--	--	--	(266)
Balance at December 31, 1992	--	195	582	3,136	--	(431)	3,482
Net earnings	--	--	--	829	--	--	829
Preferred stock issued	1,000	--	--	--	--	--	1,000
Dividends declared on preferred stock ($2.25 per share)	--	--	--	(45)	--	--	(45)
Dividends declared on common stock ($1.09 per share)	--	--	--	(215)	--	--	(215)
Reduction of ESOP obligations guaranteed	--	--	--	--	--	24	24
Tax benefits from dividends paid to ESOP on unallocated shares and stock options exercised	--	--	--	16	--	--	16
Stock awards and options exercised	--	3	107	--	--	--	110
Balance at December 31, 1993	1,000	198	689	3,721	--	(407)	5,201

Lockheed Martin Corporation

Consolidated Statement of Stockholders' Equity (continued)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Unearned ESOP Shares	Guarantee of ESOP Obligations	Total Stockholders' Equity
	(In millions)						
Balance at December 31, 1993	$1,000	$198	$689	$3,721	$ --	$(407)	$5,201
Earnings before cumulative effect of change in accounting	--	--	--	1,055	--	--	1,055
Cumulative effect of change in accounting	--	--	--	(37)	(350)	407	20
Dividends declared on preferred stock ($3.00 per share)	--	--	--	(60)	--	--	(60)
Dividends declared on common stock ($1.14 per share)	--	--	--	(214)	--	--	(214)
Reduction of ESOP unearned compensation	--	--	--	--	33	--	33
Premium on allocated ESOP shares	--	--	14	--	--	--	14
Tax benefits from stock options exercised	--	--	--	5	--	--	5
Stock awards and options exercised	--	1	31	--	--	--	32
Balance at December 31, 1994	$1,000	$199	$734	$4,470	$(317)	$ --	$6,086

See accompanying Notes to Consolidated Financial Statements.

Lockheed Martin Corporation

Notes to Consolidated Financial Statements

December 31, 1994

Note 1 -- Basis of Presentation

On August 29, 1994, Lockheed Martin Corporation, a newly formed corporation (Lockheed Martin or the Corporation), Lockheed Corporation (Lockheed) and Martin Marietta Corporation (Martin Marietta) (collectively, the Corporations) entered into an Agreement and Plan of Reorganization (the Reorganization Agreement) whereby the Corporations would merge through an exchange of stock (the Business Combination). The Business Combination was consummated after stockholders' approval on March 15, 1995.

Under the terms of the Reorganization Agreement, each outstanding share of Lockheed common stock was exchanged for 1.63 shares of Lockheed Martin common stock, each outstanding share of Martin Marietta common stock was exchanged for one share of Lockheed Martin common stock and each outstanding share of Martin Marietta's Series A preferred stock, all of which was held by General Electric Company (GE) subject to a Standstill Agreement (see Note 10), was exchanged for one share of Lockheed Martin Series A preferred stock.

The Business Combination constituted a tax-free reorganization and qualified for the pooling of interests method of accounting. Under this accounting method, the assets and liabilities of Lockheed and Martin Marietta were carried forward to Lockheed Martin at their historical recorded bases. The accompanying consolidated financial statements, which reflect the combined balance sheets, results of operations and cash flows for Lockheed Martin, have been derived from the balance sheets, results of operations and cash flows of the separate Corporations for periods before the Business Combination, combined, reclassified and conformed, as appropriate, to reflect amounts for the combined entity. Sales and earnings of the individual entities were as follows:

	As Previously Reported			
	Lockheed	Martin Marietta	Combining Adjustments	Lockheed Martin Combined
	(In millions, except per share data)			
Year ended December 31, 1994:				
Net sales	$13,130	$9,874	$(98)	$22,906
Earnings before cumulative effect of change in accounting	445	636	(26)	1,055
Earnings per share before cumulative effect of change in accounting, assuming full dilution	4.29*	5.05	--	4.83

	As Previously Reported			
	Lockheed	Martin Marietta	Combining Adjustments	Lockheed Martin Combined
	(In millions, except per share data)			
Year ended December 31, 1993:				
Net sales	$13,071	$9,436	$(110)	$22,397
Net earnings	422	450	(43)	829
Earnings per share, assuming full dilution	4.11*	3.80	--	3.75
Year ended December 31, 1992:				
Net sales	$10,100	$5,954	$ (24)	$16,030
Earnings before cumulative effect of changes in accounting	348	345	(44)	649
Earnings per share before cumulative effect of changes in accounting, assuming full dilution	3.47*	3.60	--	3.31

* Amounts for Lockheed have been adjusted for the 1.63 exchange ratio related to the Business Combination.

Combining adjustments were recorded to eliminate intercompany sales and cost of sales in each year. No adjustments were made to eliminate the related intercompany profit in ending inventories as such amounts were not material. Adjustments were also made to conform Lockheed's method of accounting for timing differences in cost recognition between Statement of Financial Accounting Standards (SFAS) No. 87, "Employers' Accounting for Pensions," and applicable government contract accounting principles to be consistent with Martin Marietta's method, and to conform Lockheed's provisions for state income taxes to Martin Marietta's methodology. Further adjustments were recorded to reflect the tax impact of these adjustments.

Adjustments were also made to conform the timing of the adoption, effective January 1, 1992, of SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 112, "Employers' Accounting for Postemployment Benefits" for the Corporation. The adoption of SFAS No. 106 resulted in a cumulative effect adjustment (net of a deferred tax benefit of $604 million) which reduced net earnings by $988 million, or $5.04 per common share assuming full dilution. Similarly, the adoption of SFAS No. 112 resulted in the recordation of a cumulative effect adjustment of $22 million, or $.11 per common share assuming full dilution.

The Corporation elected to adopt, effective January 1, 1994, the American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) No. 93-6, "Employers' Accounting for Employee Stock Ownership Plans," to account for the Employee Stock Ownership Plan (ESOP) feature of the Lockheed Salaried Savings Plan. Adoption of this accounting method resulted in a cumulative effect adjustment which reduced net earnings for 1994 by $37 million, or $.17 per common share assuming full dilution. In accordance with the provisions of the SOP, the unallocated common shares held by the ESOP trust (Unallocated ESOP Shares) have been excluded from weighted average outstanding shares in calculating earnings per share. For 1994, the weighted average Unallocated ESOP Shares excluded in calculating earnings per share totaled approximately 11.5 million equivalent shares of Lockheed Martin common stock.

The Corporation currently estimates that costs and expenses to be incurred in connection with consummating the Business Combination and integrating the operations of Lockheed and Martin Marietta could total approximately $850 million, and that a significant portion of these costs and expenses will result in charges to earnings. During the first quarter of 1995, the Corporation recorded a pre-tax charge of $165 million for merger related expenses.

Note 2 -- Summary of Significant Accounting Policies

Basis of consolidation -- The consolidated financial statements include the accounts of wholly-owned and majority-owned subsidiaries (including Lockheed and Martin Marietta). All material intercompany transactions have been eliminated in consolidation.

Cash and cash equivalents -- Cash and cash equivalents are net of outstanding checks that are funded daily as presented for payment. Cash equivalents are generally comprised of highly liquid instruments with maturities of three months or less when purchased. Due to the short maturity of these instruments, carrying value on the Corporation's consolidated balance sheet approximates fair value.

Inventories -- Inventories are stated at the lower of cost or estimated net realizable value. Costs on long-term contracts and programs in progress represent recoverable costs incurred for production, allocable operating overhead, and, for contracts and programs with the U.S. government, research and development and general and administrative expenses, less amounts attributed to cost of sales. General and administrative expenses related to commercial contracts and programs are expensed as incurred. Costs of other product and supply inventories are principally determined by the first-in, first-out (FIFO) or average cost methods.

Inventories are primarily attributable to long-term contracts or programs on which the related operating cycles are longer than one year. In accordance with industry practice, these inventories are included in current assets.

Property, plant and equipment -- Property, plant and equipment are carried principally at cost. Depreciation is provided on plant and equipment generally using accelerated methods of depreciation during the first half of the estimated useful lives of the assets; thereafter, generally straight-line depreciation is used. Estimated useful lives generally range from 8 years to 40 years for buildings and 2 years to 20 years for machinery and equipment.

Intangible Assets -- Intangible assets related to contracts and programs acquired are amortized over the estimated periods of benefit (15 years or less) and are displayed on the consolidated balance sheet net of accumulated amortization of $305 million and $152 million at December 31, 1994 and 1993, respectively. Cost in excess of net assets acquired (goodwill) is amortized ratably over appropriate periods primarily ranging from 20 to 40 years, and is displayed on the consolidated balance sheet net of accumulated amortization of $343 million and $246 million at December 31, 1994 and 1993, respectively. The carrying values of intangible assets are reviewed if the facts and circumstances indicate impairment of their carrying value, and any impairment indicated is recorded in the current period.

Environmental matters -- The Corporation records a liability for environmental matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. A substantial portion of the costs are expected to be reflected in sales and costs of sales pursuant to U.S. government agreement or regulation. At the time a liability is recorded for future environmental costs, an asset may be recorded for probable future recovery through pricing U.S. government business. The portion of those costs expected to be allocated to commercial business is reflected in costs and expenses at the time the liability is established.

Sales and earnings -- Sales under cost-reimbursement-type contracts are recorded as costs are incurred. Applicable estimated profits are included in earnings in the proportion that incurred costs bear to total estimated costs. Sales and anticipated profits under certain fixed-price contracts that require substantial performance over a long period of time before deliveries begin are accounted for under the percentage-of-completion (cost-to-cost) method.

Sales for the Atlas launch services program made principally to customers, including the U.S. government, on commercial terms, are recorded upon delivery of launch services. Cost of sales attributable to each launch is determined under the program average cost method.

Under all other contracts, sales are recorded at delivery or on completion of specific tasks and estimated contract profits are taken into earnings in proportion to recorded sales.

Incentives or penalties and awards applicable to performance on contracts are considered in estimating sales and profit rates and are recorded when there is sufficient information to assess anticipated contract performance. Some contracts include provisions for adjusting prices to reflect specification changes and other matters. For accounting purposes, periodic estimates of such adjustments are used in recording sales and costs and expenses. When adjustments in contract value or estimated costs are determined, any changes from prior estimates are reflected in earnings in the current period.

Any anticipated losses on contracts or programs are charged to earnings when identified.

Research and development and similar costs -- Corporation-sponsored research and development costs primarily include research and development and bid and proposal effort related to government products and services. Except for certain arrangements described below, these costs are generally included as part of the general and administrative costs that are allocated among all contracts and programs under U.S. government contractual arrangements. Corporation-sponsored product development costs not otherwise allocable are charged to expense when incurred. Under certain arrangements in which a customer shares in product development costs, the Corporation's portion of such unreimbursed costs is expensed as incurred. Customer-sponsored research and development costs incurred pursuant to contracts are accounted for as contract costs.

Earnings per share -- Earnings per share are based on the weighted average number of common shares outstanding during the year. For 1994, the weighted average number of common shares outstanding excluded unallocated shares held by the Lockheed Salaried ESOP (see Note 1).

Earnings per share, assuming no dilution, were computed in 1994 and 1993 based on net earnings less the dividend requirement of preferred stock. The weighted average number of common shares outstanding, assuming no dilution, was approximately 187.0 million in 1994, 196.6 million in 1993 and 196.1 million in 1992.

Fully diluted earnings per share in 1994 and 1993 assumed that the average number of common shares was increased by the conversion of preferred stock. The weighted average number of common shares outstanding, assuming full dilution, was approximately 218.3 million in 1994, 221.1 million in 1993 and 196.1 million in 1992.

Note 3 -- Acquisitions

On May 1, 1994, Martin Marietta completed its acquisition of the Space Systems Division of General Dynamics Corporation (the Space Systems Division) for cash. This transaction was accounted for under the purchase method of accounting, wherein cost in excess of net assets acquired of approximately $213 million was recognized. Operations of the Space Systems Division have been included in the Corporation's Space and Strategic Missiles segment from the closing date. Pro forma financial data related to this transaction has not been presented, based on materiality considerations.

On April 2, 1993, Martin Marietta consummated a transaction (the GE Transaction) with General Electric Company (GE) to combine the aerospace and certain other businesses of GE (collectively, the

GE Aerospace businesses) with the businesses of Martin Marietta in the form of affiliated corporations. The GE Aerospace operations have been included in the Corporation's results of operations since that date. If the GE Transaction were presented on an unaudited pro forma basis as if it had occurred as of January 1, 1993, the Corporation's 1993 net sales would increase by approximately $1 billion and net earnings would increase by less than 1.5%.

The exchange consideration of approximately $3 billion for the GE Transaction consisted of cash, preferred stock (valued at $1 billion), retention by GE of certain accounts receivable and the assumption of payment obligations related to certain GE indebtedness ($750 million). The GE Transaction was accounted for under the purchase method of accounting, wherein approximately $1.9 billion of cost in excess of net assets acquired was recognized after recording approximately $700 million relating to contracts and programs acquired and other purchase adjustments necessary to allocate the purchase price to the value of assets acquired and liabilities assumed.

Effective February 28, 1993, Lockheed acquired the tactical military aircraft business of General Dynamics Corporation (formerly, the GD Fort Worth Division) for approximately $1.5 billion in cash, plus the assumption of certain liabilities related to the business. The acquisition was accounted for under the purchase method of accounting. The excess of the purchase price over the fair value of the net assets acquired represented intangible assets related to the aircraft programs acquired and amounted to approximately $1.5 billion. Pro forma financial data for 1993 related to this transaction has not been presented based on materiality considerations.

Note 4 -- Receivables

Receivables consisted of the following components:

	1994	1993
	(In millions)	
U.S. government:		
Amounts billed	$ 984	$ 896
Unbilled costs and accrued profits	1,383	1,439
Commercial and foreign governments:		
Amounts billed	662	602
Unbilled costs and accrued profits, primarily related to foreign government contracts	444	340
	$3,473	$3,277

Unbilled costs and accrued profits consisted primarily of revenues on long-term contracts that had been recognized for accounting purposes but not yet billed to customers. The amount of these unbilled costs and accrued profits not expected to be billed within one year is not significant.

Note 5 -- Inventories

Inventories consisted of the following components:

	1994	1993
	(In millions)	
Work in process, primarily on long-term contracts and programs in progress	$ 4,678	$ 4,837
Less customer advances and progress payments	(2,172)	(3,106)
	2,506	1,731
Other inventories	653	883
	$ 3,159	$ 2,614

Customer advances and progress payments applied above are those where the customer has title to, or a security interest in, inventories identified with the related contracts. Other customer advances are classified as current liabilities. Inventories do not include any significant amounts of unamortized production costs, other deferred costs, claims or similar items subject to uncertainty concerning their realization.

An analysis of general and administrative costs, including research and development costs, included in work in process inventories follows:

	1994	1993	1992
		(In millions)	
Beginning of year	$ 499	$ 243	$ 231
Incurred during the year	1,761	1,882	1,400
Charged to costs and expenses during the year:			
Research and development	(659)	(696)	(588)
Other general and administrative	(1,121)	(930)	(800)
End of year	$ 480	$ 499	$ 243

In addition, included in costs and expenses in 1994, 1993, and 1992, were general and administrative costs, including research and development costs, of approximately $154 million, $155 million, and $145 million, respectively, incurred by commercial business units or programs.

Note 6 -- Property, Plant and Equipment

Property, plant and equipment consisted of the following components:

	1994	1993
	(In millions)	
Land	$ 332	$ 327
Buildings	2,419	2,523
Machinery and equipment	5,425	5,546
	8,176	8,396
Less accumulated depreciation and amortization	(4,721)	(4,753)
	$ 3,455	$ 3,643

Note 7 -- Debt

Long-term debt consisted of the following components:

Type (Maturity Dates)	Range of Interest Rates	1994	1993
		(In millions)	
Notes Payable:			
Fixed rate (1995-2023)	4.55 - 9.375%	$ 2,515	$ 2,640
Variable rate (1995)	*	200	200
Debentures (2011 - 2023)	7 - 7.75%	403	401
ESOP Obligations (1995-2004)	8.27 - 8.41%	382	407
Payment obligations assumed from GE (1996)	5.025%	310	622
Other obligations	6 - 9%	69	102
		3,879	4,372
Less current maturities		(285)	(346)
		$ 3,594	$ 4,026

* Interest rates vary based on the Eurodollar rate.

In February 1994, $125 million of 9.5% notes were defeased in substance (see Note 9).

Included in Notes Payable are $300 million of 9.375% notes due in 1999 which stipulate that, in the event of both a "designated event" and a related "rating decline" occurring within a specified period of time, holders of the notes may require the Corporation to redeem the notes and pay accrued interest. In general, a "designated event" occurs when any one of certain ownership, control, or capitalization changes takes place. A "rating decline" occurs when the ratings assigned to Lockheed debt are reduced below investment-grade levels.

Included in Debentures are $150 million of 7.75% obligations which may be redeemed by the Corporation at specified prices on or after April 15, 2003. Also included in Debentures are $103 million of 7% obligations which were originally sold at approximately 54% of their principal amount. These debentures, which are redeemable in whole or in part at the Corporation's option at 100% of their principal amount, bear interest at an effective rate of 13.25%.

A leveraged ESOP incorporated into the Lockheed Salaried Savings Plan (401(k)) (see Note 11) borrowed $500 million through a private placement of notes in 1989. These notes are being repaid in quarterly installments over terms ending in 2004. The ESOP note agreement stipulates that, in the event that the ratings assigned to Lockheed's long-term senior unsecured debt are below investment grade, holders of the notes may require Lockheed to purchase the notes and pay accrued interest. These notes are obligations of the ESOP but guaranteed by Lockheed and are reported as debt on the Corporation's consolidated balance sheet.

The Corporation's long-term debt maturities for the five years following December 31, 1994, are: $285 million in 1995; $723 million in 1996; $163 million in 1997; $375 million in 1998; and $351 million in 1999.

Certain of the financing agreements of the Corporation contain certain restrictive covenants relating to debt, requirements for limitations on encumbrances and on sale and lease-back transactions, and provisions which relate to certain changes in control.

Statement of Financial Accounting Standards (SFAS) No. 107, "Disclosures about Fair Value of Financial Instruments," and SFAS No. 119, "Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments," require the disclosure of the fair value of financial instruments, both assets and liabilities recognized and not recognized on the consolidated balance sheet, for which it is practicable to estimate fair value. Unless otherwise indicated elsewhere in the notes to the consolidated financial statements, the carrying value of the Corporation's financial instruments approximates fair value. The estimated fair values of the Corporation's long-term debt instruments at December 31, 1994, aggregated $3,815 million, compared with a carrying amount of $3,879 million on the consolidated balance sheet. The fair values were estimated based on quoted market prices for those instruments publicly traded. For privately placed debt, the fair values were estimated based on the quoted market prices for the same or similar issues, or on current rates offered to the Corporation for debt of the same remaining maturities.

On March 15, 1995, the Corporation entered into a revolving credit agreement (the Credit Agreement) with a group of domestic and foreign banks. The Credit Agreement makes available $1.5 billion through March 14, 2000. Borrowings under the Credit Agreement would be unsecured and bear interest, at the Corporation's option, at rates based on the Eurodollar rate or a bank base rate (as defined). The Credit Agreement contains a financial covenant relating to leverage, and provisions which relate to certain changes in control. Borrowings under the Credit Agreement would be unconditionally guaranteed by Lockheed, Martin Marietta, and Martin Marietta Technologies, Inc. (Technologies), a wholly-owned subsidiary of Martin Marietta. There have been no borrowings under the Credit Agreement.

Prior to the Business Combination, Lockheed had a $1 billion credit facility and Technologies had a $800 million credit facility, both with substantially the same terms and conditions as the Credit Agreement. The existing credit facilities of Lockheed and Technologies were terminated immediately prior to the consummation of the Business Combination.

Interest payments were $276 million in 1994, $262 million in 1993 and $162 million in 1992.

Note 8 -- Income Taxes

Effective January 1, 1992, the Corporation adopted Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." The impact of adopting this standard on the Corporation's earnings and financial position was not material. Deferred income tax assets and liabilities on the consolidated balance sheet reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. SFAS 109 requires a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Corporation has no deferred tax assets which require a valuation allowance.

The provision for federal and foreign income taxes consisted of the following components:

	1994	1993	1992
	(In millions)		
Federal income taxes:			
Current	$538	$304	$361
Deferred	73	165	(13)
Total federal income taxes	611	469	348
Foreign income taxes	9	8	7
Total income taxes provided	$620	$477	$355

Net provisions for state income taxes are included in general and administrative expenses, which are primarily allocable to government contracts. Such state income taxes were $50 million for 1994, $86 million for 1993, and $84 million for 1992.

All of the pretax earnings shown in the Corporation's consolidated statement of earnings were included in the computation of the provision for U.S. federal income tax.

The Corporation's effective income tax rate varied from the statutory federal income tax rate because of the following tax differences:

	1994	1993	1992
Statutory tax rate	35.0%	35.0%	34.0%
Increase (reduction) in tax rate from:			
Nondeductible amortization	2.1	2.0	1.3
Revisions to prior years' estimated liabilities	(.9)	1.2	(.1)
Other, net	.8	(1.7)	.2
	37.0%	36.5%	35.4%

The primary components of the Corporation's deferred income tax assets and liabilities at December 31 were as follows:

	1994	1993
	(In millions)	
Deferred tax assets related to:		
Accumulated post-retirement benefit obligations	$ 731	$ 697
Accrued compensation and benefits	376	282
Contract accounting methods	126	116
Financial reserves	102	112
Other	36	82
	1,371	1,289

Deferred tax liabilities related to:		
Intangible assets	558	472
Property, plant and equipment	280	208
	838	680
Net deferred tax assets	$ 533	$ 609

Income tax payments were $514 million in 1994, $491 million in 1993 and $402 million in 1992.

Note 9 -- Other Income and Expenses

Other income and expenses, net consisted of the following components:

	1994	1993	1992
	(In millions)		
Gain--Materials public offering	$ 118	$ --	$ --
Royalty income	59	33	18
Acquisition termination fee	50	--	--
Interest income	34	22	44
Other	(61)	(11)	(20)
	$ 200	$ 44	$ 42

In February 1994, Martin Marietta Materials, Inc. (Materials) sold through an initial public offering approximately 8.8 million shares of its common stock. After the offering, Technologies owns approximately 81% of the outstanding stock of Materials. Minority interest of $71 million is included in other liabilities at December 31, 1994. A portion of the proceeds from the offering was used to defease in substance $125 million of 9.5% Notes. Technologies recognized a pretax gain, net of a loss on debt defeasance, of $118 million from Materials' initial public offering. The net after-tax gain from these transactions was $70 million, or $.32 per share assuming full dilution.

During March 1994, Martin Marietta entered into an Agreement and Plan of Merger with Grumman Corporation (Grumman) and made an offer to purchase for cash all outstanding shares of common stock of Grumman. Subsequently, Grumman reached agreement with and accepted Northrop Corporation's competing offer to purchase its outstanding common shares. In April 1994, the Corporation received $50 million plus reimbursement of expenses from Grumman pursuant to the termination provisions of the Agreement and Plan of Merger.

Note 10 -- Stockholders' Equity and Related Items

Capital structure -- The authorized capital structure of the Corporation is composed of 750 million shares of common stock (199 million shares issued), 50 million shares of series preferred stock (no shares issued), and 20 million shares of Series A preferred stock (20 million shares issued).

The Series A preferred stock has a par value of $1 per share (liquidation preference of $50 per share). As part of the consideration for the GE Transaction, Martin Marietta issued to GE all of the authorized and outstanding shares of Series A preferred stock of Martin Marietta. Under the terms of the Business Combination, each outstanding share of Martin Marietta's Series A preferred stock was exchanged for one share of Lockheed Martin Series A preferred stock. Dividends are cumulative and paid at an annual rate of $3.00 per share, or 6%. The shares held by GE are convertible into approximately 13% of the shares of the Corporation's common stock after giving effect to such conversion, and have an aggregate liquidation preference of $1 billion. The Series A preferred stock is nonvoting except in special circumstances. The Series A preferred stock is held under a Standstill Agreement. Among other things, the Standstill Agreement imposes certain limitations on either the increase or disposal of GE's interest in voting securities of the Corporation, on GE's solicitation of proxies and stockholder proposals, on GE's voting of its shares and on GE's ability to place or remove members of the Corporation's Board of Directors. In addition, the Standstill Agreement requires the Corporation to recommend to its shareholders the election of two persons designated by GE to serve as directors of the Corporation.

Under Maryland General Corporation Law, shares of common stock reacquired by a Corporation constitute unissued shares. For financial reporting purposes, reacquired shares are recorded as reductions to issued common stock and to additional paid-in capital.

Stock option and award plans -- On March 15, 1995, the stockholders approved the Lockheed Martin 1995 Omnibus Performance Award Plan (Omnibus Plan). Under the Omnibus Plan, employees of the Corporation may be granted stock-based incentive awards, including options to purchase common stock, stock appreciation rights, restricted stock or other stock-based incentive awards. Employees may also be granted cash-based incentive awards, such as performance units. These awards may be granted either singly or in combination with other awards. Options to purchase common stock will be at an exercise price of not less than 100% of the market value of the underlying stock on the date of grant. The number of shares of Lockheed Martin common stock that may be issued in respect of awards under the Omnibus Plan will not exceed 12 million shares. The Omnibus Plan does not impose any minimum vesting periods on options or other awards. The maximum term of an option or any other award is ten years. The Omnibus Plan allows the Corporation to provide for financing of purchases, subject to certain conditions, by interest-bearing notes payable to the Corporation.

Prior to the Business Combination, Lockheed and Martin Marietta had also utilized share-based and cash-based incentive award plans. Under the terms of certain of these plans, consummation of the Business Combination resulted in the acceleration of payment of certain benefits that would otherwise have been payable over time, early vesting of certain benefits that would otherwise not be fully vested, and, in some cases, the use of modified formulas for calculating the amounts of such benefits. In addition, the Reorganization Agreement provided for each outstanding stock option, stock appreciation right and other stock-based incentive award to be converted into a similar instrument of Lockheed Martin upon consummation of the Business Combination.

The following table summarizes the stock option activity under the Lockheed and Martin Marietta plans during 1994:

	Number of Shares		
	Available for Grant	Options Outstanding	Option Price Range
December 31, 1993	3,783,523	8,468,935	$19.595 - $44.500
Additions	2,119,116	--	--
Options granted	(2,402,665)	2,397,665	38.767 - 44.875
Exercised	--	(1,462,946)	19.750 - 40.375
Terminated	151,785	(159,485)	19.938 - 44.875
December 31, 1994	3,651,759	9,244,169	$19.595 - $44.875

At December 31, 1994, 5,241,092 options outstanding were exercisable. Due to the consummation of the Business Combination and the passage of time, 7,303,818 options outstanding were exercisable at March 31, 1995.

Note 11 -- Post-Retirement Benefit Plans

The Corporation maintains separate plans for post-retirement benefits for Lockheed and Martin Marietta, and in some cases, benefit plans vary for corporations owned by these two subsidiaries.

DEFINED CONTRIBUTION PLANS

The Corporation maintains a number of contributory 401(k) savings plans for salaried employees (the Salaried Plans) and hourly employees (the Hourly Plans) which cover substantially all employees.

The Lockheed Salaried Plans -- In 1989, a leveraged Employee Stock Ownership Plan (ESOP) was created and incorporated into the Lockheed Salaried Plan. The ESOP purchased approximately 17.4 million shares of the Corporation's common stock with the proceeds from a $500 million note issue which is guaranteed by Lockheed (see Note 7). These shares are held in a suspense account in a salaried ESOP awaiting release and allocation to participants as described below. As a result of the Business Combination, each share of Lockheed common stock was exchanged for 1.63 shares of Lockheed Martin common stock; throughout this discussion, the number of shares of Lockheed common stock have been adjusted for the conversion to Lockheed Martin common shares.

Under provisions of the Lockheed Salaried Plan, employees' eligible contributions are matched by the Corporation at an established rate. The Corporation's matching obligation is accounted for as compensation expense and was $103 million in 1994, $104 million in 1993, and $91 million in 1992.

Since January 1992, one half of the Corporation match has consisted of cash contributions to employee-selected investment options (including Lockheed stock) and one half of the Corporation match has consisted of Lockheed stock. The Lockheed stock portion of the matching obligation is fulfilled, in part, with stock released from the suspense account at approximately 1.2 million shares per year based upon the debt repayment schedule through the year 2004. The balance of the stock portion of the matching obligation is fulfilled through purchases of Lockheed stock from retiring participants or on the open market.

Corporation payments to the Lockheed salaried ESOP trust for the stock portion of the matching obligation consist of matching funds and dividends on the unallocated shares, adjusted by an amount (Cash Requirements Adjustment) sufficient to allow total cash payments to fully service the ESOP debt and meet the Corporation's matching obligation to employees that is not otherwise satisfied through the allocation of suspense account shares. In 1993 and 1992, the effects on earnings of the Cash Requirements Adjustments were not significant.

Effective for 1994, the Corporation adopted SOP No. 93-6. Under this accounting, the cost of the ESOP includes the interest paid by the ESOP trust to service the debt (approximately $33 million). The Cash Requirements Adjustment in 1994 insignificantly affected the measurement of additional paid-in capital resulting from the release of suspense account shares. The impact of the ESOP on the Corporation also included special tax benefits on dividends paid on allocated and unallocated ESOP shares which produced insignificant adjustments to retained earnings in 1993 and 1992, and an insignificant adjustment to income tax expense for 1994.

The Lockheed salaried ESOP trust held approximately 23 million issued shares of the Corporation's common stock at December 31, 1994, and approximately 24 million shares at December 31, 1993 and 1992, representing about 11 percent, 12 percent, and 13 percent of the total Lockheed Martin common shares outstanding, respectively. The 23 million shares held at December 31, 1994 consisted of approximately 12 million allocated shares and 11 million unallocated shares, including an insignificant number of unallocated shares committed to be allocated after year-end. The unallocated shares are outstanding for voting, dividends and other Corporate purposes, but are not included as outstanding shares in earnings per share calculations under SOP No. 93-6. The fair value of the unreleased ESOP shares at December 31, 1994 was approximately $483 million.

The Lockheed Hourly Plans -- In 1990, ESOPs were created and incorporated into the Lockheed Hourly Plans. The Corporation matches an established rate of participating employees' eligible contributions to the Hourly Plans through payments to an ESOP trust. The Corporation's match consists of Lockheed stock purchased by the ESOPs on the open market and from retiring participants. The required match, which is reported as compensation expense, was $12 million in 1994, $15 million in 1993, and $16 million in 1992. The hourly ESOP trust held approximately two million issued and outstanding shares of the Corporation's common stock at December 31, 1994.

Dividends on Allocated Shares -- Dividends paid to the Lockheed salaried and hourly ESOP trusts on the allocated shares are paid by check annually by the ESOP trusts to the participants based upon the number of shares allocated to each participant.

The Martin Marietta Plans -- Martin Marietta sponsors a number of contributory 401(k) savings plans which cover substantially all employees. Under the provisions of the plans, certain contributions of eligible employees are matched by the Corporation at an established rate. The Corporation's contributions for the years ended December 31, 1994, 1993 and 1992 were $77 million, $48 million and $16 million, respectively. Plan assets at December 31, 1994, which are held in a master trust, included approximately 8.5 million shares of the Corporation's common stock.

DEFINED BENEFIT PLANS

Most employees are covered by contributory or noncontributory defined benefit pension plans. Benefits for salaried plans are generally based on average compensation and years of service, while those for hourly plans are based on negotiated benefits and years of service. Substantially all benefits are paid from funds previously provided to trustees. The Corporation's funding policy is to make contributions that are consistent with U.S. government cost allowability and Internal Revenue Service deductibility requirements, subject to the full-funding limits of the Employee Retirement Income Security Act of 1974 (ERISA). When any funded plan exceeds the full-funding limits of ERISA, no contribution is made to that plan.

The net pension cost of the Corporation's defined benefit plans includes the following components:

	1994	1993	1992
	(In millions)		
Service cost--benefits earned during the year	$ 440	$ 386	$ 292
Interest cost	842	807	622
Net amortization and other components	(1,060)	326	(292)
Actual return on assets	64	(1,259)	(434)
Employee contributions	(3)	(3)	(3)
Net pension cost	$ 283	$ 257	$ 185

The increase in net pension cost in 1993 from 1992 reflects costs associated with the acquisitions of the Fort Worth Division of General Dynamics and the GE Aerospace businesses.

The following table sets forth the defined benefit plans' funded status and amounts recognized in the Corporation's consolidated balance sheet as of December 31:

	1994	1993
	(In millions)	
Plan assets at fair value	$ 11,845	$ 12,371
Actuarial present value of benefit obligations:		
Vested	$ 9,423	$ 10,073
Non-vested	118	143
Accumulated benefit obligation	9,541	10,216
Effect of projected future salary increases	1,330	1,642
Projected benefit obligation (PBO)	10,871	11,858
Plan assets greater than PBO	974	513
Reconciling items:		
Unrecognized net asset existing at the date of initial application of SFAS No. 87	(369)	(459)
Unrecognized prior-service cost	584	306
Unrecognized (gain)	(984)	(91)
Prepaid pension cost	$ 205	$ 269

The changes in 1994 from 1993 resulted from a decrease in the accumulated benefit obligation primarily due to a higher discount rate, offset, in part, by benefit payments in 1994. The fair value of plan assets for Lockheed and Martin Marietta exceeded the respective accumulated benefit obligations for each year presented above. The fair value of plan assets for Lockheed exceeded the projected benefit obligation (PBO) by $1,103 million and $705 million at December 31, 1994 and 1993, respectively. The PBO for Martin Marietta exceeded the fair value of plan assets by $129 million and $192 million, respectively, at those dates.

At December 31, 1994, approximately 49 percent of the Lockheed plan assets were equity securities and the rest were primarily fixed income securities; approximately 44 percent of the Martin Marietta plan assets were equity securities and the rest were primarily fixed income securities and cash equivalents. Actuarial determinations were based on various assumptions displayed in the following table. Net pension costs in 1994, 1993, and 1992 were based on assumptions in effect at the end of the respective preceding year. Benefit obligations as of each year-end were based on assumptions in effect as of those dates.

	1994	1993	1992
Assumptions used at December 31:			
Plan discount rates	8.25-8.50%	7.0-7.5%	6.3-8.0%
Rates of increase in future compensation levels	5.5-6.0%	6.0%	6.0-7.0%
Expected long-term rate of return on assets	8.0-8.75%	8.0-8.75%	8.0%

RETIREE MEDICAL AND LIFE INSURANCE PLANS

Certain health care and life insurance benefits are provided to eligible retirees by the Corporation or its subsidiaries. These benefits are paid by the Corporation or funded through several trusts.

Upon adopting SFAS No. 106, effective the beginning of fiscal 1992, the Corporation elected to record the transition obligation (present value of future retiree medical benefits attributed to years prior to 1992) on the immediate recognition basis (see Note 1). Under the accrual accounting method of SFAS No. 106, the present value of the actuarially determined expected future cost of providing medical benefits is attributed to each year of employee service. The service and interest cost recognized each year is added to the accumulated retiree medical benefit obligation.

The net periodic post-retirement benefit cost for the years ending December 31, included the following components:

	1994	1993	1992
	(In millions)		
Service cost--benefits earned during the year	$ 54	$ 47	$ 28
Interest cost	164	153	129
Net amortization and other components	(29)	11	(9)
Actual return on assets	(3)	(35)	(6)
Curtailment gain	(21)	(28)	--
Net periodic cost	$ 165	$ 148	$ 142

Since 1988, the Corporation has made contributions to irrevocable trusts (including Voluntary Employees' Beneficiary Association (VEBA) trusts and 401(h) accounts) established to pay future medical benefits to eligible Martin Marietta retirees and dependents. At December 31, 1994, plan assets were invested principally in listed stocks and bonds and cash equivalents. For Lockheed retiree medical benefits, a VEBA trust was established and began receiving funding in 1991, and other trusts established under Internal Revenue Service (IRS) regulations began receiving funding in 1992. At December 31, 1994, plan assets were invested principally in listed stocks and fixed income securities.

The following table sets forth the post-retirement benefit plans' obligations and funded status as of December 31:

	1994	1993
	(In millions)	
Plan assets at fair value	$ 423	$ 393
Actuarial present value of benefit obligations:		
Active employees, eligible to retire	$ 371	$ 300
Active employees, not eligible to retire	402	623
Former employees	1,480	1,470
Accumulated post-retirement benefit obligation (APBO)	$2,253	$2,393
Assets less than APBO	$1,830	$2,000
Unrecognized prior service cost	(5)	7
Unrecognized (gain) loss	24	(169)
Post-retirement benefit unfunded liability	$1,849	$1,838

The decline in the APBO from 1993 to 1994 was primarily due to a higher discount rate at year-end 1994.

Actuarial determinations were based on various assumptions displayed in the following table. Net retiree medical costs for 1994, 1993, and 1992 were based on assumptions in effect at the end of the respective preceding years. Benefit obligations as of the end of each year reflect assumptions in effect as of those dates.

	1994	1993	1992
Assumptions used at December 31:			
Plan discount rates	8.25-8.5%	7.0-7.5%	6.3-8.25%
Expected long-term rate of return on assets	8.0-8.75%	8.0-8.75%	8.0%

The following table presents the medical trend rates for the plans:

	1994	1993	1992
Initial:			
Lockheed early retirees (pre-65)	11.0%	13.0%	13.0%
Lockheed other retirees	6.0%	9.0%	10.0%
Martin Marietta retirees	7.5%	7.5%	7.5%
Ultimate Lockheed (20 years and after)			
Early	5.0%	5.0%	6.0%
Other	2.0%	2.0%	2.0%
Ultimate Martin Marietta (7 years and after)	4.5%	4.5%	4.5%

An increase of one percentage point in the assumed medical trend rates would result in an increase in the APBO of approximately 8.6% at December 31, 1994, and a 1994 post-retirement benefit cost increase of approximately 10.1%. The Corporation believes that the cost containment features it has previously adopted and the funding approaches underway will allow it to effectively manage its retiree medical expenses, but it will continue to monitor the costs of retiree medical benefits and may further modify the plans if circumstances warrant.

Note 12 -- Leases

Total rental expenses under operating leases, net of immaterial amounts of sublease rentals and contingent rentals, were $265 million, $257 million, and $197 million for 1994, 1993, and 1992, respectively.

Future minimum lease commitments at December 31, 1994, for all operating leases that have a remaining term of more than one year were $863 million ($193 million in 1995, $153 million in 1996, $114 million in 1997, $96 million in 1998, $84 million in 1999, and $223 million in later years). Certain major plant facilities and equipment are furnished by the U.S. government under short-term or cancelable arrangements.

Note 13 -- Commitments and Contingencies

The Corporation or its subsidiaries are parties or have property subject to litigation and other proceedings, including matters arising under provisions relating to the protection of the environment, that have the potential to affect the results of the Corporation's operations or its financial position. These matters include the following items.

Environmental Matters -- In March 1991, Lockheed entered into a consent decree with the U.S. Environmental Protection Agency (EPA) relating to certain property in Burbank, California, which obligates the Corporation to design and construct facilities to monitor, extract, and treat groundwater and operate and maintain such facilities for approximately eight years. The Corporation estimates that expenditures required to comply with the terms of the consent decree over the remaining term of the project will be approximately $90 million.

Lockheed has also been operating under a cleanup and abatement order from the California Regional Water Quality Control Board affecting its facilities in Burbank, California. This order requires site assessment and action to abate groundwater contamination by a combination of groundwater and soil cleanup and treatment. Based on experience derived from initial remediation activities, the Corporation estimates the anticipated costs of these actions in excess of the requirements under the EPA consent decree to approximate $155 million over the remaining term of the project; however, this estimate is likely to change as work progresses and as additional experience is gained.

In addition, the Corporation is involved in several other proceedings and potential proceedings relating to environmental matters, including disposal of hazardous wastes and soil and water contamination. The Corporation has not incurred any material costs relating to these environmental matters. The extent of the Corporation's financial exposure cannot in all cases be reasonably estimated at this time. A liability of approximately $250 million for those cases in which an estimate of financial exposure can be determined has been recorded.

Under an agreement with the U.S. government, the Burbank groundwater treatment and soil remediation expenditures referenced above are being allocated to the Corporation's operations as general and administrative costs and, under existing government regulations, these and other environmental expenditures related to U.S. government business, after deducting any recoveries from insurance or other responsible parties, are allowable in establishing the prices of the Corporation's products and services. As a result, a substantial portion of the expenditures will be reflected in the Corporation's sales and cost of sales pursuant to U.S. government agreement or regulation. The Corporation has recorded a liability for probable future environmental costs as discussed above, and has recorded an asset for probable future recovery of the portion of these costs in pricing of the Corporation's products and services for U.S. government business. The portion that is expected to be allocated to commercial business has been reflected in cost of sales. The recorded amounts do not reflect the possible recovery of portions of the environmental costs through insurance policy coverage or from other potentially responsible parties to the contamination, which the Corporation is pursuing as required by agreement and U.S. government regulation. Any such recoveries, when received, would reduce the Corporation's liability as well as the allocated amounts to be included in the Corporation's U.S. government sales and cost of sales.

Legal Proceedings -- On June 22, 1994, an indictment was returned by a federal grand jury sitting in Atlanta, Georgia, against Lockheed and two of its employees. The indictment charged that Lockheed and the two employees, one of whom was a regional vice president of one of Lockheed's subsidiaries and the other a divisional director of sales for the Middle East and North Africa, violated the Foreign Corrupt Practices Act (FCPA), conspired to violate the FCPA, conspired to commit wire fraud, and impaired and impeded agencies of the United States Department of Defense. The indictment related to allegations that Lockheed retained a sales and marketing consultant in Egypt who was a member of the Egyptian Parliament, and that the consultant received retainer payments and a $1 million contract termination payment in connection with the sale by Lockheed of three C- 130 Hercules aircraft, in violation of the FCPA.

By letter dated August 18, 1994, the Acting Assistant Secretary, Department of State, Bureau of Political-Military Affairs (State Department) advised Lockheed that it would be the State Department's policy prospectively to deny defense-related export privileges to Lockheed Aeronautical Systems Corporation (LASC), a division of Lockheed. The State Department, referring to Sections 38, 39 and 42 of the Arms Export Control Act (22 U.S.C. Sections 2778, 2779 and 2791) announced that its action arose from the June 22, 1994, indictment discussed above. The State Department announced that its action is confined to LASC and does not affect any other divisions or subsidiaries of Lockheed, although it is possible that the State Department could expand its action in the future to cover Lockheed or other divisions of Lockheed or the Corporation or any of its divisions. Moreover, the State Department announced that the action does not apply to any approvals granted to LASC's programs before June 22, 1994, but rather to future export license applications. Lockheed may seek exceptions to the announced policy on a case-by-case basis at the discretion of the State Department, Office of Defense Controls, which must consider United States foreign policy and national security interests, as well as law enforcement concerns. There is no stated time frame within which the State Department must review an exception request. Lockheed has submitted written exception requests on several major aircraft programs. The State Department has granted these requests in a timely manner consistent with Lockheed's business plans. There can be no assurances as to how long the State Department will take to review any future exception requests or whether any other exceptions will be granted.

On January 27, 1995, Lockheed and the United States of America entered into a plea agreement pursuant to which Lockheed agreed to plead guilty to one count of conspiring to violate the bribery provisions of the FCPA and conspiring to falsify its books, records and accounts. All other counts of the indictment referred to above were dismissed. To the knowledge of the Corporation's management and counsel, no directors or executive officers of the Corporation have been or will be indicted in connection with this matter. Lockheed agreed to pay the U.S. Government $24.8 million, which was reflected as a charge against earnings in the fourth quarter of 1994, consisting of a fine of $21.8 million and a civil settlement of $3 million. The United States Attorney's Office stated that Lockheed fully cooperated in its efforts to gather documents and in making witnesses available during the course of the investigation. The plea agreement does not preclude the possibility that the Department of Defense, the State Department, or the Securities and Exchange Commission may take further action against Lockheed or the Corporation or any of their divisions as a result of Lockheed's guilty plea, which could include the possibility of suspension or debarment from future government contracting. The Corporation is cooperating with these regulatory agencies to satisfy their concerns. The Corporation is also in the process of reviewing its relationships with all international sales and marketing consultants to assure compliance with its policies.

The Corporation or its subsidiaries are parties or have property subject to litigation and other proceedings, including matters arising under provisions relating to the protection of the environment, in addition to those described above. In the opinion of management and counsel, the probability is remote that the outcome of litigation and proceedings will have a material adverse effect on the results of the Corporation's operations or its financial position.

Letters of Credit and Other Matters -- The Corporation has entered into standby letter of credit agreements and other arrangements with financial institutions primarily relating to the guarantee of future performance on certain contracts. At December 31, 1994, the Corporation had contingent liabilities on outstanding letters of credit, guarantees, and other arrangements aggregating approximately $533 million.

At December 31, 1994, Lockheed Finance Corporation (LFC) had entered into approximately $320 million in interest rate swap agreements to reduce the impact of changes in interest rates on its operations. The effect of these agreements is that the aggregate of the carrying value of LFC's financial instruments approximates their fair market value. LFC is exposed to credit loss, to the extent of future interest rate differentials, in the event of nonperformance by the intermediaries to the interest rate swap agreements. The Corporation does not anticipate nonperformance by the intermediaries.

Note 14 -- Information on Industry Segments and Major Customers

The Corporation operates in four principal business segments: Aeronautics, Space and Strategic Missiles, Electronics, and Information and Technology Services. All other activities of the Corporation fall within the Energy, Materials and Other segment.

Aeronautics -- Engaged in the design, development, engineering and production of fighter/bomber, special mission and high performance aircraft; systems for military operations, airlift, antisubmarine warfare, and reconnaissance and surveillance; aircraft controls and subsystems (thrust reversers); and aircraft modification and maintenance for military and civilian customers.

Space and Strategic Missiles -- Engaged in the design, development, engineering and production of civil, commercial and military space launch vehicles, satellites, spacecraft, strategic fleet ballistic missiles, tactical defense missiles, space- and ground-based strategic systems, and surface- and space-based information and communications systems.

Electronics -- Engaged in the design, development, engineering and production of high-performance electronic systems for undersea, shipboard, land-based and airborne applications. Major product lines include advanced technology missiles, night navigation and targeting systems for aircraft; submarine and surface ship combat systems; airborne, ship- and land-based radar; radio frequency, infrared, and electro-optic countermeasures systems; surveillance systems; control systems; ordnance; and aircraft component manufacturing and assembly.

Information and Technology Services -- Engaged in the design, development, integration and operation of information systems for government and commercial applications; provides technical and management services, including engineering, operation and maintenance of radar, telemetry communications and instrumentation systems, space shuttle processing and production of the space shuttle external tank and associated electronics and instrumentation.

Energy, Materials and Other -- The Corporation also manages certain facilities for the U.S. Department of Energy. The contractual arrangements provide for the Corporation to be reimbursed for the cost of operations and receive a fee for performing management services. The Corporation reflects only the management fee in its sales and earnings for these government-owned facilities. In addition, applicable employee benefit plans are separate from the Corporation's plans. The Corporation also provides construction aggregates and specialty chemical products to commercial and civil customers, provides environmental remediation services to commercial and U.S. government customers, and has investments in airport development and management as well as other businesses.

SELECTED FINANCIAL DATA BY BUSINESS SEGMENT

	1994	1993	1992
	(In millions)		
Net sales			
Aeronautics	$ 7,091	$ 6,601	$ 3,489
Space and Strategic Missiles	6,719	7,293	7,276
Electronics	4,055	4,092	2,141
Information and Technology Services	4,271	3,712	2,475
Energy, Materials and Other	770	699	649
	$ 22,906	$ 22,397	$ 16,030

	1994	1993	1992
	(In millions)		
Operating profit			
Aeronautics	$ 511	$ 479	$ 254
Space and Strategic Missiles	476	507	544
Electronics	456	331	164
Information and Technology Services	228	145	111
Energy, Materials and Other	308	122	108
	$ 1,979	$ 1,584	$ 1,181
Depreciation and amortization			
Aeronautics	$ 126	$ 137	$ 115
Space and Strategic Missiles	217	218	178
Electronics	139	161	95
Information and Technology Services	77	92	68
Energy, Materials and Other	79	72	64
	$ 638	$ 680	$ 520
Expenditures for property, plant and equipment			
Aeronautics	$ 96	$ 155	$ 148
Space and Strategic Missiles	175	163	174
Electronics	101	77	77
Information and Technology Services	67	77	46
Energy, Materials and Other	70	64	53
	$ 509	$ 536	$ 498
Identifiable assets			
Aeronautics	$ 4,591	$ 5,119	$ 2,709
Space and Strategic Missiles	4,195	3,341	2,778
Electronics	3,338	3,485	1,731
Information and Technology Services	2,450	2,138	1,031
Energy, Materials and Other	3,475	3,025	2,578
	$18,049	$ 17,108	$ 10,827

SALES BY CUSTOMER CATEGORY

	1994	1993	1992
	(In millions)		
U.S. government*			
Aeronautics	$ 4,970	$ 4,937	$ 2,620
Space and Strategic Missiles	5,594	6,663	7,066
Electronics	2,999	3,042	1,781
Information and Technology Services	2,849	2,737	1,738
Energy, Materials and Other	152	118	99
	$ 16,564	$17,497	$13,304
Foreign governments			
Aeronautics	$ 1,958	$ 1,408	$ 595
Space and Strategic Missiles	290	282	172
Electronics	703	665	299
Information and Technology Services	155	9	6
Energy, Materials and Other	--	--	--
	$ 3,106	$ 2,364	$ 1,072
Commercial			
Aeronautics	$ 163	$ 256	$ 274
Space and Strategic Missiles	835	348	38
Electronics	353	385	61
Information and Technology Services	1,267	966	731
Energy, Materials and Other	618	581	550
	$ 3,236	$ 2,536	$ 1,654

* Sales made to foreign governments through the U.S. government are included in sales to foreign governments.

Export sales were $3.6 billion, $2.8 billion, and $1.1 billion in 1994, 1993, and 1992, respectively.

Note 15 -- Summary of Quarterly Information (Unaudited)

	1994 Quarters			
	First *	Second	Third	Fourth
	(In millions, except per share data)			
Net sales	$5,036	$5,562	$5,704	$6,604
Earnings from operations	402	453	443	481
Earnings before cumulative effect of change in accounting	272	259	254	270
Earnings per common share before cumulative effect of change in accounting, assuming full dilution	1.25	1.19	1.16	1.23

	1993 Quarters **			
	First	Second	Third	Fourth
	(In millions, except per share data)			
Net sales	$3,649	$5,935	$5,913	$6,900
Earnings from operations	273	400	416	451
Net earnings	143	206	237	243
Earnings per common share, assuming full dilution	.73	.90	1.04	1.06

* First quarter 1994 earnings exclude the cumulative effect of the change in accounting for ESOP resulting from the adoption of SOP No. 93-6. The cumulative effect reduced net earnings by $37 million, or $.17 per common share assuming full dilution.

** The sum of per share earnings by quarter for 1993 does not equal earnings per share for the year because the average number of shares outstanding increased during the second quarter of 1993 as a result of the assumed conversion of the Series A preferred stock.

Lockheed Martin Corporation

Consolidated Financial Data

Five Year Summary

(in millions, except per share)

	1994	1993	1992	1991	1990
Operating Results					
Net sales	$ 22,906	$ 22,397	$ 16,030	$ 15,871	$ 16,089
Costs and expenses	21,127	20,857	14,891	14,767	15,178
Earnings from Operations	1,779	1,540	1,139	1,104	911
Other income and expenses, net	200	44	42	(49)	34
	1,979	1,584	1,181	1,055	945
Interest expense	304	278	177	176	180
Earnings before income taxes and cumulative effect of changes in accounting	1,675	1,306	1,004	879	765
Income tax expense	620	477	355	261	161
Earnings before cumulative effect of changes in accounting	1,055	829	649	618	604
Cumulative effect of changes in accounting	(37)	--	(1,010)	--	--
Net Earnings (Loss)	$ 1,018	$ 829	$ (361)	$ 618	$ 604
Per Common Share					
Assuming no dilution:					
Before cumulative effect of changes in accounting	$ 5.32	$ 3.99	$ 3.31	$ 3.05	$ 2.97
Cumulative effect of changes in accounting	(.20)	--	(5.15)	--	--
	$ 5.12	$ 3.99	$ (1.84)	$ 3.05	$ 2.97
Assuming full dilution:					
Before cumulative effect of changes in accounting	$ 4.83	$ 3.75	$ 3.31	$ 3.05	$ 2.97
Cumulative effect of changes in accounting	(.17)	--	(5.15)	--	--
	$ 4.66	$ 3.75	$ (1.84)	$ 3.05	$ 2.97
Cash Dividends	$ 1.14	$ 1.09	$ 1.04	$ .98	$ .90
Condensed Balance Sheet Data					
Current assets	$ 8,143	$ 6,961	$ 5,157	$ 5,553	$ 5,442
Property, plant and equipment	3,455	3,643	3,139	3,155	3,200
Intangible assets related to contracts and programs acquired	1,971	2,127	42	52	59
Cost in excess of net assets acquired	2,831	2,697	841	864	882
Deferred income taxes	--	283	392	--	49
Other assets	1,649	1,397	1,256	895	834
Total	$ 18,049	$ 17,108	$ 10,827	$ 10,519	$ 10,466
Current liabilities--other	$ 5,350	$ 4,845	$ 3,176	$ 3,833	$ 4,235
Current maturities of long-term debt	285	346	327	298	30
Long-term debt	3,594	4,026	1,803	1,997	2,392
Post-retirement benefit liabilities	1,756	1,719	1,579	54	--
Other liabilities	978	971	460	112	38
Stockholders' equity	6,086	5,201	3,482	4,225	3,771
Total	$ 18,049	$ 17,108	$ 10,827	$ 10,519	$ 10,466
Common Shares Outstanding at year end	199.1	197.9	194.1	201.4	200.7

EXHIBIT 23

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement Number 33-58067 of Lockheed Martin Corporation on Form S-3, dated March 14, 1995;

(2) Registration Statement Numbers: 33-58073, 33-58075, 33-58077, 33-58079, 33-58081, 33-58083, 33-58085, 33-58089 and 33-58097 of Lockheed Martin Corporation on Forms S-8, each dated March 15, 1995; and

(3) Post-Effective Amendment No. 1, dated March 15, 1995 to Registration Statement Number 33-57645 of Lockheed Martin Corporation on Form S-8;

of our report, dated May 5, 1995, with respect to the consolidated financial statements of Lockheed Martin Corporation included in Lockheed Martin Corporation's Annual Report (Form 10-K, pursuant to Rule 15d-2 of the Securities Exchange Act of 1934) for the year ended December 31, 1994.

Ernst & Young LLP

Washington, D.C.
May 5, 1995

EXHIBIT 24

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr., William T. Vinson and Stephen M. Piper, and each of them singly, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, with full power to do any and all acts and things for me and in my place and stead, in any and all capacities, including but not limited to, that listed below, in connection with the preparation, execution and filing with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Securities Exchange Act") of an Annual Report on Form 10-K of Lockheed Martin Corporation ("Form 10-K") and all amendments or supplements thereto for the purpose of filing with the Commission Lockheed Martin Corporation's audited consolidated financial statements and related materials for the years 1994, 1993 and 1992 and in connection with all matters required by the Commission directly or indirectly related to the Form 10-K.

/s/ DANIEL M. TELLEP
- -----------------------------
Name: Daniel M. Tellep
Title: Chairman of the Board, Chief Executive Officer
and Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr., William T. Vinson and Stephen M. Piper, and each of them singly, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, with full power to do any and all acts and things for me and in my place and stead, in any and all capacities, including but not limited to, that listed below, in connection with the preparation, execution and filing with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Securities Exchange Act") of an Annual Report on Form 10-K of Lockheed Martin Corporation ("Form 10-K") and all amendments or supplements thereto for the purpose of filing with the Commission Lockheed Martin Corporation's audited consolidated financial statements and related materials for the years 1994, 1993 and 1992 and in connection with all matters required by the Commission directly or indirectly related to the Form 10-K.

/s/ MARCUS C. BENNETT

- -----------------------------

Name: Marcus C. Bennett
Title: Senior Vice President & Chief Financial Officer
and Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr., William T. Vinson and Stephen M. Piper, and each of them singly, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, with full power to do any and all acts and things for me and in my place and stead, in any and all capacities, including but not limited to, that listed below, in connection with the preparation, execution and filing with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Securities Exchange Act") of an Annual Report on Form 10-K of Lockheed Martin Corporation ("Form 10-K") and all amendments or supplements thereto for the purpose of filing with the Commission Lockheed Martin Corporation's audited consolidated financial statements and related materials for the years 1994, 1993 and 1992 and in connection with all matters required by the Commission directly or indirectly related to the Form 10-K.

/s/ ROBERT E. RULON
- -----------------------------
Name: Robert E. Rulon
Title: Controller and Chief Accounting Officer,
       Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ NORMAN R. AUGUSTINE
- -----------------------------
Name: Norman R. Augustine
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ LYNNE V. CHENEY

- -----------------------------

Name: Lynne V. Cheney
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ A. JAMES CLARK
- -----------------------------
Name: A. James Clark
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ EDWIN I. COLODNY

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Name: Edwin I. Colodny
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ LODWRICK M. COOK

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Name: Lodwrick M. Cook
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ JAMES L. EVERETT, III
- -----------------------------
Name: James L. Everett, III
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ HOUSTON I. FLOURNOY

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Name: Houston I. Flournoy
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ JAMES F. GIBBONS

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Name: James F. Gibbons
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ EDWARD L. HENNESSY, Jr.
- ------------------------------
Name: Edward L. Hennessy, Jr.
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ EDWARD E. HOOD, Jr.
- -----------------------------
Name: Edward E. Hood, Jr.
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ CALEB B. HURTT
- -----------------------------
Name: Caleb B. Hurtt
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr., William T. Vinson and Stephen M. Piper, and each of them singly, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, with full power to do any and all acts and things for me and in my place and stead, in any and all capacities, including but not limited to, that listed below, in connection with the preparation, execution and filing with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Securities Exchange Act") of an Annual Report on Form 10-K of Lockheed Martin Corporation ("Form 10-K") and all amendments or supplements thereto for the purpose of filing with the Commission Lockheed Martin Corporation's audited consolidated financial statements and related materials for the years 1994, 1993 and 1992 and in connection with all matters required by the Commission directly or indirectly related to the Form 10-K.

/s/ GWENDOLYN S. KING

- ------------------------------

Name: Gwendolyn S. King
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr., William T. Vinson and Stephen M. Piper, and each of them singly, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, with full power to do any and all acts and things for me and in my place and stead, in any and all capacities, including but not limited to, that listed below, in connection with the preparation, execution and filing with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Securities Exchange Act") of an Annual Report on Form 10-K of Lockheed Martin Corporation ("Form 10-K") and all amendments or supplements thereto for the purpose of filing with the Commission Lockheed Martin Corporation's audited consolidated financial statements and related materials for the years 1994, 1993 and 1992 and in connection with all matters required by the Commission directly or indirectly related to the Form 10-K.

/s/ LAWRENCE O. KITCHEN

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Name: Lawrence O. Kitchen

Title: Director, Lockheed Martin Corporation

April 27, 1995

POWER OF ATTORNEY

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/s/ GORDON S. MACKLIN

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Name: Gordon S. Macklin

Title: Director, Lockheed Martin Corporation

April 27, 1995

POWER OF ATTORNEY

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/s/ VINCENT N. MARAFINO
- -----------------------------
Name: Vincent N. Marafino
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ EUGENE F. MURPHY
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Name: Eugene F. Murphy
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ ALLEN E. MURRAY

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Name: Allen E. Murray
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ DAVID S. POTTER

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Name: David S. Potter

Title: Director, Lockheed Martin Corporation

April 27, 1995

POWER OF ATTORNEY

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/s/ FRANK SAVAGE
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Name: Frank Savage
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

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/s/ CARLISLE A. H. TROST
- -----------------------------
Name: Carlisle A. H. Trost
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr., William T. Vinson and Stephen M. Piper, and each of them singly, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, with full power to do any and all acts and things for me and in my place and stead, in any and all capacities, including but not limited to, that listed below, in connection with the preparation, execution and filing with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Securities Exchange Act") of an Annual Report on Form 10-K of Lockheed Martin Corporation ("Form 10-K") and all amendments or supplements thereto for the purpose of filing with the Commission Lockheed Martin Corporation's audited consolidated financial statements and related materials for the years 1994, 1993 and 1992 and in connection with all matters required by the Commission directly or indirectly related to the Form 10-K.

/s/ JAMES R. UKROPINA

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Name: James R. Ukropina
Title: Director, Lockheed Martin Corporation
April 27, 1995

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr., William T. Vinson and Stephen M. Piper, and each of them singly, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, with full power to do any and all acts and things for me and in my place and stead, in any and all capacities, including but not limited to, that listed below, in connection with the preparation, execution and filing with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Securities Exchange Act") of an Annual Report on Form 10-K of Lockheed Martin Corporation ("Form 10-K") and all amendments or supplements thereto for the purpose of filing with the Commission Lockheed Martin Corporation's audited consolidated financial statements and related materials for the years 1994, 1993 and 1992 and in connection with all matters required by the Commission directly or indirectly related to the Form 10-K.

/s/ DOUGLAS C. YEARLEY

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Name: Douglas C. Yearley
Title: Director, Lockheed Martin Corporation
April 27, 1995

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENT OF EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

YEAR
DEC-31-1994
DEC-31-1994
639
0
3,473
0
3,159
8,143
8,176
4,721
18,049
5,635
3,594
199
0
1,000
4,887
18,049
22,906
22,906
21,127
21,127
200
0
304
1,675
620
1,055
0
0
(37)
1,018
5.12
4.66