FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

FOR QUARTER ENDED MARCH 31, 1995 COMMISSION FILE NUMBER 1-11437

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 NUMBER)
6801 ROCKLEDGE DRIVE, BETHESDA, MD	20817
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (301) 897-6000

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 (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES X NO ___

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE.

CLASS	OUTSTANDING AS OF APRIL 30, 1995
COMMON STOCK, $1 PAR VALUE	199,747,452

LOCKHEED MARTIN CORPORATION
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 1995

INDEX

PAGE NO.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF EARNINGS - THREE MONTHS ENDED MARCH 31, 1995 AND 1994 3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - THREE MONTHS ENDED MARCH 31, 1995 AND 1994 4

CONDENSED CONSOLIDATED BALANCE SHEET - MARCH 31, 1995 AND DECEMBER 31, 1994 5

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS. 6

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. 11

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS. 14

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. 15

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K. 16

SIGNATURES. 18

EXHIBIT 11. COMPUTATION OF EARNINGS PER COMMON SHARE. 19

EXHIBIT 12. COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES 21

EXHIBIT 27. FINANCIAL DATA SCHEDULE 22

LOCKHEED MARTIN CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF EARNINGS
(UNAUDITED)

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
	(In millions, except per share data)	
Net sales	$5,644	$5,036
Costs and expenses:		
Cost of sales	5,189	4,634
Merger related expenses	165	-
Earnings from operations	290	402
Other income and expenses, net	22	123
	312	525
Interest expense	79	77
Earnings before income taxes and cumulative effect of change in accounting	233	448
Income tax expense	96	176
Earnings before cumulative effect of change in accounting	137	272
Cumulative effect of change in accounting	-	(37)
Net earnings	$ 137	$ 235
Earnings per common share:		
Assuming no dilution:		
Before cumulative effect of change in accounting	$ .65	$ 1.38
Cumulative effect of change in accounting	-	(.20)
	$ .65	$ 1.18
Assuming full dilution:		
Before cumulative effect of change in accounting	$ .62	$ 1.25
Cumulative effect of change in accounting	-	(.17)
	$ .62	$ 1.08
Cash dividends declared per common share	$ .29	$ .27

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

LOCKHEED MARTIN CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31, 1995	1994
	(In millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Earnings before cumulative effect of change in accounting	$ 137	$ 272
Adjustments to reconcile earnings to net cash provided by operating activities:		
Merger related expenses - provision	165	-
- payments	(11)	-
Gain from Materials public offering	-	(118)
Depreciation and amortization	222	226
Changes in operating assets and liabilities	(327)	(80)
Net cash provided by operating activities	186	300
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds - Materials public offering	-	189
Additions to properties, net of purchased operations	(127)	(111)
Acquisitions	(141)	(5)
Net cash (used for) provided by investing activities	(268)	73
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowing proceeds (repayments)	7	(136)
Issuances of common shares	19	9
Common stock dividends	(55)	(51)
Preferred stock dividends	(15)	(15)
Net cash used for financing activities	(44)	(193)
Net (decrease) increase in cash and cash equivalents	(126)	180
Cash and cash equivalents at beginning of period	639	366
Cash and cash equivalents at end of period	$ 513	$ 546

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

LOCKHEED MARTIN CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	March 31, 1995	December 31, 1994
	(In millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 513	$ 639
Receivables	3,529	3,473
Inventories	2,975	3,159
Deferred income taxes	610	597
Other current assets	395	275
Total current assets	8,022	8,143
Property, plant and equipment	3,482	3,455
Intangible assets related to contracts and programs acquired	2,000	1,971
Cost in excess of net assets acquired	2,827	2,831
Other assets	1,627	1,649
	$17,958	$18,049
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,001	$ 1,306
Customer advances	1,488	1,544
Salaries, benefits and payroll taxes	872	767
Income taxes	306	111
Current maturities of long-term debt	281	285
Other current liabilities	1,628	1,622
Total current liabilities	5,576	5,635
Long-term debt	3,596	3,594
Post-retirement benefit liabilities	1,771	1,756
Other liabilities	837	978
Stockholders' equity:		
Series A preferred stock, $50 liquidation preference per share	1,000	1,000
Common stock, $1 par value per share	200	199
Additional paid-in capital	750	734
Retained earnings	4,537	4,470
Unearned ESOP shares	(309)	(317)
	6,178	6,086
	$17,958	$18,049

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

LOCKHEED MARTIN CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The results of operations for the quarter ended March 31, 1994 reflect certain conforming adjustments and reclassifications which are discussed in Note 2 below. The Corporation has continued to follow the accounting policies set forth in the consolidated financial statements filed with the Securities and Exchange Commission (SEC) on May 10, 1995 under cover of Form 10-K. In the opinion of management, the interim financial information provided herein reflects all adjustments (consisting of normal recurring accruals, except for those described in Note 2) necessary for a fair presentation of the results for the interim periods. The results of operations for the quarter ended March 31, 1995 are not necessarily indicative of the results to be expected for the full year.

NOTE 2 - FORMATION OF LOCKHEED MARTIN CORPORATION

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

Under the terms of the Agreement and Plan of Reorganization, dated August 29, 1994, 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, 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 condensed consolidated financial statements for the quarter ended March 31, 1994, 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 for the quarter ended March 31, 1994 were as follows:

	As Previously Reported			
	Lockheed	Martin Marietta	Combining Adjustments	Lockheed Martin Combined
	(In millions, except per share data)			
Net sales	$3,025	$2,034	$(23)	$5,036
Earnings before cumulative effect of change in accounting	92	184	(4)	272
Earnings per share before cumulative effect of change in accounting, assuming full dilution	.89*	1.47	-	1.25

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

For the first quarter of 1994, combining adjustments were recorded to eliminate intercompany sales and cost of sales. 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 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.

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 the first quarter of 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 the first quarter of 1995 and 1994, the weighted average Unallocated ESOP Shares excluded in calculating earnings per share totaled approximately 10.8 million and 12.0 million equivalent shares of Lockheed Martin common stock, respectively.

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 pretax charge of $165 million for merger related expenses, which reduced net earnings by $110 million, or $.50 per common share assuming full dilution.

NOTE 3 - INVENTORIES

	March 31, 1995	December 31, 1994
	(In millions)	
Work in process, primarily on long-term contracts and programs in progress	$ 3,837	$4,678
Less customer advances and progress payments	(1,560)	(2,172)
	2,277	2,506
Other inventories	698	653
	$ 2,975	$3,159

NOTE 4 - DEBT

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 for commercial paper backup and general corporate purposes through March 14, 2000. Borrowings under the Credit Agreement would be unsecured and bear interest, at the Corporation's option, at rates including the Eurodollar rate and a bank base rate (as defined). The Credit Agreement contains certain restrictive covenants including 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 an $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.

The Corporation's total interest payments were approximately $68 million and $74 million for the quarter ended March 31, 1995 and 1994, respectively.

NOTE 5 - OTHER INCOME AND EXPENSES

	Three Months Ended March 31, 1995	1994
	(In millions)	
Gain - Materials public offering	$ -	$ 118
Royalty income	18	3
Interest income	10	3
Other	(6)	(1)
	$ 22	$ 123

In February 1994, Martin Marietta Materials, Inc. (Materials) sold through an initial public offering (IPO) approximately 19% of the outstanding stock of Materials. A portion of the proceeds from the IPO 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' IPO. The net after-tax gain from these transactions was $70 million, or $.32 per share assuming full dilution, for the first quarter of 1994.

NOTE 6 - CONTINGENCIES

The Corporation or its subsidiaries are parties to 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 which were previously disclosed in the Corporation's filing on May 10, 1995 of its consolidated financial statements under cover of Form 10-K.

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 cost 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 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 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.

The Corporation or its subsidiaries are parties to 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.

NOTE 7 - OTHER

The Corporation's total income tax payments were approximately $7 million and $10 million for the quarter ended March 31, 1995 and 1994, respectively.

LOCKHEED MARTIN CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND OPERATING RESULTS

Lockheed Martin Corporation's operating cycle is long term and involves various types of production contracts and varying production delivery schedules. Accordingly, results of a particular quarter, or quarter-to-quarter comparisons of recorded sales and profits, may not be indicative of future operating results. The following comparative analysis should be viewed in this context.

RESULTS OF OPERATIONS

Consolidated sales for the first quarter were $5.6 billion in 1995, a 12 percent increase over the $5.0 billion recorded for the same period in 1994. Most of the increase occurred in the Space and Strategic Missiles segment, principally due to the acquisition of the former Space Systems division of General Dynamics Corporation on May 1, 1994. Sales also increased in the Aeronautics segment, primarily at Tactical Aircraft Systems (formerly Lockheed Fort Worth Company).

Earnings from operations declined to $290 million in 1995 compared to $402 million in 1994, primarily due to the recognition of merger related expenses of $165 million in 1995. The merger related expenses included fees and other payments resulting from the business combination (the Business Combination) of Lockheed Corporation (Lockheed), Martin Marietta Corporation (Martin Marietta) and Lockheed Martin Corporation (Lockheed Martin or the Corporation), as well as relocation and severance costs associated with Lockheed Martin headquarters and sector staffing. The cash payments related to these expenses will primarily occur in the second quarter of 1995. Aside from this item, increases in earnings before interest and taxes were attained in Space and Strategic Missiles and in Aeronautics, offset in part by declines in the Electronics segment.

Other income and expenses, net, declined to $22 million in the first quarter of 1995 compared to $123 million in 1994 primarily due to a one-time gain of $118 million in 1994 resulting from the initial public offering (IPO) of shares of common stock of Martin Marietta Materials, Inc. (Materials) (see Note 5).

Income tax expense decreased in the first quarter of 1995 compared to 1994 principally due to the lower income resulting from 1995 merger related expenses and the absence of 1994's IPO, offset in part by a higher tax rate of 41.2 percent in 1995 compared to 39.3 percent in the first quarter of 1994. This increased rate is caused by the nondeductibility of certain merger related expenses that will be capitalized for federal income tax purposes.

The first quarter of 1994 included an after-tax charge of approximately $37 million due to adoption of a change in accounting for the ESOP under the American Institute of Certified Public Accountants Statement of Position (SOP) No. 93-6 (see Note 2).

The following table displays first quarter sales and earnings before interest and taxes for the Lockheed Martin business segments.

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
	(In millions)	
Sales:		
Space and Strategic Missiles	$1,852	$1,455
Aeronautics	1,768	1,578
Information and Technology Services	1,035	943
Electronics	810	913
Energy, Materials and Other	179	147
Total	$5,644	$5,036
Earnings Before Interest and Taxes:		
Space and Strategic Missiles	$ 181	$ 136
Aeronautics	140	93
Information and Technology Services	47	32
Electronics	89	128
Energy, Materials and Other*	(145)	136
Total	$ 312	$ 525

*Amounts displayed for Energy, Materials and Other include $165 million of merger related expenses for the first quarter, 1995, and $118 million gain related to the Materials IPO for the first quarter, 1994.

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First quarter Space and Strategic Missiles sales increased approximately 27 percent in 1995 compared to 1994. Most of the increase was the result of the acquisition of the former Space Systems division of General Dynamics Corporation, and the subsequent performance of its Atlas launch services program. Earnings from operations also increased, corresponding to the increase in Atlas sales, but also reflecting an earnings rate adjustment due to improved performance on the Titan launch vehicle program.

Aeronautics sales in the first three months of 1995 were 12 percent higher than in 1994, reflecting higher F-16 fighter support and F-22 fighter activities at Tactical Aircraft Systems and the delivery of two P-3 maritime patrol aircraft, offset in part by lower C-130 airlifter deliveries. Earnings from operations were 50 percent higher in 1995 compared to 1994, resulting from increases corresponding to the sales growth, nonrecurrence of a first quarter 1994 charge against earnings in connection with the Pratt & Whitney fan reverser program, and higher C-130 margins as well as lower development costs related to the upgraded C-130 J model.

In the Information and Technology Services segment, sales were 10 percent higher for the first quarter of 1995 compared to 1994. This growth was primarily in the Commercial Products group. Earnings from operations were higher by 46 percent, reflecting improved performance in most activities, particularly at Manned Space Systems.

Electronics segment sales were down by 11 percent compared to the first three months of 1994, mostly at Ocean, Radar and Sensor Systems, and at Sanders due to program delays. Earnings from operations were lower by 30 percent, mostly due to investments in new business and substantial completion of the Patriot subcontract activities at Electronics and Missiles as well as lower earnings corresponding to the sales declines.

Sales in both Energy and Materials grew in the first quarter of 1995, reflecting the January 1995 Materials acquisition of the construction aggregates business of Dravo Corporation (Dravo) and the commencement of activities under the Idaho National Engineering Laboratories Management and Operations and Pit 9 contracts in the fourth quarter of 1994. Earnings from other operations resulted in a $145 million loss in the first quarter of 1995 compared to $136 of income in the same period in 1994, due to the 1995 recognition of $165 million of merger related expenses and the 1994 one-time $118 million gain associated with the Materials IPO.

LIQUIDITY AND CAPITAL RESOURCES

During the first quarter of 1995, $186 million in cash flow was provided by operating activities, compared with $300 million in the first quarter of 1994, mostly due to changes in operating assets and liabilities other than the liabilities for accrued merger related expenses. Capital expenditures for property, plant and equipment also increased, primarily due to fixed asset requirements for new programs in the Astronautics division of Space and Strategic Missiles. Other cash flow requirements in the first quarter of 1995 related to acquisitions, principally Dravo, while the first quarter of 1994 benefited from proceeds from the Materials IPO offset in part by payments to defease in substance $125 million of 9.5% Notes in February 1994.

The Corporation held cash and cash equivalent balances of $513 million and $639 million at March 31, 1995 and December 31, 1994, respectively. Cash on hand and temporarily invested, internally generated funds, and available financing resources are expected to be sufficient to meet anticipated operating and debt service requirements and discretionary investment needs. At the end of the first quarter, the Corporation had no borrowings outstanding under a credit agreement with a group of domestic and foreign banks (see Note 4).

In May 1995, the Corporation issued short-term commercial paper primarily to fund the repayment of $200 million of medium term notes which matured on May 11, 1995. During 1995, the Corporation will retire an additional $85 million of its maturing long-term debt.

During the second quarter of 1995, the Corporation anticipates filing a shelf registration statement registering debt securities of the Corporation. The registration statement would replace previously existing registration statements of Lockheed and Martin Marietta Technologies, Inc., a wholly-owned subsidiary of Martin Marietta.

Stockholders' equity at the end of March 1995 was approximately $6.2 billion, an increase of $92 million over the balance at the end of 1994. The increase was due to the retention of first quarter earnings in excess of dividends paid and the issuance of new shares upon exercise of employee stock options.

The Corporation has announced that decisions related to consolidations of its operations are expected to be reached by the end of the second quarter of 1995.

ITEM 1. LEGAL PROCEEDINGS

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

Lockheed Martin is primarily engaged in providing products and services under contracts with the United States Government and, to a lesser degree, under foreign government contracts, some of which are funded by the United States Government. All such contracts are subject to extensive legal and regulatory requirements and, from time to time, agencies of the United States Government investigate whether Lockheed Martin's operations are being conducted in accordance with these requirements. Such investigations could result in administrative civil or criminal liabilities including reimbursements, fines or penalties being imposed upon Lockheed Martin or could lead to suspension or debarment from future government contracting by Lockheed Martin. Lockheed Martin is also a party to or has its property subject to various other litigation and proceedings, including matters arising under provisions relating to the protection of the environment (collectively, proceedings).

As a consequence of the Business Combination, proceedings involving either Lockheed or Martin Marietta have the potential to affect Lockheed Martin. Certain of these proceedings are described in "Item 3. Legal Proceedings" on page 7 of Lockheed's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 (the Lockheed Form 10-K), in Note 10 to Lockheed's Consolidated Financial Statements included in Part II of the Lockheed Form 10-K and in "Item 3. Legal Proceedings" on pages 28 through 39 of Martin Marietta's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and, except to the extent superseded by the discussion below or by Lockheed Martin's filing on Form 10-K dated May 9, 1995, these descriptions are incorporated herein by reference.

Reference is made to the June 22, 1994 indictment by a federal grand jury sitting in Atlanta, Georgia, of Lockheed and two of its employees charging that Lockheed and the two employees 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 and to the resulting plea agreement between Lockheed and the United States of America 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. As a result of this plea agreement, Lockheed Martin is in the process of negotiating an Administrative Settlement Agreement with the United States Air Force Office of Contractor Integrity. If an Administrative Settlement Agreement cannot be reached, Lockheed Martin could be subject to suspension or debarment.

Reference is made to the description of proceedings pertaining to a contract with the Navy for the full-scale development of the Supersonic Low Altitude Target (SLAT). The Court granted in part and denied in part Martin Marietta's Motion to Dismiss and Martin Marietta is proceeding with the preparation of an Answer to the Complaint. The Answer is expected to be filed in the next several weeks.

Reference is made to the suit filed by AT&T against Martin Marietta. The parties have settled this proceeding on terms that will not have a material adverse effect on Lockheed Martin.

Reference is made to the description of the stockholder litigation filed in connection with the Combination. As previously reported, these proceedings were settled, subject to the approval of the Court. A hearing with respect to final approval has been set for June 20, 1995.

On May 4, 1995, Lockheed Martin was served with a subpoena by the Department of Defense Inspector General compelling the production of records relating to the Advanced Concept Center and Information Systems and Technologies business which are parts of the Lockheed Martin Management & Data Systems company (formerly Martin Marietta Management & Data Systems Co.). Lockheed Martin is in the process of reviewing the subpoena and considering its response thereto.

Lockheed Martin Aeronautical Systems (formerly Lockheed Aeronautical Systems Co.) received a demand letter, dated April 5, 1995, from the Environmental Protection Division of the Georgia Department of Natural Resources (EPD) for civil penalties totalling $480,000 in connection with a number of alleged violations of federal regulations under the Resource Conservation and Recovery Act. The allegations all generally relate to the storage and handling of hazardous wastes. Lockheed Martin intends to contest the matter.

Lockheed Martin Space Operations Company (formerly Lockheed Space Operations Co.) is informed that the Florida Department of Environmental Protection (FDEP) is considering an enforcement action against the company and the National Aeronautics & Space Administration (NASA) for alleged violations of federal regulations under the Resource Conservation and Recovery Act in connection with the handling of contaminated process water at the Kennedy Space Center in connection with the company's performance of services for NASA. Lockheed Martin expects that the FDEP's demand could exceed $100,000 and intends to contest the matter.

During the first quarter of 1995, Lockheed Martin received a subpoena requiring the production of documents before a federal grand jury sitting in Boise, Idaho. Lockheed Martin has complied with the subpoena. Lockheed Martin has not been informed of the specific focus of the investigation.

Lockheed Missiles & Space Company, Inc. is a defendant in a civil suit in the United States District Court for the Northern District of California brought under the qui tam provisions of the Civil False Claims Act which permit individuals to bring suit in the name of the government and share in any recovery received. The suit, captioned *United States ex rel. Margaret A. Newsham and Martin Overbeek Bloom v. Lockheed Missiles and Space Company, Inc.,* was filed in January 1988. The complaint sets forth numerous allegations of improper conduct by Lockheed and seeks unspecified damages. The Department of Justice conducted a thorough investigation of the matter after the Complaint was filed and has declined to intervene in the case. Lockheed Martin believes the litigation to be without merit and intends to defend the matter. Discovery is proceeding and trial is currently scheduled for January 1996.

The United States Environmental Protection Agency and the U.S. Army CID are conducting a criminal investigation to determine whether Lockheed improperly disposed of hazardous wastes at a U.S. Government test site in Nevada. The investigation is in its early stages and its course cannot be predicted.

Lockheed Martin Tactical Aircraft Systems (formerly Lockheed Fort Worth Co.) (LMTAS) was notified on April 2, 1993 of an investigation being conducted by the U.S. Attorney's Office in Fort Worth, Texas. Although the investigation focuses on alleged improper activities by the party from whom Lockheed purchased these operations, it has affected progress billings by LMTAS. The investigation is in its early stages and its course cannot be predicted, but, if it adversely affects LMTAS, Lockheed Martin intends to seek indemnification from the responsible party under the terms of the purchase agreement.

The U.S. Air Force Office of Special Investigations, in consultation with the U.S. Attorney's Office in Montgomery, Alabama is conducting a criminal investigation to determine whether Lockheed Martin Missiles & Space (formerly Lockheed Missiles & Space Co.) (LMM&S) made false statements to the government in connection with LMM&S's Integrated Computer-Aided Software Engineering (I-CASE) proposal.

On March 31, 1995, Lockheed Sanders, Inc. (Sanders) was served with a subpoena by the Department of Defense Inspector General's Office requiring the production of various documents generally relating to cost and pricing data pertaining to a contract with the U.S. Navy for the production of computer chip kits (EEPROM Kits) used in on-board radio frequency jammer systems for aircraft missile self-protection (AN/ALQ 126B). Sanders is in the process of responding to the subpoena.

On June 8, 1993, a federal grand jury sitting in Washington, D.C. issued a subpoena to Sanders requiring the production of documents related to the use of and payments related to in-country support services related to the sales of Trackstar radar units in Egypt. Sanders believes that it is not a subject or target of the investigation.

Lockheed Martin is involved in various other legal and environmental proceedings arising in the ordinary course of its business, but in the opinion of management and counsel the probability is remote that the outcome of any such litigation or proceedings, whether or not specifically described above or referred to generally in this paragraph, will have a material adverse effect on the results of Lockheed Martin's operations or its financial position.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the security holders of Lockheed Martin during the period covered by this report, however, at Special Meetings of the stockholders of Lockheed and Martin Marietta held on March 15, 1995, holders of the common stock of Lockheed and Martin Marietta, among other things, approved the adoption of the Lockheed Martin Corporation 1995 Omnibus Performance Award Plan and the Lockheed Martin Corporation Directors Deferred Stock Plan. Common stockholders of Lockheed and Martin Marietta constituted all of the common stockholders of Lockheed Martin immediately following the Business Combination.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

1. Exhibit 11. Lockheed Martin Corporation Computation of Earnings per Common Share for the three months ended March 31, 1995 and 1994.

2. Exhibit 12. Lockheed Martin Corporation Computation of Ratio of Earnings to Fixed Charges for the three months ended March 31, 1995.

3. Exhibit 27. Financial Data Schedule for the three months ended March 31, 1995.

(b) Reports on Form 8-K

1. Current report on Form 8-K filed on March 15, 1995

Item 5. - Other Events

The registrant filed information regarding the approval by the stockholders of Lockheed Corporation and Martin Marietta Corporation of the combination of the business of the two corporations at the respective special meetings of these corporations called for this purpose.

Item 7. - Financial Statements and Exhibits

Unaudited Pro Forma Combined Condensed Financial Statements as of December 31, 1994 and for the fiscal year then ended.
Notes to Unaudited Pro Forma Combined Condensed Financial Statements.

2. Current report on Form 8-K filed on March 23, 1995

Item 2. - Acquisition or Disposition of Assets

The registrant filed information regarding the consummation of the combination of the businesses of Lockheed and Martin Marietta pursuant to an Agreement and Plan of Reorganization, dated August 29, 1994, among Lockheed, Martin Marietta and Lockheed Martin.

3. Current report on Form 8-K filed on May 4, 1995

Item 5. - Other Events

The registrant filed on behalf of Lockheed Corporation, its wholly-owned subsidiary, a copy of Lockheed Martin Corporation Procedure No. INT-01, which pertains to consultants to Lockheed Martin Corporation.

SIGNATURES

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

LOCKHEED MARTIN CORPORATION
- ----------------------------
(Registrant)

Date: May 15, 1995 by: /s/Robert E. Rulon
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Robert E. Rulon
Vice President and Controller
(Chief Accounting Officer)

EXHIBIT 11

LOCKHEED MARTIN CORPORATION
COMPUTATION OF EARNINGS PER COMMON SHARE

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
	(In millions, except per share data)	
ASSUMING NO DILUTION:		
Average number of common shares outstanding	188.5	186.1
Earnings before cumulative effect of change in accounting	$ 137	$ 272
Less: Preferred stock dividends	(15)	(15)
Earnings before cumulative effect of change in accounting applicable to common stock	122	257
Cumulative effect of change in accounting	-	(37)
Net earnings applicable to common stock	$ 122	$ 220
Earnings per common share:		
Before cumulative effect of change in accounting	$ .65	$ 1.38
Cumulative effect of change in accounting	-	(.20)
	$ .65	$ 1.18

LOCKHEED MARTIN CORPORATION
COMPUTATION OF EARNINGS PER COMMON SHARE

	Three Months Ended March 31, 1995	1994
	(In millions, except per share data)	
ASSUMING FULL DILUTION:		
Average number of common shares outstanding	188.5	186.1
Dilutive stock options-based on the treasury stock method using the March 31 market prices, if higher than average market price	3.1	2.5
Assumed conversion of the Convertible Series A Preferred Stock from the date of issuance	28.9	28.9
	220.5	217.5
Earnings before cumulative effect of change in accounting	$ 137	$ 272
Cumulative effect of change in accounting	-	(37)
Net earnings	$ 137	$ 235
Earnings per common share:		
Before cumulative effect of change in accounting	$ .62	$ 1.25
Cumulative effect of change in accounting	-	(.17)
	$ .62	$ 1.08

EXHIBIT 12

LOCKHEED MARTIN CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
FOR THE QUARTER ENDED MARCH 31, 1995
(IN MILLIONS OF DOLLARS, EXCEPT RATIO)

EARNINGS:	
Net earnings	$ 137
Taxes on income	96
Interest expense	79
Amortization of debt premium and discount, net	(2)
Portion of rents representative of an interest factor	14
Losses of less than 50% owned associated companies	1
Adjusted earnings before taxes and fixed charges	$ 325
FIXED CHARGES:	
Interest expense	$ 79
Amortization of debt premium and discount, net	(2)
Portion of rents representative of an interest factor	14
Capitalized interest	1
Total fixed charges	$ 92
RATIO OF EARNINGS TO FIXED CHARGES	3.5

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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.

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3-MOS
DEC-31-1995
JAN-01-1995
MAR-31-1995
513
0
3,529
0
2,975
8,022
8,179
4,697
17,958
5,576
3,596
0
1,000
200
4,978
17,958
5,644
5,644
5,189
5,354
22
0
79
233
96
137
0
0
0
137
0.65
0.62