

**LOCKHEED MARTIN CORPORATION**  
**Condensed Consolidated Statements of Earnings** <sup>(a), (b)</sup>  
**Unaudited**  
(\$ in millions, except per share data)

	<b>THREE MONTHS ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>September 25, 2011</b>	September 26, 2010	<b>September 25, 2011</b>	September 26, 2010
Net sales	\$ 12,119	\$ 11,343	\$ 34,288	\$ 32,910
Cost of sales	11,123	10,554	31,572	30,179
Gross profit	996	789	2,716	2,731
Other income, net	45	88	182	203
Operating profit	1,041	877	2,898	2,934
Interest expense	89	85	258	258
Other non-operating income (expense), net	(3)	37	25	46
Earnings from continuing operations before income taxes	949	829	2,665	2,722
Income tax expense	284	272	696	929
Net earnings from continuing operations	665	557	1,969	1,793
Net earnings from discontinued operations <sup>(c)</sup>	35	3	3	124
Net earnings	\$ 700	\$ 560	\$ 1,972	\$ 1,917
Effective tax rate	29.9%	32.8%	26.1%	34.1%
<b>Earnings per common share</b>				
<b>Basic</b>				
Continuing operations	\$ 2.01	\$ 1.55	\$ 5.78	\$ 4.88
Discontinued operations	0.11	0.01	0.01	0.34
Basic earnings per common share	\$ 2.12	\$ 1.56	\$ 5.79	\$ 5.22
<b>Diluted</b>				
Continuing operations	\$ 1.99	\$ 1.53	\$ 5.72	\$ 4.84
Discontinued operations	0.11	0.01	0.01	0.33
Diluted earnings per common share	\$ 2.10	\$ 1.54	\$ 5.73	\$ 5.17
<b>Average number of shares outstanding</b>				
Basic	329.8	360.1	340.4	367.1
Diluted	333.6	363.9	344.3	371.1
<b>Common shares reported in stockholders' equity at quarter end:</b>			321.3	357.6

<sup>(a)</sup> It is the Corporation's practice to close its books and records on the Sunday prior to the end of the calendar quarter. The interim financial statements and tables of financial information included herein are labeled based on that convention.

<sup>(b)</sup> As previously disclosed, the Corporation changed its methodology for recognizing net sales for service contracts with the U.S. Government effective Jan. 1, 2011. The Corporation now recognizes sales on those contracts using the preferable percentage-of-completion (POC) method consistent with its accounting for product sales and others in the industry. All prior periods presented herein have been adjusted for this immaterial change.

<sup>(c)</sup> During the third quarter of 2011, the Corporation committed to a plan to sell Savi Technology, Inc. (Savi), a logistics business within the Electronic Systems business segment. As a result, the consolidated financial statements have been adjusted to reflect this business as a discontinued operation for all periods presented. Discontinued operations also include Pacific Architects and Engineers, Inc. (PAE) for 2010 and through the date of its sale on April 4, 2011, and those of Enterprise Integration Group for 2010, through the date of its sale on Nov. 22, 2010, as well as other immaterial items.

**LOCKHEED MARTIN CORPORATION**  
**Net Sales, Operating Profit and Margins** <sup>(a)</sup>  
**Unaudited**  
(\$ in millions)

	<b>THREE MONTHS ENDED</b>			<b>NINE MONTHS ENDED</b>		
	<b>September 25, 2011</b>	September 26, 2010	<b>% Change</b>	<b>September 25, 2011</b>	September 26, 2010	<b>% Change</b>
<b><u>Net sales</u></b>						
Aeronautics	\$ 3,995	\$ 3,294	21 %	\$ 10,600	\$ 9,377	13 %
Electronic Systems	3,633	3,556	2	10,832	10,290	5
Information Systems & Global Solutions	2,323	2,525	(8)	6,833	7,281	(6)
Space Systems	2,168	1,968	10	6,023	5,962	1
<b>Total</b>	<b>\$ 12,119</b>	<b>\$ 11,343</b>	<b>7 %</b>	<b>\$ 34,288</b>	<b>\$ 32,910</b>	<b>4 %</b>
<b><u>Operating profit</u></b>						
Aeronautics	\$ 447	\$ 389	15 %	\$ 1,178	\$ 1,090	8 %
Electronic Systems	444	428	4	1,348	1,252	8
Information Systems & Global Solutions	213	208	2	620	615	1
Space Systems	251	236	6	731	689	6
<b>Total business segments</b>	<b>1,355</b>	<b>1,261</b>	<b>7</b>	<b>3,877</b>	<b>3,646</b>	<b>6</b>
Unallocated corporate expense, net	(314)	(384)		(979)	(712)	
<b>Total</b>	<b>\$ 1,041</b>	<b>\$ 877</b>	<b>19 %</b>	<b>\$ 2,898</b>	<b>\$ 2,934</b>	<b>(1) %</b>
<b><u>Margins</u></b>						
Aeronautics	11.2 %	11.8 %		11.1 %	11.6 %	
Electronic Systems	12.2	12.0		12.4	12.2	
Information Systems & Global Solutions	9.2	8.2		9.1	8.4	
Space Systems	11.6	12.0		12.1	11.6	
<b>Total business segments</b>	<b>11.2</b>	<b>11.1</b>		<b>11.3</b>	<b>11.1</b>	
<b>Total consolidated</b>	<b>8.6 %</b>	<b>7.7 %</b>		<b>8.5 %</b>	<b>8.9 %</b>	

<sup>(a)</sup> During the third quarter of 2011, the Corporation committed to a plan to sell Savi. As a result, the business segment information presented herein has been adjusted to reflect this business as a discontinued operation for all periods presented.

**LOCKHEED MARTIN CORPORATION**  
**Selected Financial Data**  
**Unaudited**  
(\$ in millions, except per share data)

	<b>THREE MONTHS ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>September 25, 2011</b>	<b>September 26, 2010</b>	<b>September 25, 2011</b>	<b>September 26, 2010</b>
<b>Unallocated corporate expense, net</b>				
FAS/CAS pension adjustment:				
FAS pension expense	\$ (455)	\$ (358)	\$ (1,366)	\$ (1,072)
Less: CAS expense	(224)	(247)	(674)	(741)
FAS/CAS pension adjustment - expense	(231)	(111)	(692)	(331)
Special item - severance charges	(39)	(178)	(136)	(178)
Stock compensation expense and other, net	(44)	(95)	(151)	(203)
<b>Total</b>	<b>\$ (314)</b>	<b>\$ (384)</b>	<b>\$ (979)</b>	<b>\$ (712)</b>

  

	<b>THREE MONTHS ENDED SEPTEMBER 25, 2011</b>			<b>NINE MONTHS ENDED SEPTEMBER 25, 2011</b>		
	<b>Operating profit</b>	<b>Net earnings</b>	<b>Earnings per share</b>	<b>Operating profit</b>	<b>Net earnings</b>	<b>Earnings per share</b>
<b>Special Items - 2011</b>						
Severance charges	\$ (39)	\$ (25)	\$ (0.07)	\$ (136)	\$ (88)	\$ (0.25)
Resolution of certain adjustments related to tax years 2003-2008	-	-	-	-	89	0.26
<b>Total</b>	<b>\$ (39)</b>	<b>\$ (25)</b>	<b>\$ (0.07)</b>	<b>\$ (136)</b>	<b>\$ 1</b>	<b>\$ 0.01</b>

  

	<b>THREE MONTHS ENDED SEPTEMBER 26, 2010</b>			<b>NINE MONTHS ENDED SEPTEMBER 26, 2010</b>		
	<b>Operating profit</b>	<b>Net earnings</b>	<b>Earnings per share</b>	<b>Operating profit</b>	<b>Net earnings</b>	<b>Earnings per share</b>
<b>Special Items - 2010</b>						
Voluntary Executive Separation Charge	\$ (178)	\$ (116)	\$ (0.32)	\$ (178)	\$ (116)	\$ (0.31)
Elimination of Medicare Part D deferred tax assets	-	-	-	-	(96)	(0.26)
<b>Total</b>	<b>\$ (178)</b>	<b>\$ (116)</b>	<b>\$ (0.32)</b>	<b>\$ (178)</b>	<b>\$ (212)</b>	<b>\$ (0.57)</b>

**LOCKHEED MARTIN CORPORATION****Selected Financial Data**

Unaudited

(\$ in millions)

	<b>THREE MONTHS ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b><u>September 25, 2011</u></b>	<b><u>September 26, 2010</u></b>	<b><u>September 25, 2011</u></b>	<b><u>September 26, 2010</u></b>
<b><u>Depreciation and amortization of plant and equipment</u></b>				
Aeronautics	\$ 47	\$ 50	\$ 152	\$ 145
Electronic Systems	56	58	163	170
Information Systems & Global Solutions	11	17	35	45
Space Systems	48	46	137	133
<b>Total business segments</b>	<b>162</b>	<b>171</b>	<b>487</b>	<b>493</b>
Unallocated corporate expense, net	13	17	37	46
<b>Total depreciation and amortization of plant and equipment</b>	<b>\$ 175</b>	<b>\$ 188</b>	<b>\$ 524</b>	<b>\$ 539</b>

**LOCKHEED MARTIN CORPORATION**  
**Condensed Consolidated Balance Sheets**  
**Unaudited**  
(\$ in millions, except per share data)

	<u>SEPTEMBER 25, 2011</u>	<u>DECEMBER 31, 2010</u>
<b><u>Assets</u></b>		
Current assets		
Cash and cash equivalents	\$ 4,564	\$ 2,261
Short-term investments	3	516
Receivables, net	6,523	5,692
Inventories	1,789	2,363
Deferred income taxes	1,184	1,147
Other current assets	606	518
Assets of discontinued operation held for sale	-	396
<b>Total current assets</b>	<b>14,669</b>	<b>12,893</b>
Property, plant and equipment, net	4,428	4,554
Goodwill	9,606	9,605
Deferred income taxes	3,096	3,485
Other assets	4,388	4,576
<b>Total assets</b>	<b>\$ 36,187</b>	<b>\$ 35,113</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Current liabilities		
Accounts payable	\$ 2,328	\$ 1,627
Customer advances and amounts in excess of costs incurred	5,544	5,890
Salaries, benefits and payroll taxes	1,800	1,870
Current portion of long-term debt	500	-
Other current liabilities	1,972	1,810
Liabilities of discontinued operation held for sale	-	204
<b>Total current liabilities</b>	<b>12,144</b>	<b>11,401</b>
Long-term debt, net	6,538	5,019
Accrued pension liabilities	9,979	10,607
Other postretirement benefit liabilities	1,254	1,213
Other liabilities	3,329	3,376
<b>Total liabilities</b>	<b>33,244</b>	<b>31,616</b>
Stockholders' equity		
Common stock, \$1 par value per share	321	346
Additional paid-in capital	-	-
Retained earnings	11,189	12,161
Accumulated other comprehensive loss	(8,567)	(9,010)
<b>Total stockholders' equity</b>	<b>2,943</b>	<b>3,497</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 36,187</b>	<b>\$ 35,113</b>

**LOCKHEED MARTIN CORPORATION**  
**Condensed Consolidated Statements of Cash Flows**  
**Unaudited**  
(\$ in millions)

	<b>NINE MONTHS ENDED</b>	
	<u>September 25, 2011</u>	<u>September 26, 2010</u>
<b><u>Operating Activities</u></b>		
Net earnings	\$ 1,972	\$ 1,917
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization of plant and equipment	524	539
Amortization of purchased intangibles	60	74
Stock-based compensation	116	100
Deferred income taxes	178	354
Severance charges	136	178
Reduction in tax expense from resolution of certain tax matters	(89)	-
Tax benefit related to discontinued operations	(81)	(96)
Tax expense related to Medicare Part D reimbursement	-	96
Changes in operating assets and liabilities		
Receivables, net	(853)	(483)
Inventories	575	60
Accounts payable	707	354
Customer advances and amounts in excess of costs incurred	(342)	26
Postretirement benefit plans	134	(344)
Income taxes	7	161
Other, net	(6)	451
<b>Net cash provided by operating activities</b>	<b><u>3,038</u></b>	<b><u>3,387</u></b>
<b><u>Investing Activities</u></b>		
Expenditures for property, plant and equipment	(443)	(394)
Net cash provided by (used for) short-term investment transactions	510	(421)
Other, net	270	(52)
<b>Net cash provided by (used for) investing activities</b>	<b><u>337</u></b>	<b><u>(867)</u></b>
<b><u>Financing Activities</u></b>		
Issuance of long-term debt, net of related costs	1,980	-
Repurchases of common stock	(2,317)	(1,566)
Common stock dividends	(770)	(700)
Issuances of common stock and related amounts	90	57
Other	(46)	(47)
<b>Net cash used for financing activities</b>	<b><u>(3,043)</u></b>	<b><u>(2,256)</u></b>
Effect of exchange rate changes on cash and cash equivalents	(9)	1
<b>Net increase in cash and cash equivalents</b>	<b>2,303</b>	<b>265</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,261</b>	<b>2,391</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 4,564</u></b>	<b><u>\$ 2,656</u></b>

**LOCKHEED MARTIN CORPORATION**  
**Condensed Consolidated Statement of Stockholders' Equity**  
**Unaudited**  
**(\$ in millions)**

	<b>Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Total Stockholders' Equity</b>
<b>Balance at December 31, 2010</b>	\$ 346	\$ -	\$ 12,372	\$ (9,010)	\$ 3,708
<b>Cumulative effect of a change in accounting principle <sup>(a)</sup></b>	-	-	(211)	-	(211)
<b>Balance at December 31, 2010, as adjusted</b>	<b>346</b>	<b>-</b>	<b>12,161</b>	<b>(9,010)</b>	<b>3,497</b>
<b>Net earnings</b>	-	-	1,972	-	1,972
<b>Repurchases of common stock <sup>(b)</sup></b>	(30)	(387)	(1,846)	-	(2,263)
<b>Common stock dividends declared <sup>(c)</sup></b>	-	-	(1,098)	-	(1,098)
<b>Stock-based awards and ESOP activity</b>	5	387	-	-	392
<b>Other comprehensive income</b>	-	-	-	443	443
<b>Balance at September 25, 2011</b>	<b>\$ 321</b>	<b>\$ -</b>	<b>\$ 11,189</b>	<b>\$ (8,567)</b>	<b>\$ 2,943</b>

(a) As previously disclosed, the Corporation changed its methodology for recognizing net sales for service contracts with the U.S. Government effective Jan. 1, 2011. The Corporation now recognizes sales on those contracts using the preferable percentage-of-completion (POC) method consistent with its accounting for product sales and others in the industry. All prior periods presented have been adjusted for this immaterial change.

(b) The Corporation repurchased 13.4 million shares for \$964 million during the third quarter. Year-to-date, the Corporation repurchased 29.9 million shares for \$2.3 billion. In the third quarter of 2011, the Corporation's Board of Directors authorized an additional \$3.5 billion for share repurchases, bringing the total authorized amount under the program to \$6.5 billion. As of Sept. 25, 2011, the Corporation had repurchased a total of 41.1 million shares under the program for \$3,038 million, and there remained \$3,462 million authorized for additional share repurchases.

(c) Includes dividends of \$0.75 per share declared and paid in the first, second and third quarters. This amount also includes a dividend of \$1.00 per share that was declared on Sept. 22, 2011 and is payable on Dec. 30, 2011 to stockholders of record on Dec. 1, 2011.

**LOCKHEED MARTIN CORPORATION**

**Operating Data**

**Unaudited**

	<u>September 25, 2011</u>	<u>December 31, 2010</u>
<b><u>Backlog</u></b>		
(\$ in millions)		
Aeronautics	\$ 27,800	\$ 27,500
Electronic Systems	21,800	23,400
Information Systems & Global Solutions	8,300	9,700
Space Systems	15,100	17,800
<b>Total</b>	<b><u>\$ 73,000</u></b>	<b><u>\$ 78,400</u></b>

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
<b><u>Aircraft Deliveries</u></b>	<u>September 25, 2011</u>	<u>September 26, 2010</u>	<u>September 25, 2011</u>	<u>September 26, 2010</u>
<b>F-16</b>	5	6	17	17
<b>F-22</b>	-	5	8	13
<b>F-35</b>	5	-	7	-
<b>C-130J</b>	13	7	26	16
<b>C-5M</b>	1	-	2	-



LOCKHEED MARTIN CORPORATION  
Condensed Consolidated Statements of Earnings <sup>(a)</sup>  
Unaudited  
(\$ in millions, except per share data)

	THREE MONTHS ENDED		THREE MONTHS ENDED				YEAR ENDED DECEMBER 31,	
	March 27, 2011	June 26, 2011	March 28, 2010	June 27, 2010	September 26, 2010	December 31, 2010	2009	2008
Net sales	\$ 10,626	\$ 11,543	\$ 10,308	\$ 11,259	\$ 11,343	\$ 12,761	\$ 43,867	\$ 41,212
Cost of sales	9,812	10,637	9,412	10,213	10,554	11,704	39,720	36,701
Gross profit	814	906	896	1,046	789	1,057	4,147	4,511
Other income, net	50	87	42	73	88	58	220	476
Operating profit	864	993	938	1,119	877	1,115	4,367	4,987
Interest expense	85	84	87	86	85	87	308	332
Other non-operating income (expense), net	19	9	28	(19)	37	28	123	(91)
Earnings from continuing operations before income taxes	798	918	879	1,014	829	1,056	4,182	4,564
Income tax expense	242	170	360	297	272	235	1,215	1,437
Net earnings from continuing operations	556	748	519	717	557	821	2,967	3,127
Net earnings (loss) from discontinued operations	(26)	(6)	14	107	3	140	6	58
Net earnings	\$ 530	\$ 742	\$ 533	\$ 824	\$ 560	\$ 961	\$ 2,973	\$ 3,185
Effective tax rate	30.3%	18.5%	41.0%	29.3%	32.8%	22.3%	29.1%	31.5%
Earnings (loss) per common share								
Basic								
Continuing operations	\$ 1.59	\$ 2.18	\$ 1.40	\$ 1.95	\$ 1.55	\$ 2.31	\$ 7.71	\$ 7.82
Discontinued operations	(0.07)	(0.02)	0.03	0.29	0.01	0.39	0.02	0.15
Basic earnings per common share	\$ 1.52	\$ 2.16	\$ 1.43	\$ 2.24	\$ 1.56	\$ 2.70	\$ 7.73	\$ 7.97
Diluted								
Continuing operations	\$ 1.57	\$ 2.16	\$ 1.38	\$ 1.93	\$ 1.53	\$ 2.28	\$ 7.63	\$ 7.64
Discontinued operations	(0.07)	(0.02)	0.03	0.29	0.01	0.39	0.01	0.14
Diluted earnings per common share	\$ 1.50	\$ 2.14	\$ 1.41	\$ 2.22	\$ 1.54	\$ 2.67	\$ 7.64	\$ 7.78

(a) During the third quarter of 2011, the Corporation committed to a plan to sell Savi. As a result, the consolidated financial statements presented herein have been adjusted to reflect this business as a discontinued operation for all periods presented.

**LOCKHEED MARTIN CORPORATION**  
**Net Sales, Operating Profit and Margins** <sup>(a)</sup>

Unaudited  
(\$ in millions)

	THREE MONTHS ENDED		THREE MONTHS ENDED				YEAR ENDED DECEMBER 31,	
	March 27, 2011	June 26, 2011	March 28, 2010	June 27, 2010	September 26, 2010	December 31, 2010	2009	2008
<b>Net sales</b>								
Aeronautics	\$ 3,182	\$ 3,423	\$ 2,940	\$ 3,143	\$ 3,294	\$ 3,862	\$ 12,203	\$ 11,469
Electronic Systems	3,452	3,747	3,221	3,513	3,556	3,979	13,415	12,662
Information Systems & Global Solutions	2,149	2,361	2,234	2,522	2,525	2,640	9,599	9,057
Space Systems	1,843	2,012	1,913	2,081	1,968	2,280	8,650	8,024
<b>Total</b>	<b>\$ 10,626</b>	<b>\$ 11,543</b>	<b>\$ 10,308</b>	<b>\$ 11,259</b>	<b>\$ 11,343</b>	<b>\$ 12,761</b>	<b>\$ 43,867</b>	<b>\$ 41,212</b>
<b>Operating profit</b>								
Aeronautics	\$ 331	\$ 400	\$ 331	\$ 370	\$ 389	\$ 416	\$ 1,579	\$ 1,429
Electronic Systems	429	475	379	445	428	488	1,636	1,571
Information Systems & Global Solutions	194	213	197	210	208	199	874	876
Space Systems	217	263	207	246	236	279	967	950
<b>Total business segments</b>	<b>1,171</b>	<b>1,351</b>	<b>1,114</b>	<b>1,271</b>	<b>1,261</b>	<b>1,382</b>	<b>5,056</b>	<b>4,826</b>
Unallocated corporate (expense) income, net	(307)	(358)	(176)	(152)	(384)	(267)	(689)	161
<b>Total</b>	<b>\$ 864</b>	<b>\$ 993</b>	<b>\$ 938</b>	<b>\$ 1,119</b>	<b>\$ 877</b>	<b>\$ 1,115</b>	<b>\$ 4,367</b>	<b>\$ 4,987</b>
<b>Margins</b>								
Aeronautics	10.4 %	11.7 %	11.3 %	11.8 %	11.8 %	10.8 %	12.9 %	12.5 %
Electronic Systems	12.4	12.7	11.8	12.7	12.0	12.3	12.2	12.4
Information Systems & Global Solutions	9.0	9.0	8.8	8.3	8.2	7.5	9.1	9.7
Space Systems	11.8	13.1	10.8	11.8	12.0	12.2	11.2	11.8
<b>Total business segments</b>	<b>11.0</b>	<b>11.7</b>	<b>10.8</b>	<b>11.3</b>	<b>11.1</b>	<b>10.8</b>	<b>11.5</b>	<b>11.7</b>
<b>Total consolidated</b>	<b>8.1 %</b>	<b>8.6 %</b>	<b>9.1 %</b>	<b>9.9 %</b>	<b>7.7 %</b>	<b>8.7 %</b>	<b>10.0 %</b>	<b>12.1 %</b>

<sup>(a)</sup> During the third quarter of 2011, the Corporation committed to a plan to sell Savi. As a result, the business segment information presented herein has been adjusted to reflect this business as a discontinued operation for all periods presented.

**LOCKHEED MARTIN CORPORATION**  
**Backlog - Realigned Business Segments <sup>(a)</sup>**

**Unaudited**  
**(\$ in millions)**

	<u>March 27, 2011</u>	<u>June 26, 2011</u>	<u>March 28, 2010</u>	<u>June 27, 2010</u>	<u>September 26, 2010</u>	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<b><u>Backlog:</u></b>							
Aeronautics	\$ 31,300	\$ 29,900	\$ 26,000	\$ 24,400	\$ 24,000	\$ 27,500	\$ 26,800
Electronic Systems	22,600	22,200	22,400	21,900	21,300	23,400	23,000
Information Systems & Global Solutions	9,100	8,600	10,400	9,700	9,600	9,700	10,700
Space Systems	17,000	16,500	15,700	16,600	15,700	17,800	16,800
<b>Total backlog</b>	<b><u>\$ 80,000</u></b>	<b><u>\$ 77,200</u></b>	<b><u>\$ 74,500</u></b>	<b><u>\$ 72,600</u></b>	<b><u>\$ 70,600</u></b>	<b><u>\$ 78,400</u></b>	<b><u>\$ 77,300</u></b>

<sup>(a)</sup> During the third quarter of 2011, the Corporation committed to a plan to sell Savi. As a result, the business segment information presented herein has been adjusted to reflect this business as a discontinued operation for all periods presented.