LOCKHEED MARTIN CORPORATION  
Condensed Consolidated Statements of Earnings  
Unaudited  
(In millions, except per share data and percentages)  

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th></th>
<th>NINE MONTHS ENDED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 26, 2010 (a)</td>
<td>September 27, 2009 (a)</td>
<td>September 26, 2010 (a)</td>
<td>September 27, 2009 (a)</td>
</tr>
<tr>
<td>Net sales</td>
<td>$ 11,375</td>
<td>$ 10,767</td>
<td>$ 33,009</td>
<td>$ 31,792</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>10,577</td>
<td>9,781</td>
<td>30,250</td>
<td>28,816</td>
</tr>
<tr>
<td>Gross profit</td>
<td>798</td>
<td>986</td>
<td>2,759</td>
<td>2,976</td>
</tr>
<tr>
<td>Other income, net</td>
<td>91</td>
<td>82</td>
<td>210</td>
<td>195</td>
</tr>
<tr>
<td>Operating profit</td>
<td>889</td>
<td>1,068</td>
<td>2,960</td>
<td>3,171</td>
</tr>
<tr>
<td>Interest expense</td>
<td>85</td>
<td>74</td>
<td>258</td>
<td>222</td>
</tr>
<tr>
<td>Other non-operating income (expense), net</td>
<td>37</td>
<td>54</td>
<td>46</td>
<td>97</td>
</tr>
<tr>
<td>Earnings from continuing operations before income taxes</td>
<td>841</td>
<td>1,048</td>
<td>2,757</td>
<td>3,046</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>276</td>
<td>262</td>
<td>941</td>
<td>883</td>
</tr>
<tr>
<td>Earnings from continuing operations</td>
<td>565</td>
<td>786</td>
<td>1,816</td>
<td>2,163</td>
</tr>
<tr>
<td>Earnings from discontinued operations (b)</td>
<td>6</td>
<td>11</td>
<td>127</td>
<td>34</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$ 571</td>
<td>$ 797</td>
<td>$ 1,943</td>
<td>$ 2,197</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>32.8%</td>
<td>25.0%</td>
<td>34.1%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Earnings per common share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>$ 1.57</td>
<td>$ 2.06</td>
<td>$ 4.95</td>
<td>$ 5.59</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>0.02</td>
<td>0.03</td>
<td>0.35</td>
<td>0.08</td>
</tr>
<tr>
<td>Basic earnings per common share</td>
<td>$ 1.59</td>
<td>$ 2.09</td>
<td>$ 5.30</td>
<td>$ 5.67</td>
</tr>
<tr>
<td>Diluted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>$ 1.55</td>
<td>$ 2.04</td>
<td>$ 4.89</td>
<td>$ 5.53</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>0.02</td>
<td>0.03</td>
<td>0.34</td>
<td>0.08</td>
</tr>
<tr>
<td>Diluted earnings per common share</td>
<td>$ 1.57</td>
<td>$ 2.07</td>
<td>$ 5.23</td>
<td>$ 5.61</td>
</tr>
<tr>
<td>Average number of shares outstanding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>360.1</td>
<td>381.4</td>
<td>367.1</td>
<td>387.2</td>
</tr>
<tr>
<td>Diluted</td>
<td>363.9</td>
<td>385.5</td>
<td>371.1</td>
<td>391.3</td>
</tr>
<tr>
<td>Common shares reported in stockholders’ equity at quarter end:</td>
<td></td>
<td></td>
<td>357.6</td>
<td>378.2</td>
</tr>
</tbody>
</table>

(a) It is our practice to close our 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.

(b) In June 2010, we announced plans to divest most of Enterprise Integration Group (EIG) and Pacific Architects and Engineers, Inc. (PAE). In the second quarter, PAE was classified as discontinued operations and we reflected the IS&GS realignment in IS&GS’ and Electronic Systems’ results. EIG was classified as discontinued operations in the third quarter.
Lockheed Martin Corporation
Net Sales, Operating Profit and Margins (a) 
Unaudited 
(In millions, except percentages)

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 26, 2010</td>
<td>September 27, 2009</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$ 3,300</td>
<td>$ 3,084</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>3,583</td>
<td>3,254</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>2,524</td>
<td>2,356</td>
</tr>
<tr>
<td>Space Systems</td>
<td>1,968</td>
<td>2,073</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>$ 11,375</td>
<td>$ 10,767</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$ 396</td>
<td>$ 397</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>425</td>
<td>404</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>217</td>
<td>212</td>
</tr>
<tr>
<td>Space Systems</td>
<td>235</td>
<td>236</td>
</tr>
<tr>
<td><strong>Segment operating profit</strong></td>
<td>1,273</td>
<td>1,249</td>
</tr>
<tr>
<td>Unallocated corporate expense, net</td>
<td>(384)</td>
<td>(181)</td>
</tr>
<tr>
<td><strong>Total operating profit</strong></td>
<td>$ 889</td>
<td>$ 1,068</td>
</tr>
<tr>
<td><strong>Margins</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aeronautics</td>
<td>12.0 %</td>
<td>12.9 %</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>11.9</td>
<td>12.4</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>8.6</td>
<td>9.0</td>
</tr>
<tr>
<td>Space Systems</td>
<td>11.9</td>
<td>11.4</td>
</tr>
<tr>
<td><strong>Total operating segments</strong></td>
<td>11.2</td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Total consolidated</strong></td>
<td>7.8 %</td>
<td>9.9 %</td>
</tr>
</tbody>
</table>

(a) In June 2010, we announced plans to divest EIG and PAE. EIG and PAE are now presented in discontinued operations. All of the business segment information presented in the attachments have been reclassified to exclude the EIG and PAE businesses from the IS&GS business segment information for all prior periods presented.
LOCKHEED MARTIN CORPORATION
Effect of EIG discontinued operations on IS&GS' Net Sales, Operating Profit and Margins (a)
Unaudited
(In millions, except percentages)

<table>
<thead>
<tr>
<th>Information Systems &amp; Global Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>THREE MONTHS ENDED</td>
</tr>
<tr>
<td>September 26, 2010</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
</tr>
<tr>
<td>Results under old structure</td>
</tr>
<tr>
<td>EIG to discontinued operations</td>
</tr>
<tr>
<td>Reported under new structure</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
</tr>
<tr>
<td>Results under old structure</td>
</tr>
<tr>
<td>EIG to discontinued operations</td>
</tr>
<tr>
<td>Reported under new structure</td>
</tr>
<tr>
<td><strong>Margins</strong></td>
</tr>
<tr>
<td>Results under old structure</td>
</tr>
<tr>
<td>EIG to discontinued operations</td>
</tr>
<tr>
<td>Reported under new structure</td>
</tr>
</tbody>
</table>

(a) In June 2010, we announced plans to divest EIG and PAE. In the second quarter, PAE was classified as discontinued operations and we reflected the IS&GS realignment in IS&GS' and Electronic Systems' results. EIG was classified as discontinued operations in the third quarter. This attachment shows what the results would have been under the old structure before the movement of EIG to discontinued operations, the impact of the movement and the results under the new structure.
<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 26, 2010</td>
<td>September 27, 2009</td>
</tr>
<tr>
<td>Unallocated corporate expense, net</td>
<td>$ (384)</td>
<td>$ (181)</td>
</tr>
<tr>
<td>FAS/CAS pension adjustment</td>
<td>$ (111)</td>
<td>$ (113)</td>
</tr>
<tr>
<td>Stock compensation expense</td>
<td>(40)</td>
<td>(40)</td>
</tr>
<tr>
<td>Unusual item - Voluntary Executive Separation Charge</td>
<td>(178)</td>
<td>-</td>
</tr>
<tr>
<td>Other, net</td>
<td>(55)</td>
<td>(28)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 26, 2010</td>
<td>September 27, 2009</td>
</tr>
<tr>
<td>FAS/CAS pension adjustment</td>
<td>$ (111)</td>
<td>$ (113)</td>
</tr>
<tr>
<td>FAS pension expense</td>
<td>$ (358)</td>
<td>$ (259)</td>
</tr>
<tr>
<td>Less: CAS costs</td>
<td>(247)</td>
<td>(146)</td>
</tr>
<tr>
<td>FAS/CAS pension adjustment</td>
<td>$ (111)</td>
<td>$ (113)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED SEPTEMBER 26, 2010</th>
<th>NINE MONTHS ENDED SEPTEMBER 27, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unusual Items - 2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary Executive Separation Charge</td>
<td>$ (178)</td>
<td>$ (116)</td>
</tr>
<tr>
<td>Elimination of Medicare Part D deferred tax assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$ (178)</td>
<td>$ (116)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Operating profit</th>
<th>Net earnings</th>
<th>Earnings per share</th>
<th>Operating profit</th>
<th>Net earnings</th>
<th>Earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unusual Item - 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settlement of 2005 - 2007 IRS audits</td>
<td>-</td>
<td>$ 58</td>
<td>0.15</td>
<td>-</td>
<td>$ 58</td>
<td>0.15</td>
</tr>
</tbody>
</table>
## Depreciation and amortization of plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 26, 2010</td>
<td>September 27, 2009</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$50</td>
<td>$49</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$58</td>
<td>$61</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>$17</td>
<td>$17</td>
</tr>
<tr>
<td>Space Systems</td>
<td>$46</td>
<td>$46</td>
</tr>
<tr>
<td><strong>Segments</strong></td>
<td><strong>171</strong></td>
<td><strong>173</strong></td>
</tr>
<tr>
<td>Unallocated corporate expense, net</td>
<td>$17</td>
<td>$15</td>
</tr>
<tr>
<td><strong>Total depreciation and amortization of plant and equipment</strong></td>
<td><strong>$188</strong></td>
<td><strong>$188</strong></td>
</tr>
</tbody>
</table>

## Amortization of purchased intangibles

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 26, 2010</td>
<td>September 27, 2009</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$12</td>
<td>$13</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$5</td>
<td>$4</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>$7</td>
<td>$8</td>
</tr>
<tr>
<td>Space Systems</td>
<td>$1</td>
<td>$2</td>
</tr>
<tr>
<td><strong>Total amortization of purchased intangibles</strong></td>
<td><strong>$25</strong></td>
<td><strong>$27</strong></td>
</tr>
</tbody>
</table>
LOCKHEED MARTIN CORPORATION  
Condensed Consolidated Balance Sheets  
(In millions, except percentages) 

<table>
<thead>
<tr>
<th></th>
<th>SEPTEMBER 26, 2010</th>
<th>DECEMBER 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$2,656</td>
<td>$2,391</td>
</tr>
<tr>
<td>Short-term Investments</td>
<td>767</td>
<td>346</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>6,275</td>
<td>6,061</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,093</td>
<td>2,183</td>
</tr>
<tr>
<td>Deferred Income Taxes</td>
<td>930</td>
<td>815</td>
</tr>
<tr>
<td>Assets of Discontinued Operations Held for Sale</td>
<td>805</td>
<td>-</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>413</td>
<td>681</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>13,939</strong></td>
<td><strong>12,477</strong></td>
</tr>
<tr>
<td>Property, Plant and Equipment, Net</td>
<td>4,347</td>
<td>4,520</td>
</tr>
<tr>
<td>Goodwill</td>
<td>9,588</td>
<td>9,948</td>
</tr>
<tr>
<td>Purchased Intangibles, Net</td>
<td>158</td>
<td>311</td>
</tr>
<tr>
<td>Prepaid Pension Asset</td>
<td>171</td>
<td>160</td>
</tr>
<tr>
<td>Deferred Income Taxes</td>
<td>3,339</td>
<td>3,779</td>
</tr>
<tr>
<td>Other Assets</td>
<td>4,009</td>
<td>3,916</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$35,551</strong></td>
<td><strong>$35,111</strong></td>
</tr>
<tr>
<td><strong>Liabilities and Stockholders' Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$2,352</td>
<td>$2,030</td>
</tr>
<tr>
<td>Customer Advances and Amounts in Excess of Costs Incurred</td>
<td>5,060</td>
<td>5,049</td>
</tr>
<tr>
<td>Salaries, Benefits and Payroll Taxes</td>
<td>1,890</td>
<td>1,648</td>
</tr>
<tr>
<td>Liabilities of Discontinued Operations Held for Sale</td>
<td>344</td>
<td>-</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>1,992</td>
<td>1,976</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>11,638</strong></td>
<td><strong>10,703</strong></td>
</tr>
<tr>
<td>Long-term Debt, Net</td>
<td>5,019</td>
<td>5,052</td>
</tr>
<tr>
<td>Accrued Pension Liabilities</td>
<td>10,506</td>
<td>10,823</td>
</tr>
<tr>
<td>Other Postretirement Benefit Liabilities</td>
<td>1,292</td>
<td>1,308</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>3,178</td>
<td>3,096</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>31,633</strong></td>
<td><strong>30,982</strong></td>
</tr>
<tr>
<td>Stockholders' Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stock, $1 Par Value Per Share</td>
<td>358</td>
<td>373</td>
</tr>
<tr>
<td>Additional Paid-in Capital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>12,150</td>
<td>12,351</td>
</tr>
<tr>
<td>Accumulated Other Comprehensive Loss</td>
<td>(8,590)</td>
<td>(8,595)</td>
</tr>
<tr>
<td><strong>Stockholders' Equity</strong></td>
<td><strong>3,918</strong></td>
<td><strong>4,129</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Stockholders' Equity</strong></td>
<td><strong>$35,551</strong></td>
<td><strong>$35,111</strong></td>
</tr>
</tbody>
</table>

**Total debt-to-capitalization ratio:** 56% 55%
### Operating Activities

<table>
<thead>
<tr>
<th>Adjustment</th>
<th>September 26, 2010</th>
<th>September 27, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings</td>
<td>$1,943</td>
<td>$2,197</td>
</tr>
<tr>
<td>Depreciation and amortization of plant and equipment</td>
<td>539</td>
<td>544</td>
</tr>
<tr>
<td>Amortization of purchased intangibles</td>
<td>74</td>
<td>81</td>
</tr>
<tr>
<td>Stock-based compensation and related amounts</td>
<td>111</td>
<td>96</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(515)</td>
<td>(720)</td>
</tr>
<tr>
<td>Inventories</td>
<td>60</td>
<td>(107)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>354</td>
<td>189</td>
</tr>
<tr>
<td>Customer advances and amounts in excess of costs incurred</td>
<td>25</td>
<td>350</td>
</tr>
<tr>
<td>Other</td>
<td>796</td>
<td>1,148</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>3,387</strong></td>
<td><strong>3,778</strong></td>
</tr>
</tbody>
</table>

### Investing Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>September 26, 2010</th>
<th>September 27, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures for property, plant and equipment</td>
<td>(394)</td>
<td>(481)</td>
</tr>
<tr>
<td>Net cash used for short-term investment transactions</td>
<td>(421)</td>
<td>(389)</td>
</tr>
<tr>
<td>Acquisition of businesses / investments in affiliates</td>
<td>(41)</td>
<td>(420)</td>
</tr>
<tr>
<td>Other</td>
<td>(11)</td>
<td>11</td>
</tr>
<tr>
<td><strong>Net cash used for investing activities</strong></td>
<td><strong>(867)</strong></td>
<td><strong>(1,279)</strong></td>
</tr>
</tbody>
</table>

### Financing Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>September 26, 2010</th>
<th>September 27, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchases of common stock</td>
<td>(1,566)</td>
<td>(1,362)</td>
</tr>
<tr>
<td>Issuances of common stock and related amounts</td>
<td>57</td>
<td>48</td>
</tr>
<tr>
<td>Common stock dividends</td>
<td>(700)</td>
<td>(668)</td>
</tr>
<tr>
<td>Cash premium and transaction costs for debt exchange</td>
<td>(47)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used for financing activities</strong></td>
<td><strong>(2,256)</strong></td>
<td><strong>(1,982)</strong></td>
</tr>
</tbody>
</table>

**Net increase in cash and cash equivalents**

<table>
<thead>
<tr>
<th>Activity</th>
<th>September 26, 2010</th>
<th>September 27, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>1</td>
<td>24</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>265</td>
<td>541</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>2,391</td>
<td>2,168</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td><strong>2,656</strong></td>
<td><strong>2,709</strong></td>
</tr>
</tbody>
</table>
LOCKHEED MARTIN CORPORATION
Condensed Consolidated Statement of Stockholders' Equity
Unaudited
(In millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Common Stock</th>
<th>Additional Paid-In Capital</th>
<th>Retained Earnings</th>
<th>Accumulated Other Comprehensive Loss</th>
<th>Total Stockholders' Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2009</td>
<td>$ 373</td>
<td>$ -</td>
<td>$ 12,351</td>
<td>$ (8,595)</td>
<td>$ 4,129</td>
</tr>
<tr>
<td>Net earnings</td>
<td>-</td>
<td>-</td>
<td>1,943</td>
<td>-</td>
<td>1,943</td>
</tr>
<tr>
<td>Common stock dividends declared (a)</td>
<td>-</td>
<td>-</td>
<td>(973)</td>
<td>-</td>
<td>(973)</td>
</tr>
<tr>
<td>Stock-based awards and other</td>
<td>5</td>
<td>375</td>
<td>-</td>
<td>-</td>
<td>380</td>
</tr>
<tr>
<td>Common stock repurchases (b)</td>
<td>(20)</td>
<td>(375)</td>
<td>(1,171)</td>
<td>-</td>
<td>(1,566)</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Balance at September 26, 2010</td>
<td>$ 358</td>
<td>$ -</td>
<td>$ 12,150</td>
<td>$ (8,590)</td>
<td>$ 3,918</td>
</tr>
</tbody>
</table>

(a) Includes dividends ($0.63 per share) declared and paid in the first, second and third quarters. This amount also includes a dividend ($0.75 per share) that was declared on Sept. 23, 2010 and is payable on Dec. 31, 2010 to stockholders of record on Dec. 1, 2010.

(b) We repurchased 3.6 million shares for $267.9 million during the third quarter. Year-to-date, we repurchased 19.8 million common shares for $1.6 billion. We have 9.0 million shares remaining under our share repurchase program as of Sept. 26, 2010.
# LOCKHEED MARTIN CORPORATION
## Operating Data
Unaudited

<table>
<thead>
<tr>
<th>Backlog</th>
<th>September 26, 2010</th>
<th>December 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeronautics</td>
<td>$24,000</td>
<td>$26,700</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>21,200</td>
<td>23,100</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>9,600</td>
<td>10,600</td>
</tr>
<tr>
<td>Space Systems</td>
<td>15,700</td>
<td>16,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$70,500</strong></td>
<td><strong>$77,200</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Three Months Ended</th>
<th>Aircraft Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 26, 2010</td>
<td>September 27, 2009</td>
</tr>
<tr>
<td>F-16</td>
<td>6</td>
</tr>
<tr>
<td>F-22</td>
<td>5</td>
</tr>
<tr>
<td>C-130J</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nine Months Ended</th>
<th>Aircraft Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 26, 2010</td>
<td>September 27, 2009</td>
</tr>
<tr>
<td>F-16</td>
<td>13</td>
</tr>
<tr>
<td>F-22</td>
<td>16</td>
</tr>
</tbody>
</table>
LOCKHEED MARTIN CORPORATION
Condensed Consolidated Statements of Earnings
Unaudited
(In millions, except per share data and percentages)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$10,339</td>
<td>$11,295</td>
<td>$10,085</td>
<td>$10,940</td>
<td>$10,767</td>
<td>$12,203</td>
<td>$41,372</td>
<td>$40,726</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>9,424</td>
<td>10,249</td>
<td>9,092</td>
<td>9,943</td>
<td>9,781</td>
<td>10,987</td>
<td>36,798</td>
<td>36,559</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>915</td>
<td>1,046</td>
<td>993</td>
<td>997</td>
<td>986</td>
<td>1,216</td>
<td>4,574</td>
<td>4,167</td>
</tr>
<tr>
<td>**Other income, net</td>
<td>44</td>
<td>75</td>
<td>47</td>
<td>66</td>
<td>82</td>
<td>28</td>
<td>475</td>
<td>295</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>959</td>
<td>1,121</td>
<td>1,040</td>
<td>1,063</td>
<td>1,068</td>
<td>1,244</td>
<td>5,049</td>
<td>4,462</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>87</td>
<td>86</td>
<td>74</td>
<td>74</td>
<td>74</td>
<td>86</td>
<td>332</td>
<td>341</td>
</tr>
<tr>
<td><strong>Other non-operating income (expense), net</strong></td>
<td>28</td>
<td>(19)</td>
<td>(3)</td>
<td>46</td>
<td>54</td>
<td>26</td>
<td>(91)</td>
<td>189</td>
</tr>
<tr>
<td><strong>Earnings from continuing operations before income taxes</strong></td>
<td>900</td>
<td>1,016</td>
<td>963</td>
<td>1,035</td>
<td>1,048</td>
<td>1,184</td>
<td>4,626</td>
<td>4,310</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>367</td>
<td>298</td>
<td>306</td>
<td>315</td>
<td>262</td>
<td>348</td>
<td>1,459</td>
<td>1,308</td>
</tr>
<tr>
<td><strong>Earnings from continuing operations</strong></td>
<td>533</td>
<td>718</td>
<td>657</td>
<td>720</td>
<td>786</td>
<td>836</td>
<td>3,167</td>
<td>3,002</td>
</tr>
<tr>
<td><strong>Earnings (loss) from discontinued operations</strong></td>
<td>14</td>
<td>107</td>
<td>9</td>
<td>14</td>
<td>11</td>
<td>(9)</td>
<td>50</td>
<td>31</td>
</tr>
<tr>
<td><strong>Net earnings</strong></td>
<td>$547</td>
<td>$825</td>
<td>$666</td>
<td>$734</td>
<td>$797</td>
<td>$827</td>
<td>$3,217</td>
<td>$3,033</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>40.8%</td>
<td>29.3%</td>
<td>31.8%</td>
<td>30.4%</td>
<td>25.0%</td>
<td>29.4%</td>
<td>31.5%</td>
<td>30.3%</td>
</tr>
<tr>
<td><strong>Earnings per common share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>$1.43</td>
<td>$1.95</td>
<td>$1.67</td>
<td>$1.86</td>
<td>$2.06</td>
<td>$2.20</td>
<td>$7.92</td>
<td>$7.22</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>0.03</td>
<td>0.30</td>
<td>0.02</td>
<td>0.04</td>
<td>0.03</td>
<td>(0.01)</td>
<td>0.13</td>
<td>0.07</td>
</tr>
<tr>
<td>Basic earnings per common share</td>
<td>$1.46</td>
<td>$2.25</td>
<td>$1.69</td>
<td>$1.90</td>
<td>$2.09</td>
<td>$2.19</td>
<td>$8.05</td>
<td>$7.59</td>
</tr>
<tr>
<td><strong>Diluted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>$1.42</td>
<td>$1.93</td>
<td>$1.66</td>
<td>$1.84</td>
<td>$2.04</td>
<td>$2.19</td>
<td>$7.74</td>
<td>$7.03</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>0.03</td>
<td>0.29</td>
<td>0.02</td>
<td>0.04</td>
<td>0.03</td>
<td>(0.02)</td>
<td>0.12</td>
<td>0.07</td>
</tr>
<tr>
<td>Diluted earnings per common share</td>
<td>$1.45</td>
<td>$2.22</td>
<td>$1.68</td>
<td>$1.88</td>
<td>$2.07</td>
<td>$2.17</td>
<td>$7.86</td>
<td>$7.10</td>
</tr>
</tbody>
</table>

(a) In June 2010, we announced plans to divest EIG and PAE. In the second quarter, PAE was classified as discontinued operations and we reflected the IS&GS realignment in IS&GS' and Electronic Systems' results. EIG was classified as discontinued operations in the third quarter.
### Net Sales, Operating Profit and Margins

Net sales, operating profit and margins for Lockheed Martin Corporation are presented in the following table:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$2,933</td>
<td>$3,146</td>
<td>$2,781</td>
<td>$3,086</td>
<td>$3,084</td>
<td>$3,250</td>
<td>$11,473</td>
<td>$12,303</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>3,276</td>
<td>3,528</td>
<td>3,169</td>
<td>3,395</td>
<td>3,254</td>
<td>3,714</td>
<td>12,803</td>
<td>12,046</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>2,212</td>
<td>2,541</td>
<td>2,217</td>
<td>2,403</td>
<td>2,356</td>
<td>2,652</td>
<td>9,069</td>
<td>8,174</td>
</tr>
<tr>
<td>Space Systems</td>
<td>1,918</td>
<td>2,080</td>
<td>1,918</td>
<td>2,056</td>
<td>2,073</td>
<td>2,607</td>
<td>8,027</td>
<td>8,203</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>$10,339</td>
<td>$11,295</td>
<td>$10,085</td>
<td>$10,940</td>
<td>$10,767</td>
<td>$12,203</td>
<td>$41,372</td>
<td>$40,726</td>
</tr>
<tr>
<td><strong>Operating profit:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$324</td>
<td>$372</td>
<td>$355</td>
<td>$399</td>
<td>$397</td>
<td>$426</td>
<td>$1,433</td>
<td>$1,476</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>404</td>
<td>432</td>
<td>400</td>
<td>425</td>
<td>404</td>
<td>431</td>
<td>1,583</td>
<td>1,441</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>194</td>
<td>224</td>
<td>215</td>
<td>209</td>
<td>212</td>
<td>259</td>
<td>919</td>
<td>853</td>
</tr>
<tr>
<td>Space Systems</td>
<td>213</td>
<td>245</td>
<td>212</td>
<td>224</td>
<td>236</td>
<td>300</td>
<td>953</td>
<td>856</td>
</tr>
<tr>
<td><strong>Segment operating profit</strong></td>
<td>$1,135</td>
<td>$1,273</td>
<td>$1,182</td>
<td>$1,257</td>
<td>$1,249</td>
<td>$1,416</td>
<td>$4,888</td>
<td>$4,626</td>
</tr>
<tr>
<td>Unallocated corporate expense, net</td>
<td>(176)</td>
<td>(152)</td>
<td>(142)</td>
<td>(194)</td>
<td>(181)</td>
<td>(172)</td>
<td>(161)</td>
<td>(164)</td>
</tr>
<tr>
<td><strong>Total operating profit</strong></td>
<td>$959</td>
<td>$1,121</td>
<td>$1,040</td>
<td>$1,063</td>
<td>$1,068</td>
<td>$1,244</td>
<td>$5,049</td>
<td>$4,462</td>
</tr>
</tbody>
</table>

**Margins:**

- **Aeronautics:** 11.0 %, 11.8 %, 12.8 %, 12.9 %, 13.1 %, 12.5 %, 12.0 %
- **Electronic Systems:** 12.3, 12.2, 12.6, 12.5, 12.4, 11.6, 12.4
- **Information Systems & Global Solutions:** 8.8, 8.8, 9.7, 8.7, 9.0, 9.8, 10.1, 10.4
- **Space Systems:** 11.1, 11.8, 11.1, 10.9, 11.4, 11.5, 11.9, 10.4
- **Total operating segments:** 11.0, 11.3, 11.7, 11.5, 11.6, 11.6, 11.8, 11.4
- **Total consolidated:** 9.3 %, 9.9 %, 10.3 %, 9.7 %, 9.9 %, 10.2 %, 12.2 %, 11.0 %

*In June 2010, we announced plans to divest EIG and PAE. In the second quarter, PAE was classified as discontinued operations and we reflected the IS&GS realignment in IS&GS' and Electronic Systems' results. EIG was classified as discontinued operations in the third quarter.*
### Selected Financial Data (a)

Unaudited

<table>
<thead>
<tr>
<th>Segment Description</th>
<th>Three Months Ended</th>
<th>Three Months Ended</th>
<th>Three Months Ended</th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$47</td>
<td>$48</td>
<td>$47</td>
<td>$47</td>
</tr>
<tr>
<td>Aeronautics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$54</td>
<td>$58</td>
<td>$58</td>
<td>$60</td>
</tr>
<tr>
<td>Information Systems &amp; Global Solutions</td>
<td>$14</td>
<td>$14</td>
<td>$14</td>
<td>$17</td>
</tr>
<tr>
<td>Space Systems</td>
<td>$43</td>
<td>$44</td>
<td>$43</td>
<td>$42</td>
</tr>
<tr>
<td>Segments</td>
<td>$158</td>
<td>$164</td>
<td>$162</td>
<td>$166</td>
</tr>
<tr>
<td>Unallocated corporate expense, net</td>
<td>$14</td>
<td>$15</td>
<td>$13</td>
<td>$15</td>
</tr>
</tbody>
</table>

Total depreciation and amortization of plant and equipment $172 $179 $175 $181 $188 $206 $727 $666

(a) In June 2010, we announced plans to divest EIG and PAE. In the second quarter, PAE was classified as discontinued operations and we reflected the IS&GS realignment in IS&GS’ and Electronic Systems’ results. EIG was classified as discontinued operations in the third quarter.
In June 2010, we announced plans to divest EIG and PAE. In the second quarter, PAE was classified as discontinued operations and we reflected the IS&GS realignment in IS&GS’ and Electronic Systems’ results. EIG was classified as discontinued operations in the third quarter.