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

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 27, 2009 (a)</td>
<td>September 28, 2008 (a)</td>
</tr>
<tr>
<td>Net sales</td>
<td>$ 11,056</td>
<td>$ 10,577</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>10,060</td>
<td>9,455</td>
</tr>
<tr>
<td></td>
<td>996</td>
<td>1,122</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>89</td>
<td>120</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1,085</td>
<td>1,242</td>
</tr>
<tr>
<td>Interest expense</td>
<td>67</td>
<td>85</td>
</tr>
<tr>
<td>Other non-operating income (expense), net</td>
<td>54</td>
<td>(13)</td>
</tr>
<tr>
<td>Earnings before income taxes</td>
<td>1,072</td>
<td>1,144</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>275</td>
<td>362</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$ 797</td>
<td>$ 782</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>25.7%</td>
<td>31.6%</td>
</tr>
<tr>
<td>Earnings per common share:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$ 2.09</td>
<td>$ 1.97</td>
</tr>
<tr>
<td>Diluted</td>
<td>$ 2.07</td>
<td>$ 1.92</td>
</tr>
<tr>
<td>Average number of shares outstanding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>381.4</td>
<td>397.4</td>
</tr>
<tr>
<td>Diluted</td>
<td>385.5</td>
<td>407.1</td>
</tr>
<tr>
<td>Common shares reported in stockholders' equity at quarter end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>378.2</td>
<td></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.
LOCKHEED MARTIN CORPORATION

Net Sales, Segment Operating Profit and Margins

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 27, 2009</td>
<td>September 28, 2008</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$2,922</td>
<td>$2,802</td>
</tr>
<tr>
<td>Information Systems &amp; Global Services</td>
<td>$2,977</td>
<td>$2,950</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$3,084</td>
<td>$2,917</td>
</tr>
<tr>
<td>Space Systems</td>
<td>$2,073</td>
<td>$1,908</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>$11,056</td>
<td>$10,577</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$389</td>
<td>$364</td>
</tr>
<tr>
<td>Information Systems &amp; Global Services</td>
<td>$244</td>
<td>$267</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>$397</td>
<td>$375</td>
</tr>
<tr>
<td>Space Systems</td>
<td>$236</td>
<td>$244</td>
</tr>
<tr>
<td><strong>Segment operating profit</strong></td>
<td>$1,266</td>
<td>$1,250</td>
</tr>
<tr>
<td>Unallocated corporate (expense) income, net</td>
<td>(181)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Margins</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>13.3%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Information Systems &amp; Global Services</td>
<td>8.2%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>12.9%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Space Systems</td>
<td>11.4%</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>Total operating segments</strong></td>
<td>11.5%</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>Total consolidated</strong></td>
<td>9.8%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>
## Selected Financial Data

Unaudited  
(In millions, except per share data)

### Unallocated Corporate (Expense) Income, Net

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 27, 2009</td>
<td>September 28, 2008</td>
</tr>
<tr>
<td>FAS/CAS pension adjustment</td>
<td>$ (113)</td>
<td>$ 32</td>
</tr>
<tr>
<td>Stock compensation expense</td>
<td>(40)</td>
<td>(40)</td>
</tr>
<tr>
<td>Unusual items</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Other, net</td>
<td>(28)</td>
<td>(44)</td>
</tr>
<tr>
<td>Unallocated corporate (expense) income, net</td>
<td>$ (181)</td>
<td>$ (8)</td>
</tr>
</tbody>
</table>

### FAS/CAS Pension Adjustment

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 27, 2009</td>
<td>September 28, 2008</td>
</tr>
<tr>
<td>FAS/CAS pension adjustment</td>
<td>$ (259)</td>
<td>$ (116)</td>
</tr>
<tr>
<td>Less: CAS costs</td>
<td>(146)</td>
<td>(148)</td>
</tr>
<tr>
<td>FAS/CAS pension adjustment - (expense) income</td>
<td>$ (113)</td>
<td>$ 32</td>
</tr>
</tbody>
</table>

### Operating Profit and Net Earnings per Share

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED SEPTEMBER 27, 2009</th>
<th>NINE MONTHS ENDED SEPTEMBER 27, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unusual Item - 2009</td>
<td>Operating profit</td>
<td>Net earnings</td>
</tr>
<tr>
<td>Resolution of 2005 - 2007 IRS examination</td>
<td>$ -</td>
<td>$ 58</td>
</tr>
</tbody>
</table>

### Unusual Items - 2008

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED SEPTEMBER 28, 2008</th>
<th>NINE MONTHS ENDED SEPTEMBER 28, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unusual Items - 2008</td>
<td>Operating profit</td>
<td>Net earnings</td>
</tr>
<tr>
<td>ILS/LKEI deferred gain</td>
<td>$ 44</td>
<td>$ 28</td>
</tr>
<tr>
<td>Earnings associated with prior years' land sales</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Notes

- The above data includes the resolution of 2005 - 2007 IRS examination.
- The unusual items for 2009 include the resolution of IRS examination and earnings associated with prior years' land sales.
<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 27, 2009</td>
<td>September 28, 2008</td>
<td>September 27, 2009</td>
<td>September 28, 2008</td>
</tr>
<tr>
<td>Depreciation and amortization of plant and equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$ 60</td>
<td>$ 69</td>
<td>$ 177</td>
<td>$ 189</td>
</tr>
<tr>
<td>Information Systems &amp; Global Services</td>
<td>18</td>
<td>16</td>
<td>50</td>
<td>49</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>49</td>
<td>52</td>
<td>143</td>
<td>137</td>
</tr>
<tr>
<td>Space Systems</td>
<td>46</td>
<td>36</td>
<td>131</td>
<td>109</td>
</tr>
<tr>
<td><strong>Segments</strong></td>
<td>173</td>
<td>173</td>
<td>501</td>
<td>484</td>
</tr>
<tr>
<td>Unallocated corporate expense, net</td>
<td>15</td>
<td>14</td>
<td>43</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total depreciation and amortization of plant and equipment</strong></td>
<td>$ 188</td>
<td>$ 187</td>
<td>$ 544</td>
<td>$ 522</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of purchased intangibles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$ 2</td>
<td>$ 2</td>
<td>$ 7</td>
<td>$ 8</td>
</tr>
<tr>
<td>Information Systems &amp; Global Services</td>
<td>10</td>
<td>10</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>13</td>
<td>12</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>Space Systems</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>Segments</strong></td>
<td>27</td>
<td>25</td>
<td>81</td>
<td>82</td>
</tr>
<tr>
<td>Unallocated corporate expense, net</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total amortization of purchased intangibles</strong></td>
<td>$ 27</td>
<td>$ 27</td>
<td>$ 81</td>
<td>$ 90</td>
</tr>
</tbody>
</table>
## LOCKHEED MARTIN CORPORATION
### Condensed Consolidated Balance Sheet
#### Unaudited
#### (In millions)

<table>
<thead>
<tr>
<th></th>
<th>SEPTEMBER 27, 2009</th>
<th>DECEMBER 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,709</td>
<td>$2,168</td>
</tr>
<tr>
<td>Receivables</td>
<td>6,067</td>
<td>5,296</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,079</td>
<td>1,902</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>747</td>
<td>755</td>
</tr>
<tr>
<td>Other current assets</td>
<td>841</td>
<td>562</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>12,443</strong></td>
<td><strong>10,683</strong></td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>4,430</td>
<td>4,488</td>
</tr>
<tr>
<td>Goodwill</td>
<td>9,944</td>
<td>9,526</td>
</tr>
<tr>
<td>Purchased intangibles, net</td>
<td>338</td>
<td>355</td>
</tr>
<tr>
<td>Prepaid pension asset</td>
<td>135</td>
<td>122</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>4,596</td>
<td>4,651</td>
</tr>
<tr>
<td>Other assets</td>
<td>3,856</td>
<td>3,614</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$35,742</strong></td>
<td><strong>$33,439</strong></td>
</tr>
</tbody>
</table>

|                        |                     |                   |
| **Liabilities and Stockholders' Equity** |                     |                   |
| Accounts payable       | $2,245              | $2,030            |
| Customer advances and amounts in excess of costs incurred | 4,934           | 4,535             |
| Other current liabilities | 4,162          | 3,735             |
| Current maturities of long-term debt | 242              | 242               |
| **Total current liabilities** | **11,583**       | **10,542**        |
| Long-term debt, net    | 3,563               | 3,563             |
| Accrued pension liabilities | 12,793       | 12,004            |
| Other postretirement benefit and other noncurrent liabilities | 4,663          | 4,465             |
| Stockholders' equity   | 3,140               | 2,865             |
| **Total liabilities and stockholders' equity** | **$35,742**       | **$33,439**       |

**Total debt-to-capitalization ratio:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>55%</td>
<td>57%</td>
</tr>
</tbody>
</table>
LOCKHEED MARTIN CORPORATION
Condensed Consolidated Statement of Cash Flows
Unaudited
(In millions)

<table>
<thead>
<tr>
<th>NINE MONTHS ENDED</th>
<th>September 27, 2009</th>
<th>September 28, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td>$2,197</td>
<td>$2,394</td>
</tr>
<tr>
<td>Adjustments to reconcile net earnings to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization of plant and equipment</td>
<td>544</td>
<td>522</td>
</tr>
<tr>
<td>Amortization of purchased intangibles</td>
<td>81</td>
<td>90</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>112</td>
<td>115</td>
</tr>
<tr>
<td>Excess tax benefits on stock compensation</td>
<td>(16)</td>
<td>(90)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>(720)</td>
<td>(426)</td>
</tr>
<tr>
<td>Inventories</td>
<td>(107)</td>
<td>(18)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>189</td>
<td>(141)</td>
</tr>
<tr>
<td>Customer advances and amounts in excess of costs incurred</td>
<td>350</td>
<td>91</td>
</tr>
<tr>
<td>Other</td>
<td>1,148</td>
<td>887</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities (a)</strong></td>
<td>3,778</td>
<td>3,424</td>
</tr>
<tr>
<td><strong>Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures for property, plant and equipment</td>
<td>(481)</td>
<td>(503)</td>
</tr>
<tr>
<td>Net proceeds from (payments for) short-term investment transactions</td>
<td>(389)</td>
<td>262</td>
</tr>
<tr>
<td>Acquisitions of businesses / investments in affiliates</td>
<td>(420)</td>
<td>(195)</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>(27)</td>
</tr>
<tr>
<td><strong>Net cash used for investing activities</strong></td>
<td>(1,279)</td>
<td>(463)</td>
</tr>
<tr>
<td><strong>Financing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchases of common stock</td>
<td>(1,362)</td>
<td>(2,338)</td>
</tr>
<tr>
<td>Issuances of common stock and related amounts</td>
<td>32</td>
<td>242</td>
</tr>
<tr>
<td>Excess tax benefits on stock compensation</td>
<td>16</td>
<td>90</td>
</tr>
<tr>
<td>Common stock dividends</td>
<td>(668)</td>
<td>(510)</td>
</tr>
<tr>
<td>Issuance of long-term debt and related costs</td>
<td>-</td>
<td>491</td>
</tr>
<tr>
<td>Repayments of long-term debt</td>
<td>-</td>
<td>(1,103)</td>
</tr>
<tr>
<td><strong>Net cash used for financing activities</strong></td>
<td>(1,982)</td>
<td>(3,128)</td>
</tr>
<tr>
<td><strong>Effect of exchange rate changes on cash and cash equivalents (a)</strong></td>
<td>24</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents</strong></td>
<td>541</td>
<td>(185)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>2,168</td>
<td>2,648</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>$2,709</td>
<td>$2,463</td>
</tr>
</tbody>
</table>

(a) In the fourth quarter of 2008, the Corporation reclassified the effect of exchange rate changes on cash from “Cash from operations” to a separate caption in the Statement of Cash Flows. Accordingly, the prior period amount now reflects this presentation.
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, 2008</td>
<td>$ 393</td>
<td>$ -</td>
<td>$ 11,621</td>
<td>$ (9,149)</td>
<td>$ 2,865</td>
</tr>
<tr>
<td>Net earnings</td>
<td></td>
<td></td>
<td>2,197</td>
<td></td>
<td>2,197</td>
</tr>
<tr>
<td>Common stock dividends declared (a)</td>
<td></td>
<td></td>
<td>(908)</td>
<td></td>
<td>(908)</td>
</tr>
<tr>
<td>Stock-based awards and ESOP activity</td>
<td>3</td>
<td>315</td>
<td></td>
<td></td>
<td>318</td>
</tr>
<tr>
<td>Common stock repurchases (b)</td>
<td>(18)</td>
<td>(315)</td>
<td>(1,029)</td>
<td></td>
<td>(1,362)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td>30</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Balance at September 27, 2009</td>
<td>$ 378</td>
<td>$ -</td>
<td>$ 11,881</td>
<td>$ (9,119)</td>
<td>$ 3,140</td>
</tr>
</tbody>
</table>

(a) Includes dividends ($0.57 per share) declared and paid in the first, second and third quarters. This amount also includes a dividend ($0.63 per share) that was declared on September 24, 2009 and is payable on December 31, 2009 to shareholders of record on December 1, 2009.

(b) The Corporation repurchased 4.6 million shares for $354 million during the third quarter. Year-to-date, the Corporation has repurchased 18.3 million common shares for $1.4 billion. The Corporation has 35.4 million shares remaining under its share repurchase program, including the 20.0 million of additional shares that were authorized for repurchase under the program in September 2009.
### Backlog

<table>
<thead>
<tr>
<th>Segment</th>
<th>September 27, 2009</th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Systems</td>
<td>$20,500</td>
<td>$22,500</td>
</tr>
<tr>
<td>Information Systems &amp; Global Services</td>
<td>12,000</td>
<td>13,300</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>25,900</td>
<td>27,200</td>
</tr>
<tr>
<td>Space Systems</td>
<td>18,000</td>
<td>17,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$76,400</strong></td>
<td><strong>$80,900</strong></td>
</tr>
</tbody>
</table>

1 Reflects the termination for convenience of the VH-71 program, a $985 million reduction of backlog.
2 Reflects the termination for convenience of the TSAT Mission Operations System (TMOS) program, a $1,600 million reduction of backlog.

### Aircraft Deliveries

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
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<td>September 27, 2009</td>
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