

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

	<b>THREE MONTHS ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>September 27, 2009</b> <sup>(a)</sup>	<b>September 28, 2008</b> <sup>(a)</sup>	<b>September 27, 2009</b> <sup>(a)</sup>	<b>September 28, 2008</b> <sup>(a)</sup>
Net sales	\$ 11,056	\$ 10,577	\$ 32,665	\$ 31,599
Cost of sales	<u>10,060</u>	<u>9,455</u>	<u>29,652</u>	<u>28,217</u>
	996	1,122	3,013	3,382
Other income (expense), net	<u>89</u>	<u>120</u>	<u>212</u>	<u>401</u>
Operating profit	1,085	1,242	3,225	3,783
Interest expense	67	85	219	264
Other non-operating income (expense), net	<u>54</u>	<u>(13)</u>	<u>98</u>	<u>14</u>
Earnings before income taxes	1,072	1,144	3,104	3,533
Income tax expense	<u>275</u>	<u>362</u>	<u>907</u>	<u>1,139</u>
Net earnings	<u>\$ 797</u>	<u>\$ 782</u>	<u>\$ 2,197</u>	<u>\$ 2,394</u>
Effective tax rate	<u>25.7%</u>	<u>31.6%</u>	<u>29.2%</u>	<u>32.2%</u>
<b>Earnings per common share:</b>				
Basic	\$ 2.09	\$ 1.97	\$ 5.67	\$ 5.97
Diluted	\$ 2.07	\$ 1.92	\$ 5.61	\$ 5.82
<b>Average number of shares outstanding</b>				
Basic	381.4	397.4	387.2	401.1
Diluted	385.5	407.1	391.3	411.1
<b>Common shares reported in stockholders' equity at quarter end:</b>			<b>378.2</b>	<b>398.2</b>

(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)**

	<b>THREE MONTHS ENDED</b>			<b>NINE MONTHS ENDED</b>		
	<b>September 27, 2009</b>	September 28, 2008	<b>% Change</b>	<b>September 27, 2009</b>	September 28, 2008	<b>% Change</b>
<b>Net sales</b>						
Electronic Systems	\$ 2,922	\$ 2,802	4 %	\$ 8,911	\$ 8,686	3 %
Information Systems & Global Services	2,977	2,950	1	8,756	8,312	5
Aeronautics	3,084	2,917	6	8,951	8,608	4
Space Systems	2,073	1,908	9	6,047	5,993	1
<b>Total net sales</b>	<b>\$ 11,056</b>	<b>\$ 10,577</b>	<b>5 %</b>	<b>\$ 32,665</b>	<b>\$ 31,599</b>	<b>3 %</b>
<b>Operating profit</b>						
Electronic Systems	\$ 389	\$ 364	7 %	\$ 1,185	\$ 1,139	4 %
Information Systems & Global Services	244	267	(9)	734	769	(5)
Aeronautics	397	375	6	1,151	1,064	8
Space Systems	236	244	(3)	672	743	(10)
<b>Segment operating profit</b>	<b>1,266</b>	<b>1,250</b>	<b>1</b>	<b>3,742</b>	<b>3,715</b>	<b>1</b>
Unallocated corporate (expense) income, net	(181)	(8)		(517)	68	
	<b>\$ 1,085</b>	<b>\$ 1,242</b>	<b>(13) %</b>	<b>\$ 3,225</b>	<b>\$ 3,783</b>	<b>(15) %</b>
<b>Margins:</b>						
Electronic Systems	13.3 %	13.0 %		13.3 %	13.1 %	
Information Systems & Global Services	8.2	9.1		8.4	9.3	
Aeronautics	12.9	12.9		12.9	12.4	
Space Systems	11.4	12.8		11.1	12.4	
<b>Total operating segments</b>	<b>11.5</b>	<b>11.8</b>		<b>11.5</b>	<b>11.8</b>	
<b>Total consolidated</b>	<b>9.8 %</b>	<b>11.7 %</b>		<b>9.9 %</b>	<b>12.0 %</b>	

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

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
	<u>September 27, 2009</u>	<u>September 28, 2008</u>	<u>September 27, 2009</u>	<u>September 28, 2008</u>
<b><u>Unallocated corporate (expense) income, net</u></b>				
FAS/CAS pension adjustment	\$ (113)	\$ 32	\$ (342)	\$ 96
Stock compensation expense	(40)	(40)	(112)	(115)
Unusual items	-	44	-	145
Other, net	(28)	(44)	(63)	(58)
<b>Unallocated corporate (expense) income, net</b>	<b><u>\$ (181)</u></b>	<b><u>\$ (8)</u></b>	<b><u>\$ (517)</u></b>	<b><u>\$ 68</u></b>

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
	<u>September 27, 2009</u>	<u>September 28, 2008</u>	<u>September 27, 2009</u>	<u>September 28, 2008</u>
<b><u>FAS/CAS pension adjustment</u></b>				
FAS pension expense	\$ (259)	\$ (116)	\$ (777)	\$ (347)
Less: CAS costs	(146)	(148)	(435)	(443)
<b>FAS/CAS pension adjustment - (expense) income</b>	<b><u>\$ (113)</u></b>	<b><u>\$ 32</u></b>	<b><u>\$ (342)</u></b>	<b><u>\$ 96</u></b>

	<u>THREE MONTHS ENDED SEPTEMBER 27, 2009</u>			<u>NINE MONTHS ENDED SEPTEMBER 27, 2009</u>		
	<u>Operating profit</u>	<u>Net earnings</u>	<u>Earnings per share</u>	<u>Operating profit</u>	<u>Net earnings</u>	<u>Earnings per share</u>
<b><u>Unusual Item - 2009</u></b>						
Resolution of 2005 - 2007 IRS examination	\$ -	\$ 58	\$ 0.15	\$ -	\$ 58	\$ 0.15
	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ 0.15</u>	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ 0.15</u>

	<u>THREE MONTHS ENDED SEPTEMBER 28, 2008</u>			<u>NINE MONTHS ENDED SEPTEMBER 28, 2008</u>		
	<u>Operating profit</u>	<u>Net earnings</u>	<u>Earnings per share</u>	<u>Operating profit</u>	<u>Net earnings</u>	<u>Earnings per share</u>
<b><u>Unusual Items - 2008</u></b>						
ILS/LKEI deferred gain	\$ 44	\$ 28	\$ 0.07	\$ 60	\$ 38	\$ 0.09
Earnings associated with prior years' land sales	-	-	-	85	56	0.14
	<u>\$ 44</u>	<u>\$ 28</u>	<u>\$ 0.07</u>	<u>\$ 145</u>	<u>\$ 94</u>	<u>\$ 0.23</u>

**LOCKHEED MARTIN CORPORATION**

**Selected Financial Data**

**Unaudited**

**(In millions)**

	<b>THREE MONTHS ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>September 27, 2009</b>	September 28, 2008	<b>September 27, 2009</b>	September 28, 2008
<b><u>Depreciation and amortization of plant and equipment</u></b>				
Electronic Systems	\$ 60	\$ 69	\$ 177	\$ 189
Information Systems & Global Services	18	16	50	49
Aeronautics	49	52	143	137
Space Systems	46	36	131	109
<b>Segments</b>	<b>173</b>	173	<b>501</b>	484
Unallocated corporate expense, net	15	14	43	38
<b>Total depreciation and amortization of plant and equipment</b>	<b>\$ 188</b>	\$ 187	<b>\$ 544</b>	\$ 522

	<b>THREE MONTHS ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>September 27, 2009</b>	September 28, 2008	<b>September 27, 2009</b>	September 28, 2008
<b><u>Amortization of purchased intangibles</u></b>				
Electronic Systems	\$ 2	\$ 2	\$ 7	\$ 8
Information Systems & Global Services	10	10	32	33
Aeronautics	13	12	37	38
Space Systems	2	1	5	3
<b>Segments</b>	<b>27</b>	25	<b>81</b>	82
Unallocated corporate expense, net	-	2	-	8
<b>Total amortization of purchased intangibles</b>	<b>\$ 27</b>	\$ 27	<b>\$ 81</b>	\$ 90

**LOCKHEED MARTIN CORPORATION**  
**Condensed Consolidated Balance Sheet**  
**Unaudited**  
**(In millions)**

	<u>SEPTEMBER 27,</u> <u>2009</u>	<u>DECEMBER 31,</u> <u>2008</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,709	\$ 2,168
Receivables	6,067	5,296
Inventories	2,079	1,902
Deferred income taxes	747	755
Other current assets	841	562
Total current assets	<u>12,443</u>	<u>10,683</u>
Property, plant and equipment, net	4,430	4,488
Goodwill	9,944	9,526
Purchased intangibles, net	338	355
Prepaid pension asset	135	122
Deferred income taxes	4,596	4,651
Other assets	3,856	3,614
<b>Total assets</b>	<b><u>\$ 35,742</u></b>	<b><u>\$ 33,439</u></b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
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	<u>11,583</u>	<u>10,542</u>
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
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 35,742</u></b>	<b><u>\$ 33,439</u></b>
<b>Total debt-to-capitalization ratio:</b>	<b><u>55%</u></b>	<b><u>57%</u></b>

**LOCKHEED MARTIN CORPORATION**  
**Condensed Consolidated Statement of Cash Flows**  
**Unaudited**  
(In millions)

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

(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)

	<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, 2008</b>	\$ 393	\$ -	\$ 11,621	\$ (9,149)	\$ 2,865
<b>Net earnings</b>			2,197		2,197
<b>Common stock dividends declared (a)</b>			(908)		(908)
<b>Stock-based awards and ESOP activity</b>	3	315			318
<b>Common stock repurchases (b)</b>	(18)	(315)	(1,029)		(1,362)
<b>Other comprehensive income</b>				30	30
<b>Balance at September 27, 2009</b>	<u>\$ 378</u>	<u>\$ -</u>	<u>\$ 11,881</u>	<u>\$ (9,119)</u>	<u>\$ 3,140</u>

(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.

**LOCKHEED MARTIN CORPORATION**

**Operating Data**

**Unaudited**

	<u>September 27, 2009</u>	<u>December 31, 2008</u>
<b><u>Backlog</u></b>		
<b>(In millions)</b>		
Electronic Systems	\$ 20,500 <sup>1</sup>	\$ 22,500
Information Systems & Global Services	12,000 <sup>2</sup>	13,300
Aeronautics	25,900	27,200
Space Systems	18,000	17,900
<b>Total</b>	<b>\$ 76,400</b>	<b>\$ 80,900</b>

<sup>1</sup> Reflects the termination for convenience of the VH-71 program, a \$985 million reduction of backlog.

<sup>2</sup> Reflects the termination for convenience of the TSAT Mission Operations System (TMOS) program, a \$1,600 million reduction of backlog.

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
<b><u>Aircraft Deliveries</u></b>	<u>September 27, 2009</u>	<u>September 28, 2008</u>	<u>September 27, 2009</u>	<u>September 28, 2008</u>
<b>F-16</b>	<b>8</b>	7	<b>24</b>	23
<b>F-22</b>	<b>4</b>	7	<b>14</b>	17
<b>C-130J</b>	<b>4</b>	3	<b>10</b>	9