

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

	<b>THREE MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>	
	<b>June 28, 2009</b> <sup>(a)</sup>	<b>June 29, 2008</b> <sup>(a)</sup>	<b>June 28, 2009</b> <sup>(a)</sup>	<b>June 29, 2008</b> <sup>(a)</sup>
Net sales	\$ 11,236	\$ 11,039	\$ 21,609	\$ 21,022
Cost of sales	10,224	9,848	19,592	18,762
	1,012	1,191	2,017	2,260
Other income (expense), net	71	172	123	281
Operating profit	1,083	1,363	2,140	2,541
Interest expense	76	92	152	179
Other non-operating income (expense), net	47	34	44	27
Earnings before income taxes	1,054	1,305	2,032	2,389
Income tax expense	320	423	632	777
Net earnings	\$ 734	\$ 882	\$ 1,400	\$ 1,612
Effective tax rate	30.4%	32.4%	31.1%	32.5%
<b>Earnings per common share:</b>				
Basic	\$ 1.90	\$ 2.21	\$ 3.59	\$ 4.00
Diluted	\$ 1.88	\$ 2.15	\$ 3.55	\$ 3.90
<b>Average number of shares outstanding</b>				
Basic	386.9	399.3	390.2	402.9
Diluted	390.9	409.5	394.2	413.2
<b>Common shares reported in stockholders' equity at quarter end:</b>			381.7	393.9

(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>SIX MONTHS ENDED</b>		
	<b>June 28, 2009</b>	June 29, 2008	% Change	<b>June 28, 2009</b>	June 29, 2008	% Change
<b>Net sales</b>						
Electronic Systems	\$ 3,076	\$ 3,095	(1) %	\$ 5,989	\$ 5,884	2 %
Information Systems & Global Services	3,018	2,858	6	5,779	5,362	8
Aeronautics	3,086	2,884	7	5,867	5,691	3
Space Systems	2,056	2,202	(7)	3,974	4,085	(3)
<b>Total net sales</b>	<b>\$ 11,236</b>	<b>\$ 11,039</b>	2 %	<b>\$ 21,609</b>	<b>\$ 21,022</b>	3 %
<b>Operating profit</b>						
Electronic Systems	\$ 406	\$ 409	(1) %	\$ 796	\$ 775	3 %
Information Systems & Global Services	248	272	(9)	490	502	(2)
Aeronautics	399	366	9	754	689	9
Space Systems	224	268	(16)	436	499	(13)
<b>Segment operating profit</b>	<b>1,277</b>	<b>1,315</b>	(3)	<b>2,476</b>	<b>2,465</b>	-
Unallocated corporate (expense) income, net	(194)	48		(336)	76	
	<b>\$ 1,083</b>	<b>\$ 1,363</b>	(21) %	<b>\$ 2,140</b>	<b>\$ 2,541</b>	(16) %
<b>Margins:</b>						
Electronic Systems	13.2 %	13.2 %		13.3 %	13.2 %	
Information Systems & Global Services	8.2	9.5		8.5	9.4	
Aeronautics	12.9	12.7		12.9	12.1	
Space Systems	10.9	12.2		11.0	12.2	
<b>Total operating segments</b>	<b>11.4 %</b>	<b>11.9 %</b>		<b>11.5 %</b>	<b>11.7 %</b>	
<b>Total consolidated</b>	<b>9.6 %</b>	<b>12.3 %</b>		<b>9.9 %</b>	<b>12.1 %</b>	

**LOCKHEED MARTIN CORPORATION**

**Selected Financial Data**

**Unaudited**

(In millions, except per share data)

	<u>THREE MONTHS ENDED</u>		<u>SIX MONTHS ENDED</u>	
	<u>June 28, 2009</u>	<u>June 29, 2008</u>	<u>June 28, 2009</u>	<u>June 29, 2008</u>
<b><u>Unallocated corporate (expense) income, net</u></b>				
FAS/CAS pension adjustment	\$ (115)	\$ 32	\$ (229)	\$ 64
Stock compensation expense	(42)	(40)	(72)	(75)
Unusual items	-	85	-	101
Other, net	(37)	(29)	(35)	(14)
<b>Unallocated corporate (expense) income, net</b>	<b>\$ (194)</b>	<b>\$ 48</b>	<b>\$ (336)</b>	<b>\$ 76</b>

	<u>THREE MONTHS ENDED</u>		<u>SIX MONTHS ENDED</u>	
	<u>June 28, 2009</u>	<u>June 29, 2008</u>	<u>June 28, 2009</u>	<u>June 29, 2008</u>
<b><u>FAS/CAS pension adjustment</u></b>				
FAS 87 expense	\$ (259)	\$ (115)	\$ (518)	\$ (231)
Less: CAS costs	(144)	(147)	(289)	(295)
<b>FAS/CAS pension adjustment - (expense) income</b>	<b>\$ (115)</b>	<b>\$ 32</b>	<b>\$ (229)</b>	<b>\$ 64</b>

	<u>THREE MONTHS ENDED JUNE 29, 2008<sup>1</sup></u>			<u>SIX MONTHS ENDED JUNE 29, 2008<sup>1</sup></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>						
Earnings associated with prior years' land sales	\$ 85	\$ 56	\$ 0.14	\$ 85	\$ 56	\$ 0.14
Partial recognition of the deferred gain from the 2006 sale of LKEI and ILS	-	-	-	16	10	0.02
	<u>\$ 85</u>	<u>\$ 56</u>	<u>\$ 0.14</u>	<u>\$ 101</u>	<u>\$ 66</u>	<u>\$ 0.16</u>

<sup>1</sup> There were no unusual items reported in Unallocated corporate (expense) income, net in the first six months of 2009.

**LOCKHEED MARTIN CORPORATION**

**Selected Financial Data**

**Unaudited**

**(In millions)**

	<b>THREE MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>	
	<b>June 28, 2009</b>	June 29, 2008	<b>June 28, 2009</b>	June 29, 2008
<b><u>Depreciation and amortization of plant and equipment</u></b>				
Electronic Systems	\$ 59	\$ 66	\$ 117	\$ 120
Information Systems & Global Services	18	17	32	33
Aeronautics	47	43	94	85
Space Systems	42	37	85	73
<b>Segments</b>	<b>166</b>	163	<b>328</b>	311
Unallocated corporate expense, net	15	12	28	24
<b>Total depreciation and amortization of plant and equipment</b>	<b>\$ 181</b>	\$ 175	<b>\$ 356</b>	\$ 335

	<b>THREE MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>	
	<b>June 28, 2009</b>	June 29, 2008	<b>June 28, 2009</b>	June 29, 2008
<b><u>Amortization of purchased intangibles</u></b>				
Electronic Systems	\$ 3	\$ 1	\$ 5	\$ 6
Information Systems & Global Services	10	10	21	23
Aeronautics	13	13	25	26
Space Systems	1	-	3	2
<b>Segments</b>	<b>27</b>	24	<b>54</b>	57
Unallocated corporate expense, net	-	3	-	6
<b>Total amortization of purchased intangibles</b>	<b>\$ 27</b>	\$ 27	<b>\$ 54</b>	\$ 63

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

	<u>JUNE 28,</u> <u>2009</u>	<u>DECEMBER 31,</u> <u>2008</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,672	\$ 2,168
Receivables	6,131	5,296
Inventories	1,852	1,902
Deferred income taxes	785	755
Other current assets	473	562
Total current assets	<u>11,913</u>	<u>10,683</u>
Property, plant and equipment, net	4,441	4,488
Goodwill	9,725	9,526
Purchased intangibles, net	339	355
Prepaid pension asset	130	122
Deferred income taxes	4,542	4,651
Other assets	3,698	3,614
<b>Total assets</b>	<b><u>\$ 34,788</u></b>	<b><u>\$ 33,439</u></b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Accounts payable	\$ 2,162	\$ 2,030
Customer advances and amounts in excess of costs incurred	4,795	4,535
Other current liabilities	4,088	3,735
Current maturities of long-term debt	242	242
Total current liabilities	<u>11,287</u>	<u>10,542</u>
Long-term debt, net	3,563	3,563
Accrued pension liabilities	12,530	12,004
Other postretirement benefit and other noncurrent liabilities	4,588	4,465
Stockholders' equity	<u>2,820</u>	<u>2,865</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 34,788</u></b>	<b><u>\$ 33,439</u></b>
<b>Total debt-to-capitalization ratio:</b>	<b><u>57%</u></b>	<b><u>57%</u></b>

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

	<b>SIX MONTHS ENDED</b>	
	<b>June 28, 2009</b>	June 29, 2008
<b><u>Operating Activities</u></b>		
Net earnings	\$ 1,400	\$ 1,612
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization of plant and equipment	356	335
Amortization of purchased intangibles	54	63
Stock-based compensation	72	75
Excess tax benefits on stock compensation	(13)	(43)
Changes in operating assets and liabilities:		
Receivables	(812)	(266)
Inventories	101	95
Accounts payable	118	(176)
Customer advances and amounts in excess of costs incurred	219	(3)
Other	859	676
<b>Net cash provided by operating activities (a)</b>	<b>2,354</b>	<b>2,368</b>
<b><u>Investing Activities</u></b>		
Expenditures for property, plant and equipment	(299)	(274)
Net proceeds from short-term investment transactions	-	237
Acquisitions of businesses / investments in affiliates	(187)	(88)
Other	(14)	40
<b>Net cash used for investing activities</b>	<b>(500)</b>	<b>(85)</b>
<b><u>Financing Activities</u></b>		
Repurchases of common stock	(969)	(1,930)
Issuances of common stock and related amounts	23	117
Excess tax benefits on stock compensation	13	43
Common stock dividends	(449)	(340)
Issuance of long-term debt and related costs	-	491
Repayments of long-term debt	-	(103)
<b>Net cash used for financing activities</b>	<b>(1,382)</b>	<b>(1,722)</b>
<b>Effect of exchange rate changes on cash and cash equivalents (a)</b>	<b>32</b>	<b>5</b>
<b>Net increase in cash and cash equivalents</b>	<b>504</b>	<b>566</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>\$ 2,672</b>	<b>\$ 3,214</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>			1,400		1,400
<b>Common stock dividends declared (a)</b>			(670)		(670)
<b>Stock-based awards and ESOP activity</b>	3	190			193
<b>Common stock repurchases (b)</b>	(14)	(190)	(804)		(1,008)
<b>Other comprehensive income</b>				40	40
<b>Balance at June 28, 2009</b>	<u>\$ 382</u>	<u>\$ -</u>	<u>\$ 11,547</u>	<u>\$ (9,109)</u>	<u>\$ 2,820</u>

(a) Includes dividends (\$0.57 per share) declared and paid in the first and second quarters. This amount also includes a dividend (\$0.57 per share) that was declared on June 25, 2009 and is payable on September 25, 2009 to shareholders of record on September 1, 2009.

(b) The Corporation repurchased 5.6 million shares for \$453 million during the second quarter. Year-to-date, the Corporation has repurchased 13.7 million common shares for \$1.0 billion. The Corporation has 20.0 million shares remaining under its share repurchase program as of June 28, 2009.

**LOCKHEED MARTIN CORPORATION**

**Operating Data**

**Unaudited**

	<b>June 28, 2009</b>	December 31, 2008
<b><u>Backlog</u></b>		
(In millions)		
Electronic Systems	\$ 21,000 <sup>1</sup>	\$ 22,500
Information Systems & Global Services	11,900 <sup>2</sup>	13,300
Aeronautics	27,900	27,200
Space Systems	18,400	17,900
<b>Total</b>	<b>\$ 79,200</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.

	<b><u>THREE MONTHS ENDED</u></b>		<b><u>SIX MONTHS ENDED</u></b>	
<b><u>Aircraft Deliveries</u></b>	<b><u>June 28, 2009</u></b>	<b><u>June 29, 2008</u></b>	<b><u>June 28, 2009</u></b>	<b><u>June 29, 2008</u></b>
<b>F-16</b>	<b>8</b>	7	<b>16</b>	16
<b>F-22</b>	<b>5</b>	6	<b>10</b>	10
<b>C-130J</b>	<b>3</b>	3	<b>6</b>	6