

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

	QUARTER ENDED	
	March 29, 2009 ^(a)	March 30, 2008 ^(a)
Net sales	\$ 10,373	\$ 9,983
Cost of sales	<u>9,368</u>	<u>8,914</u>
	1,005	1,069
Other income (expense), net	<u>52</u>	<u>109</u>
Operating profit	1,057	1,178
Interest expense	76	87
Other non-operating expense, net	<u>(3)</u>	<u>(7)</u>
Earnings before income taxes	978	1,084
Income tax expense	<u>312</u>	<u>354</u>
Net earnings	<u>\$ 666</u>	<u>\$ 730</u>
Effective tax rate	<u>31.9%</u>	<u>32.7%</u>
Earnings per common share:		
Basic	\$ 1.69	\$ 1.80
Diluted	\$ 1.68	\$ 1.75
Average number of shares outstanding:		
Basic	393.4	406.6
Diluted	397.5	416.8
Common shares reported in stockholders' equity at quarter end:	386.2	399.7

(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)

	QUARTER ENDED		
	March 29, 2009	March 30, 2008	% Change
<u>Net sales:</u>			
Electronic Systems	\$ 2,913	\$ 2,789	4%
Information Systems & Global Services	2,761	2,504	10%
Aeronautics	2,781	2,807	(1%)
Space Systems	1,918	1,883	2%
Total net sales	\$ 10,373	\$ 9,983	4%
<u>Operating profit:</u>			
Electronic Systems	\$ 390	\$ 366	7%
Information Systems & Global Services	242	230	5%
Aeronautics	355	323	10%
Space Systems	212	231	(8%)
<i>Segment operating profit</i>	1,199	1,150	4%
Unallocated corporate (expense) income, net	(142)	28	
	\$ 1,057	\$ 1,178	(10%)
<u>Margins:</u>			
Electronic Systems	13.4 %	13.1 %	
Information Systems & Global Services	8.8	9.2	
Aeronautics	12.8	11.5	
Space Systems	11.1	12.3	
Total operating segments	11.6	11.5	
Total consolidated	10.2 %	11.8 %	

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

	QUARTER ENDED	
	March 29, 2009	March 30, 2008
<u>Unallocated corporate (expense) income, net</u>		
FAS/CAS pension adjustment	\$ (114)	\$ 32
Stock compensation expense	(30)	(35)
Unusual item	-	16
Other, net	2	15
Unallocated corporate (expense) income, net	\$ (142)	\$ 28

	QUARTER ENDED	
	March 29, 2009	March 30, 2008
<u>FAS/CAS pension adjustment</u>		
FAS 87 expense	\$ (259)	\$ (116)
Less: CAS costs	(145)	(148)
FAS/CAS pension adjustment - (expense) / income	\$ (114)	\$ 32

	QUARTER ENDED MARCH 30, 2008 ¹		
	Operating profit	Net earnings	Earnings per share
<u>Unusual Item - 2008</u>			
Partial recognition of the deferred gain from the 2006 sale of LKEI and ILS	\$ 16	\$ 10	\$ 0.02

¹ There were no unusual items reported in Unallocated Corporate Expense in 2009.

LOCKHEED MARTIN CORPORATION
Selected Financial Data
Unaudited
(In millions)

	QUARTER ENDED	
	March 29, 2009	March 30, 2008
<u>Depreciation and amortization of plant and equipment</u>		
Electronic Systems	\$ 58	\$ 54
Information Systems & Global Services	14	16
Aeronautics	47	42
Space Systems	43	36
Segments	162	148
Unallocated corporate expense, net	13	12
Total depreciation and amortization	\$ 175	\$ 160

	QUARTER ENDED	
	March 29, 2009	March 30, 2008
<u>Amortization of purchased intangibles</u>		
Electronic Systems	\$ 2	\$ 5
Information Systems & Global Services	11	13
Aeronautics	12	13
Space Systems	2	2
Segments	27	33
Unallocated corporate expense, net	-	3
Total amortization of purchased intangibles	\$ 27	\$ 36

LOCKHEED MARTIN CORPORATION
Condensed Consolidated Balance Sheet
Unaudited
(In millions, except percentages)

	<u>MARCH 29,</u> <u>2009</u>	<u>DECEMBER 31,</u> <u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 2,384	\$ 2,168
Receivables	6,097	5,296
Inventories	1,921	1,902
Deferred income taxes	726	755
Other current assets	543	562
	<hr/>	<hr/>
Total current assets	11,671	10,683
Property, plant and equipment, net	4,443	4,488
Goodwill	9,684	9,526
Purchased intangibles, net	351	355
Prepaid pension asset	126	122
Deferred income taxes	4,644	4,651
Other assets	3,614	3,614
	<hr/>	<hr/>
Total assets	\$ 34,533	\$ 33,439
<u>Liabilities and Stockholders' Equity</u>		
Accounts payable	\$ 2,165	\$ 2,030
Customer advances and amounts in excess of costs incurred	4,902	4,535
Other current liabilities	4,056	3,735
Current maturities of long-term debt	242	242
	<hr/>	<hr/>
Total current liabilities	11,365	10,542
Long-term debt, net	3,563	3,563
Accrued pension liabilities	12,267	12,004
Other postretirement benefit and other noncurrent liabilities	4,519	4,465
Stockholders' equity	2,819	2,865
	<hr/>	<hr/>
Total liabilities and stockholders' equity	\$ 34,533	\$ 33,439
	<hr/>	<hr/>
Total debt-to-capitalization ratio:	57%	57%
	<hr/>	<hr/>

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

	QUARTER ENDED	
	March 29, 2009	March 30, 2008
<u>Operating Activities</u>		
Net earnings	\$ 666	\$ 730
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization of plant and equipment	175	160
Amortization of purchased intangibles	27	36
Stock-based compensation	30	35
Changes in operating assets and liabilities:		
Receivables	(779)	(483)
Inventories	33	99
Accounts payable	120	(257)
Customer advances and amounts in excess of costs incurred	326	4
Other	620	556
Net cash provided by operating activities (a)	1,218	880
<u>Investing Activities</u>		
Expenditures for property, plant and equipment	(132)	(104)
Net proceeds from short-term investment transactions	-	185
Acquisitions of businesses / investments in affiliates	(156)	(11)
Other	(4)	1
Net cash (used for) provided by investing activities	(292)	71
<u>Financing Activities</u>		
Issuances of common stock	16	64
Repurchases of common stock	(499)	(1,185)
Common stock dividends	(227)	(172)
Issuance of long-term debt and related costs	-	491
Net cash used for financing activities	(710)	(802)
Effect of exchange rate changes on cash and cash equivalents (a)	-	2
Net increase in cash and cash equivalents	216	151
Cash and cash equivalents at beginning of period	2,168	2,648
Cash and cash equivalents at end of period	\$ 2,384	\$ 2,799

(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)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at January 1, 2009	\$ 393	\$ -	\$ 11,621	\$ (9,149)	\$ 2,865
Net earnings			666		666
Common stock dividends (a)			(227)		(227)
Stock-based awards and ESOP activity	1	70			71
Repurchases of common stock (b)	(8)	(70)	(477)		(555)
Other comprehensive loss				(1)	(1)
Balance at March 29, 2009	<u>\$ 386</u>	<u>\$ -</u>	<u>\$ 11,583</u>	<u>\$ (9,150)</u>	<u>\$ 2,819</u>

(a) Includes dividends (\$0.57 per share) declared and paid in the first quarter.

(b) The Corporation repurchased 8.1 million shares of its common stock for \$555 million during the first quarter. The Corporation has 25.6 million shares remaining under its share repurchase program as of March 29, 2009.

LOCKHEED MARTIN CORPORATION

Operating Data

Unaudited

(In millions)

	MARCH 29, 2009	DECEMBER 31, 2008
<u>Backlog</u>		
Electronic Systems	\$ 23,000	\$ 22,500
Information Systems & Global Services	12,900	13,300
Aeronautics	27,100	27,200
Space Systems	17,800	17,900
Total	\$ 80,800	\$ 80,900

QUARTER ENDED

<u>Aircraft Deliveries</u>	March 29, 2009	March 30, 2008
F-16	8	9
F-22	5	4
C-130J	3	3