		Quarters End	ed Dec	o. 31,		Years Ende	d Dec.	31,
		2016		2015		2016		2015
Net sales	\$	13,752	\$	11,520	\$	47,248	\$	40,536
Cost of sales		(12,399)		(10,383)		(42,186)		(36,044)
Gross profit		1,353		1,137		5,062		4,492
Other income (expense), net		75		(37)		487		220
Operating profit ²		1,428		1,100		5,549		4,712
Interest expense		(171)		(142)		(663)		(443)
Other non-operating (expense) income, net		(2)		24_		-		30
Earnings from continuing operations before income taxes		1,255		982		4,886		4,299
Income tax expense ³		(296)		(165)		(1,133)		(1,173)
Net earnings from continuing operations ³ Net earnings from discontinued operations		959 29		817 116		3,753 1,549		3,126 479
Net earnings ³	\$	988	\$	933	\$	5,302	\$	3,605
Effective tax rate		23.6 %		16.8 %		23.2 %		27.3 %
Earnings per common share Basic								
Continuing operations ³	\$	3.29	\$	2.67	\$	12.54	\$	10.07
Discontinued operations		0.10		0.38	_	5.17		1.55
Basic earnings per common share	*	3.39	\$	3.05	<u>\$</u>	17.71	\$	11.62
Diluted								
Continuing operations	\$	3.25	\$	2.63	\$	12.38	\$	9.93
Discontinued operations	_	0.10		0.38	_	5.11		1.53
Diluted earnings per common share	<u>\$</u>	3.35	\$	3.01	\$	17.49	\$	11.46
Weighted average shares outstanding								
Basic		291.8		305.9		299.3		310.3
Diluted		295.2		310.2		303.1		314.7
Common shares reported in stockholders' equity at end of period						289		303

As a result of the divestiture of the IS&GS business segment on Aug. 16, 2016, the operating results of the IS&GS business segment have been classified as discontinued operations in the year ended Dec. 31, 2016 and in the quarter and year ended Dec. 31, 2015. A \$1.2 billion gain was recorded as a result of the divestiture of the IS&GS business segment and is recorded in earnings from discontinued operations in the year ended Dec. 31, 2016.

² The amounts in the year ended Dec. 31, 2016 include a non-cash gain of \$127 million recognized at the Corporation's Space Systems business segment related to the consolidation of the AWE venture upon obtaining control of this venture on Aug. 24, 2016, which increased net earnings from continuing operations \$104 million (or \$0.34 per share).

³ In 2016, the Corporation adopted a new accounting standard issued by the Financial Accounting Standards Board that changed certain aspects of the accounting for equity awards granted to employees. As a result, the Corporation recognized additional income tax benefits as an increase to net earnings from continuing operations and operating cash flows of \$15 million (\$0.05 per share) and \$152 million (\$0.50 per share) in the quarter and year ended Dec. 31, 2016. The new accounting standard did not impact any periods prior to Jan. 1, 2016.

	Quart	ers Er	nded	ı		 Year	s End	ed	_	
	2016		2015	%	% Change	2016		2015		% Change
Net sales					<u> </u>				_	
Aeronautics	\$ 5,407	\$	4,384		23 %	\$ 17,769	\$	15,570		14 %
Missiles and Fire Control	1,757		1,969		(11) %	6,608		6,770		(2) %
Rotary and Mission Systems	3,809		2,785		37 %	13,462		9,091		48 %
Space Systems	 2,779		2,382		17 %	 9,409		9,105		3 %
Total net sales	\$ 13,752		11,520	:	19 %	\$ 47,248	\$	40,536	=	17 %
Operating profit										
Aeronautics	\$ 552	\$	448		23 %	\$ 1,887	\$	1,681		12 %
Missiles and Fire Control	255		387		(34) %	1,018		1,282		(21) %
Rotary and Mission Systems	228		157		45 %	906		844		7 %
Space Systems ¹	255		288		(11) %	1,289		1,171		10 %
Total business segment operating profit	 1,290		1,280	•	1 %	 5,100		4,978	_	2 %
Unallocated items ²										
FAS pension expense	(261)		(286)			(1,019)		(1,127))	
Less: CAS pension cost	491		381			1,921		1,527		
FAS/CAS pension adjustment	 230		95	•		902		400		
Special item - severance charges	-		(67)			(80)		(82))	
Stock-based compensation	(25)		(20)			(149)		(133))	
Other, net	(67)		(188)			(224)		(451))	
Total unallocated items	 138		(180)			449		(266))	
Total consolidated operating profit	\$ 1,428	\$	1,100		30 %	\$ 5,549	\$	4,712	- -	18 %
Operating margin										
Aeronautics	10.2	%	10.2	%		10.6	%	10.8	%	
Missiles and Fire Control	14.5	%	19.7	%		15.4	%	18.9	%	
Rotary and Mission Systems	6.0	%	5.6	%		6.7	%	9.3	%	
Space Systems	9.2	%	12.1	%		13.7	%	12.9	%	
Total business segment operating margin	9.4	%	11.1	%		10.8	%	12.3	%	
Total consolidated operating margin	10.4	%	9.5	%		11.7	%	11.6	%	

¹ The amounts for the year ended Dec. 31, 2016 include a non-cash gain of \$127 million related to the consolidation of AWE upon obtaining control of this venture on Aug. 24, 2016, which increased net earnings from continuing operations \$104 million (or \$0.34 per share).

The following reclassifications of "Unallocated items" were made as a result of the divestiture of the IS&GS business segment:
i) the non-service portion of pension costs for IS&GS employees that participated in the Corporation's defined benefit pension and other post-employment benefit plans were reclassified from the operating results of the IS&GS business segment to "FAS/CAS pension adjustment" and were \$54 million in the year ended Dec. 31, 2016 and \$18 million and \$71 million in the quarter and year ended Dec. 31, 2015, ii) Corporate overhead costs allocated to and included in the operating results of the IS&GS business segment were reclassified to "Other, net" were \$82 million in the year ended Dec. 31, 2016 and \$32 million and \$165 million in the quarter and year ended Dec. 31, 2015, and iii) charges related to the IS&GS business segment that were historically recorded in "Special item - severance charges" were reclassified to net earnings from discontinued operations and were \$19 million in the year ended Dec. 31, 2016 and \$20 million in the year ended Dec. 31, 2015. For more information see the "Unallocated items" section of the accompanying news release.

	D	ec. 31, 2016	ec. 31, 2015¹
Assets		_	
Current assets			
Cash and cash equivalents	\$	1,837	\$ 1,090
Receivables, net		8,202	7,254
Inventories, net		4,670	4,819
Other current assets		399	441
Assets of discontinued operations ²			 969
Total current assets		15,108	14,573
Property, plant and equipment, net		5,549	5,389
Goodwill		10,764	10,695
Intangible assets, net		4,093	4,022
Deferred income taxes		6,625	6,068
Other noncurrent assets		5,667	5,396
Assets of discontinued operations ²			 3,161
Total assets	\$	47,806	\$ 49,304
Liabilities and equity			
Current liabilities			
Accounts payable	\$	1,653	\$ 1,745
Customer advances and amounts in excess of costs incurred		6,776	6,703
Salaries, benefits and payroll taxes		1,764	1,707
Current maturities of long-term debt		-	956
Other current liabilities		2,349	1,859
Liabilities of discontinued operations ²			 948
Total current liabilities		12,542	13,918
Long-term debt, net		14,282	14,305
Accrued pension liabilities		13,855	11,807
Other postretirement benefit liabilities		862	1,070
Other noncurrent liabilities		4,659	4,902
Liabilities of discontinued operations ²			 205
Total liabilities		46,200	46,207
Stockholders' equity			
Common stock, \$1 par value per share		289	303
Additional paid-in capital		-	-
Retained earnings		13,324	14,238
Accumulated other comprehensive loss		(12,102)	 (11,444)
Total stockholders' equity		1,511	3,097
Noncontrolling interests in subsidiary		95	
Total equity		1,606	 3,097
Total liabilities and equity	<u>\$</u>	47,806	\$ 49,304

¹ Certain prior period amounts have been reclassified to conform with current period presentation.

² The assets and liabilities of the IS&GS business segment have been classified as assets and liabilities of discontinued operations as of Dec. 31, 2015.

		Years End	ed Dec	. 31,
		2016	2	2015
Operating activities				
Net earnings	\$	5,302	\$	3,605
Adjustments to reconcile net earnings to net cash provided by operating activities				
Depreciation and amortization		1,215		1,026
Stock-based compensation		149		138
Severance charges		99		102
Deferred income taxes		(152)		(445)
Gain on divestiture of IS&GS business		(1,242)		-
Gain on step acquisition of AWE		(104)		-
Changes in assets and liabilities				
Receivables, net		(811)		(256)
Inventories, net		(46)		(398)
Accounts payable		(188)		(160)
Customer advances and amounts in excess of costs incurred		3		(32)
Postretirement benefit plans		1,028		1,068
Income taxes		146		(48)
Other, net		(210)		501
Net cash provided by operating activities ¹		5,189		5,101
Investing activities				
Capital expenditures		(1,063)		(939)
Acquisitions of businesses and investments in affiliates ²		-		(9,003)
Other, net		78		208
Net cash used for investing activities		(985)		(9,734)
Financing activities				
Special cash payment from divestiture of IS&GS business		1,800		-
Proceeds from the issuance of long-term debt		-		9,101
Repayments of long-term debt		(952)		-
Proceeds from borrowings under revolving credit facilities		-		6,000
Repayments of borrowings under revolving credit facilities		-		(6,000)
Repurchases of common stock		(2,096)		(3,071)
Dividends paid		(2,048)		(1,932)
Proceeds from stock option exercises		106		174
Other, net		(267)		5
Net cash (used for) provided by financing activities		(3,457)		4,277
Net change in cash and cash equivalents		747		(356)
Cash and cash equivalents at beginning of period	_	1,090		1,446
Cash and cash equivalents at end of period	<u>\$</u>	1,837	\$	1,090

¹ Cash from operations includes cash flows generated by the IS&GS business segment through the closing of the divestiture of this business segment on Aug. 16, 2016, as the Corporation retained this cash as part of the divestiture.

² Includes the \$9.0 billion purchase price of Sikorsky, net of cash acquired.

	mmon tock	Pai	tional d-In oital	etained arnings	oumulated Other prehensive Loss	Stoc	Total kholders' Equity	conti	on rolling erest	Total Equity
Balance at Dec. 31, 2015	\$ 303	\$	-	\$ 14,238	\$ (11,444)	\$	3,097	\$	-	\$ 3,097
Net earnings	-		-	5,302	-		5,302		-	5,302
Other comprehensive loss, net of tax ¹	-		-	-	(658)		(658)		-	(658)
Shares exchanged and retired in connection with divestiture of IS&GS business	(9)		-	(2,488)	-		(2,497)		-	(2,497)
Repurchases of common stock	(9)		(395)	(1,692)	-		(2,096)		-	(2,096)
Dividends declared ²	-		-	(2,036)	-		(2,036)		-	(2,036)
Stock-based awards, ESOP activity and other	4		395	-	-		399		-	399
Increase in noncontrolling interests in subsidiary	-		-	-	-		-		95	95
Balance at Dec. 31, 2016	\$ 289	\$	-	\$ 13,324	\$ (12,102)	\$	1,511	\$	95	\$ 1,606

¹ Primarily represents the reclassification adjustment for the recognition of prior period amounts related to postretirement benefit plans.

² Represents dividends of \$1.65 per share declared in each of the first, second and third quarters of 2016. Additionally, includes dividends of \$1.82 per share declared in the third quarter of 2016 and paid in the fourth quarter of 2016.

Lockheed Martin Corporation Operating Data (unaudited; in millions, except aircraft deliveries)

Backlog	 ec. 31, 2016	 ec. 31, 2015
Aeronautics	\$ 34,200	\$ 31,800
Missiles and Fire Control	14,700	15,500
Rotary and Mission Systems	28,400	30,100
Space Systems	18,900	17,400
Total backlog	\$ 96,200	\$ 94,800

	Quarters	Ended	Years E	Ended			
Aircraft Deliveries	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015			
F-16	4	2	12	11			
F-35	16	14	46	45			
C-130J	8	7	24	21			
C-5	3	2	9	9			

		Quarter Ended March 29, 2	2015	Q	uarter Ended June 28	2015		Qua	arter Ended Sept. 2	7, 2015			Qu	ıarter Ended Dec. 3	1, 2015	;	
	Lockheed Martin Historical	Adjustments for Discontinued Operations	Lockheed Martin Adjusted	Lockheed Martin Historical	Adjustments for Discontinued Operations	Lockheed Martin Adjusted	Lockho Marti Histori	in	Adjustments for Discontinued Operations	N	ckheed Martin djusted	Lockhe Martii Historid	า	Adjustments fo Discontinued Operations		Lockh Mar Adjus	tin
Aeronautics	\$ 3,134	\$ -	\$ 3,134	\$ 4,131	\$ -	\$ 4,131	\$	3,921	\$ -	\$	3,921	\$ 4	,384	\$ -	9	\$	4,384
Information Systems & Global Solutions	1,390	(1,390)	-	1,408	(1,408)	-		1,401	(1,401)	-	•	,397	(1,39	7)		-
Missiles and Fire Control	1,383	-	1,383	1,649	-	1,649		1,769	-		1,769	•	1,969		-		1,969
Rotary and Mission Systems	1,979	-	1,979	2,165	-	2,165		2,162	-		2,162	2	2,785		-		2,785
Space Systems	2,225	<u> </u>	2,225	2,290	-	2,290		2,208	-		2,208		2,382				2,382
Net sales	10,111	(1,390)	8,721	\$ 11,643	\$ (1,408)	\$ 10,235	\$ 1	1,461	\$ (1,40) \$	10,060	\$ 12	2,917	\$ (1,39	97) \$	\$	11,520
Aeronautics	371	-	371	444	-	444		418	-		418		448		-		448
Information Systems & Global Solutions	145	(145)	-	107	(107)	-		125	(125	5)	-		131	(13	,1)		-
Missiles and Fire Control	286	-	286	293	-	293		316	-		316		387		-		387
Rotary and Mission Systems	180	-	180	262	-	262		245	-		245		157		-		157
Space Systems	324	-	324	294	-	294		265	-		265		288		-		288
Business Segment Operating Profit	1,306	(145)	1,161	1,400	(107)	1,293		1,369	(125	<u></u>	1,244	1	,411	(13	<u>,1)</u>		1,280
Total Unallocated Items	50	(64)	(14)	45	(65)	(20)		(15)	(37)	(52)		(130)	(5	60)		(180)
Total Consolidated Operating Profit	1,356	(209)	1,147	1,445	(172)	1,273		1,354	(162	<u> </u>	1,192	1	,281	(18	,1) —		1,100
Interest expense	(93	-	(93)	(104)	-	(104)		(104)	-		(104)		(142)	-			(142)
Other non-operating income, net	3	<u> </u>	3	2		2		1_		_	1		24	_			24
Earnings from continuing operations before income taxes	1,266	(209)	1,057	1,343	(172)	1,171		1,251	(162)	1,089	1	,163	(18	,1)		982
Income tax expense	(388) 69	(319)	(414)	58	(356)		(386)	53	<u> </u>	(333)		(230)	6	<u> </u>		(165)
Net earnings from continuing operations	878	(140)	738	929	(114)	815		865	(109)	756		933	(11	6)		817
Net earnings from discontinued operations		140	140		114	114			109	<u> </u>	109			11	6		116
Net earnings	\$ 878	\$ -	\$ 878	\$ 929	\$ -	\$ 929	\$	865	\$ -	\$	865	\$	933	\$ -		\$	933
Effective tax rate	30.6%	<u>/</u> 6	30.2%	30.8%		30.4%		30.9%			30.6%	1	9.8%				16.8%
Earnings per common share		_			•												
Basic																	
Continuing operations	\$ 2.78	\$ (0.44)	\$ 2.34	\$ 2.98	\$ (0.37)	\$ 2.61	\$	2.80	\$ (0.35)) \$	2.45	\$	3.05	\$ (0.3	38) \$	\$	2.67
Discontinued operations		0.44	0.44		0.37	0.37		-	0.35		0.35		-	0.3	8		0.38
Basic earnings per common share	\$ 2.78	\$ -	\$ 2.78	\$ 2.98	\$ -	\$ 2.98	\$	2.80	\$ -	\$	2.80	\$	3.05	\$ -	9	\$	3.05
Diluted																	
Continuing operations	\$ 2.74	\$ (0.44)	\$ 2.30	\$ 2.94	\$ (0.36)	\$ 2.58	\$	2.77	\$ (0.35) \$	2.42	\$	3.01	\$ (0.3	38) \$	\$	2.63
Discontinued operations	-	0.44	0.44	-	0.36	0.36		-	0.35		0.35		-	0.3	8		0.38
Diluted earnings per common share	\$ 2.74	\$ -	\$ 2.74	\$ 2.94	\$ -	\$ 2.94	\$	2.77	\$ -	\$	2.77	\$	3.01	\$ -		\$	3.01

	Three Months Ended March 29, 2015 Lockheed Adjustments for Lockheed Martin Discontinued Martin			_	Six M	lonths End	led June 28,	2015		_	Nine N	Months En	ded Sept. 27	, 2015		_	Twelve	Months E	nded Dec. 3	1, 2015	1			
	M		Disco		ı		Lock Mai Histo	rtin	Disco	nents for ntinued ations	M	kheed artin justed	N	ckheed /lartin storical	Disco	nents for ntinued rations	Lock Mai Adju		M	kheed artin torical	Disco	nents for ntinued ations	N	ockheed Martin djusted
Aeronautics	\$	3,134	\$	-	\$	3,134	\$	7,265	\$	-	\$	7,265	\$	11,186	\$	-	\$	11,186	\$	15,570	\$	-	\$	15,570
Information Systems & Global Solutions		1,390		(1,390)		-		2,798		(2,798)		-		4,199		(4,199)		-		5,596		(5,596)		-
Missiles and Fire Control		1,383		-		1,383		3,032		-		3,032		4,801		-		4,801		6,770		-		6,770
Rotary and Mission Systems		1,979		-		1,979		4,144		-		4,144		6,306		-		6,306		9,091		-		9,091
Space Systems		2,225		-		2,225		4,515		-		4,515		6,723		-		6,723		9,105		-		9,105
Net sales		10,111		(1,390)		8,721		21,754		(2,798)		18,956		33,215		(4,199)		29,016		46,132		(5,596)		40,536
Aeronautics		371		-		371		815		-		815		1,233		-		1,233		1,681		-		1,681
Information Systems & Global Solutions		145		(145)		-		252		(252)		-		377		(377)		-		508		(508)		-
Missiles and Fire Control		286		-		286		579		-		579		895		-		895		1,282		-		1,282
Rotary and Mission Systems		180		-		180		442		-		442		687		-		687		844		-		844
Space Systems		324		-		324		618		-		618		883		-		883		1,171		-		1,171
Business Segment Operating Profit		1,306		(145)		1,161		2,706		(252)		2,454		4,075		(377)		3,698		5,486		(508)		4,978
Total Unallocated Items		50		(64)		(14)		95		(129)		(34)		80		(166)		(86)		(50)		(216)		(266)
Total Consolidated Operating Profit		1,356		(209)		1,147		2,801		(381)		2,420		4,155		(543)		3,612		5,436		(724)		4,712
Interest expense		(93)		-		(93)		(197)		-		(197)		(301)		-		(301)		(443)		-		(443)
Other non-operating income, net		3		-		3		5		-		5		6		-		6		30		-		30
Earnings from continuing operations before income taxes		1,266		(209)		1,057	•	2,609		(381)		2,228		3,860		(543)	'	3,317		5,023		(724)		4,299
Income tax expense		(388)		69		(319)		(802)		127		(675)		(1,188)		180		(1,008)		(1,418)		245		(1,173)
Net earnings from continuing operations		878		(140)		738		1,807		(254)		1,553		2,672		(363)	'	2,309		3,605		(479)		3,126
Net earnings from discontinued operations		-		140		140		-		254		254		-		363		363		-		479		479
Net earnings	\$	878	\$	_	\$	878	\$	1,807	\$	-	\$	1,807	\$	2,672	\$	-	\$	2,672	\$	3,605	\$	_	\$	3,605
Effective tax rate		30.6%				30.2%		30.7%				30.3%		30.8%				30.4%		28.2%				27.3%
Earnings per common share																								
Basic																								
Continuing operations	\$	2.78	\$	(0.44)	\$	2.34	\$	5.76	\$	(0.81)	\$	4.95	\$	8.57	\$	(1.16)	\$	7.41	\$	11.62	\$	(1.55)	\$	10.07
Discontinued operations	•	-	T	0.44	۳	0.44	7	-	Ŧ	0.81	т	0.81	τ'	-	Ŧ	1.16	Ŧ	1.16	*	-	τ	1.55	7	1.55
Basic earnings per common share	\$	2.78	\$	-	\$	2.78	\$	5.76	\$	-	\$	5.76	\$	8.57	\$	-	\$	8.57	\$	11.62	\$	-	\$	11.62
Diluted									<u> </u>		-				<u> </u>		<u> </u>	<u> </u>			<u> </u>			
Continuing operations	\$	2.74	\$	(0.44)	\$	2.30	\$	5.68	\$	(0.80)	\$	4.88	\$	8.45	\$	(1.15)	\$	7.30	\$	11.46	\$	(1.53)	\$	9.93
Discontinued operations	Ψ	Z.14 -	Ψ	0.44)	Ψ	0.44	Ψ	-	Ψ	0.80	Ψ	0.80	Ψ	-	Ψ	1.15	Ψ	1.15	Ψ	-	Ψ	1.53	Ψ	1.53
Diluted earnings per common share		2.74	Φ.	0.44	Ф.	2.74	Ф.	5.68	Φ	0.00	Φ.	5.68	Ф.	 8.45	Φ.	1.10		8.45		 11.46	Φ.	1.00	•	11.46

	Quarter Ended March 27, 2016 Lockheed Adjustments for Lockheed							Qu	arter Ende	ed June 26, 2	016		Quarte	er Ended Sept. 25, 2	016		Quarter Ended Dec. 31, 2016					
	Lock Ma Histo	rtin	Adjustmo Discon Opera	tinued	Lockheed Martin Adjusted		Ma	kheed artin torical	Disco	ments for ontinued erations	Lockheed Martin Adjusted	Lockhee Martin Historica		Adjustments for Discontinued Operations	Ma	kheed artin justed	Lockheed Martin Historical		Adjustments for Discontinued Operations	Ma	kheed artin usted	
Aeronautics	\$	3,799	\$	-	\$ 3,79	99	\$	4,375	\$	-	\$ 4,375	\$ 4,1	88	\$ -	\$	4,188	\$ 5,407	_ <u> </u>	\$ -	\$	5,407	
Information Systems & Global Solutions		1,334		(1,334)		0		1,337		(1,337)	-		-	-		-	-		-		-	
Missiles and Fire Control		1,434		-	1,43	34		1,680		-	1,680	1,7	737	-		1,737	1,757	7	-		1,757	
Rotary and Mission Systems		3,004		-	3,00	04		3,303		-	3,303	3,3	346	-		3,346	3,809	9	-		3,809	
Space Systems		2,131		-	2,13	31		2,219		-	2,219	2,2	280	-		2,280	2,779	9	-		2,779	
Net sales		11,702		(1,334)	10,36	68		12,914		(1,337)	11,577	11,5	551	-		11,551	13,752		-		13,752	
Aeronautics		420		-	42	20		478		-	478	4	137	-		437	552	2	-		552	
Information Systems & Global Solutions		109		(109)	-			151		(151)	-		-	-		-	-		-		-	
Missiles and Fire Control		221		-	22			253		-	253		289	-		289	255		-		255	
Rotary and Mission Systems		229		-	22			202		-	202		247	-		247	228		-		228	
Space Systems		244			2	44		340			340		450			450	255	5	-		255	
Business Segment Operating Profit		1,223		(109)	1,1	14		1,424		(151)	1,273	1,4	123	-		1,423	1,290)	-		1,290	
Total Unallocated Items		74		(30)	4	44		142		(40)	102	•	165	-		165	138	3	-		138	
Total Consolidated Operating Profit	-	1,297		(139)	1,1	58		1,566		(191)	1,375	1,5	88	-		1,588	1,428	- -	-		1,428	
Interest expense		(164)		(1)	(16	65)		(166)		1	(165)	(1	62)	-		(162)	(171)	-		(171)	
Other non-operating income, net		1		-		1		-		-	-		1	-		1	(2	2)	-		(2)	
Earnings from continuing operations before income taxes		1,134		(140)	99	94		1,400		(190)	1,210	1,4	127	-		1,427	1,255	 5	-		1,255	
Income tax expense 1		(236)		48	(18	88)		(379)		68	(311)	(3	338)	-		(338)	(296	<u> </u>			(296)	
Net earnings from continuing operations ¹		898		(92)	80	06		1,021		(122)	899	1,0)89	-		1,089	959)	-		959	
Net earnings from discontinued operations				92		92_		-		122	122	1,3	306			1,306	29)	-		29	
Net earnings ¹	\$	898	\$	-	\$ 89	98	\$	1,021	\$	-	\$ 1,021	\$ 2,3	395	\$ -	\$	2,395	\$ 988	3 \$	-	\$	988	
Effective tax rate		20.8%			18.9	9%		27.1%			25.7%	23	.7%			23.7%	23.6%	<u>6</u>	_		23.6%	
Earnings per common share																						
Basic																						
Continuing operations	\$	2.95	\$	(0.30)	\$ 2.6	65	\$	3.37	\$	(0.40)	\$ 2.97	\$ 3	.64	\$ -	\$	3.64	\$ 3.29	\$	-	\$	3.29	
Discontinued operations				0.30	0.3	30_				0.40	0.40	4	.38			4.38	0.10)			0.10	
Basic earnings per common share	\$	2.95	\$	(0.00)	\$ 2.9	95	\$	3.37	\$	-	\$ 3.37	\$ 8	.02	\$ -	\$	8.02	\$ 3.39	\$	-	\$	3.39	
Diluted																						
Continuing operations	\$	2.91	\$	(0.30)	\$ 2.6	61	\$	3.32	\$	(0.39)	\$ 2.93	\$ 3	.61	\$ -	\$	3.61	\$ 3.25	5 \$	-	\$	3.25	
Discontinued operations		-		0.30	0.3	30		-		0.39	0.39	4	.32	-		4.32	0.10)	-		0.10	
Diluted earnings per common share	\$	2.91	\$	-	\$ 2.9		\$	3.32	\$	(0.00)	\$ 3.32	\$ 7	.93	\$ -	\$	7.93	\$ 3.35	5 \$	-	\$	3.35	

	Three	Months Ended March 2	27, 2016	Six	Months Ended June 26,	2016	Nine Mo	onths Ended Sept. 25	i, 2016	Twelve I	Months Ended Dec.	31, 2016
	Lockheed Martin Historical	Adjustments for Discontinued Operations	Lockheed Martin Adjusted									
Aeronautics	\$ 3,799	\$ -	\$ 3,799	\$ 8,174	\$ -	\$ 8,174	\$ 12,362	\$ -	\$ 12,362	\$ 17,769	\$ -	\$ 17,769
Information Systems & Global Solutions	1,334	(1,334)	-	2,671	(2,671)	-	-	-	-	-	-	-
Missiles and Fire Control	1,434	-	1,434	3,114	-	3,114	4,851	-	4,851	6,608	-	6,608
Rotary and Mission Systems	3,004	-	3,004	6,307	-	6,307	9,653	-	9,653	13,462	-	13,462
Space Systems	2,131	-	2,131	4,350	-	4,350	6,630	-	6,630	9,409	-	9,409
Net sales	11,702	(1,334)	10,368	24,616	(2,671)	21,945	33,496	-	33,496	47,248	-	47,248
Aeronautics	420	-	420	898	-	898	1,335	-	1,335	1,887	-	1,887
Information Systems & Global Solutions	109	(109)	-	260	(260)	-	-	-	-	-	-	-
Missiles and Fire Control	221	-	221	474	-	474	763	-	763	1,018	-	1,018
Rotary and Mission Systems	229	-	229	431	-	431	678	-	678	906	-	906
Space Systems	244	-	244	584	-	584	1,034	-	1,034	1,289	-	1,289
Business Segment Operating Profit	1,223	(109)	1,114	2,647	(260)	2,387	3,810	-	3,810	5,100	-	5,100
Total Unallocated Items	74	(30)	44	216	(70)	146	311	-	311	449	-	449
Total Consolidated Operating Profit	1,297	(139)	1,158	2,863	(330)	2,533	4,121	-	4,121	5,549	-	5,549
Interest expense	(164)	(1)	(165)	(330)	-	(330)	(492)	-	(492)	(663)	-	(663)
Other non-operating income, net	1		1	1		1	2		2			
Earnings from continuing operations before income taxes	1,134	(140)	994	2,534	(330)	2,204	3,631	-	3,631	4,886	-	4,886
Income tax expense 1	(236)	48	(188)	(615)	116	(499)	(837)		(837)	(1,133)		(1,133)
Net earnings from continuing operations ¹	898	(92)	806	1,919	(214)	1,705	2,794	-	2,794	3,753	-	3,753
Net earnings from discontinued operations	<u> </u>	92	92	<u> </u>	214	214	1,520		1,520	1,549	<u>-</u>	1,549
Net earnings ¹	\$ 898	\$ -	\$ 898	\$ 1,919	\$ -	\$ 1,919	\$ 4,314	\$ -	\$ 4,314	\$ 5,302	\$ -	\$ 5,302
Effective tax rate	20.8%		18.9%	24.3%		22.6%	23.1%		23.1%	23.2%		23.2%
Earnings per common share												
Basic												
Continuing operations	\$ 2.95	\$ (0.30)	\$ 2.65	\$ 6.32	\$ (0.71)	\$ 5.61	\$ 9.25	\$ -	\$ 9.25	\$ 12.54	\$ -	\$ 12.54
Discontinued operations	· -	0.30	0.30	· -	0.71	0.71	5.03	· -	5.03	5.17	· -	5.17
Basic earnings per common share	\$ 2.95	\$ (0.00)	\$ 2.95	\$ 6.32	\$ 0.00	\$ 6.32	\$ 14.28	\$ -	\$ 14.28	\$ 17.71	\$ -	\$ 17.71
Diluted		. (2-27)						·		<u>·</u>	<u>·</u>	· ·
Continuing operations	\$ 2.91	\$ (0.30)	\$ 2.61	\$ 6.23	\$ (0.69)	\$ 5.54	\$ 9.13	\$ -	\$ 9.13	\$ 12.38	\$ -	\$ 12.38
Discontinued operations	ψ 2.31 -	0.30	0.30	ψ 0.20 -	0.69	0.69	ψ 3.13 4.97	Ψ -	ψ 3.13 4.97	5.11	∀	ψ 12.30 5.11
Diluted earnings per common share	\$ 2.91	\$ -	\$ 2.91	\$ 6.23	<u> </u>	\$ 6.23	\$ 14.10	<u> </u>	\$ 14.10	\$ 17.49	<u>-</u>	\$ 17.49
Dilated earnings per common share	Ψ 2.91	Ψ -	Ψ 2.31	Ψ 0.23	Ψ -	Ψ 0.23	Ψ 14.10	Ψ -	Ψ 14.10	Ψ 17.43	Ψ -	Ψ 17.49

¹ Income tax expense and net earnings for the quarter and year ended March 27, 2016 reflect the adoption during the second quarter of 2016 of a new accounting standard issued by the Financial Accounting Standards Board that changed certain aspects of the accounting for equity awards.