Lockheed Martin Announces First Quarter 2010 Results

- First quarter net sales of \$10.6 billion - First quarter net earnings of \$547 million - Generated \$1.6 billion in cash from operations for the quarter - Increases outlook for 2010 cash from operations; decreases outlook for net earnings per share - Repurchased 6.5 million shares

PRNewswire-FirstCall BETHESDA, Md.

Lockheed Martin Corporation today reported first quarter 2010 net sales of \$10.6 billion, a 3% increase over the \$10.4 billion in 2009. Net earnings for the first quarter of 2010 were \$547 million, or \$1.45 per diluted share, compared to \$666 million, or \$1.68 per diluted share, in 2009. As previously disclosed in our March 31, 2010 Form 8-K, first quarter 2010 net earnings included an unusual charge resulting from legislation that eliminates the tax deduction for benefit costs reimbursed under Medicare Part D. This unusual charge decreased net earnings by (\$96) million, or (\$0.25) per share. Cash from operations in the first quarter of 2010 was \$1.6 billion, compared to \$1.2 billion in 2009.

"We are off to a solid start for 2010," said Lockheed Martin Chairman and CEO, Bob Stevens. "We continue to execute on our programs, generate strong cash flow, and deploy cash to enhance stockholder value, all with a relentless focus on delivering affordable solutions to meet our customers' commitments."

Summary Reported Results and Outlook

The following table presents the Corporation's results for the periods referenced in accordance with generally accepted accounting principles (GAAP):

REPORTED RESULTS			Quarter
(In millions, except per share		2010	2009
Net sales	\$10,63 =====	37 \$10 =====	•
Operating profit			
Segment operating profit		\$1,158	\$1,199
Unallocated corporate, net: FAS/CAS pension adjust Stock compensation exp Other, net		(110 (41) 2	
Operating Profit	98	32 1,0	057
Interest expense	;	88	76
Other non-operating income / (expense), net(1)		28 	(3)
Earnings before income taxes	3	922	978
Income taxes (including an ur charge)(2)		5 31: 	2
Net earnings	\$54 ====		666
Diluted earnings per share	====	\$1.45 =====	\$1.68
Cash provided by operations		\$1,649 =====	

¹ Includes interest income and unrealized gains (losses), net

on marketable securities held in a Rabbi Trust to fund certain employee benefit obligations.

2 The 2010 amount includes an unusual charge resulting from legislation that eliminates the tax deduction for benefit costs reimbursed under Medicare Part D, which increased income tax expense by \$96 million.

REPORTED RESULTS	1st Quarter
(In millions, except per share da	ata) 2010 2009
Net sales	\$10,637 \$10,373 ======
Operating profit	
Segment operating profit Unallocated corporate, net:	\$1,158 \$1,199
FAS/CAS pension adjustm Stock compensation exper Other, net	
Operating Profit	982 1,057
Interest expense	88 76
Other non-operating income / (expense), net(1)	28 (3)
Earnings before income taxes	922 978
Income taxes (including an unu charge)(2)	sual 375 312
Net earnings	\$547 \$666 ==== ====
Diluted earnings per share	\$1.45 \$1.68 =====
Cash provided by operations	\$1,649 \$1,218 =====
1 Includes interest income and	unrealized gains (losses), net on

marketable securities held in a Rabbi Trust to fund certain employee benefit obligations.

The following table and other sections of this press release contain forward-looking statements, which are based on the Corporation's current expectations. Actual results may differ materially from those projected. See the "Forward-Looking Statements" discussion contained in this press release.

2010 FINANCIAL OUTL (1)	OOK 2010 Projections	S
(In millions, except per share data and percentages)	January 2010	Current Update
Net sales	\$46,250 - \$47,250	\$46,250 - \$47,250

² The 2010 amount includes an unusual charge resulting from legislation that eliminates the tax deduction for benefit costs reimbursed under Medicare Part D, which increased income tax expense by \$96 million.

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Operating profit:

\$5,025 - \$5,125 \$5,025 - \$5,125 Segment operating profit Unallocated corporate expense, net: FAS/CAS pension adjustment (440)(440)Stock compensation (180)(170)expense Other, net (100)(120)4,305 - 4,405 Operating Profit 4,295 - 4,395 Interest expense (350)(350)Other non-operating income, net 30 Earnings before income \$3,955 - \$4,055 \$3,975 - \$4,075 taxes Diluted earnings per share \$7.15 - \$7.35 \$7.00 - \$7.20 Cash from operations >/= \$3,200 >/= \$3,300 ROIC(2) >/= 16.0% >/= 16.0% (1) All amounts approximate. (2) See discussion of non-GAAP performance measures at the end of this document. 2010 FINANCIAL OUTLOOK (1) 2010 Projections (In millions, except per share data and percentages) January 2010 **Current Update** Net sales \$46,250 - \$47,250 \$46,250 - \$47,250 _____ Operating profit: Segment operating profit \$5,025 - \$5,125 \$5,025 - \$5,125 Unallocated corporate expense, net: FAS/CAS pension adjustment (440)(440)

FAS/CAS pension adjustment (440) (440) Stock compensation expense (180) (170) Other, net (100) (120)

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Operating Profit 4,305 - 4,405 4,295 - 4,395

Interest expense (350) (350)
Other non-operating income, net - 30

Earnings before income taxes \$3,955 - \$4,055 \$3,975 - \$4,075

Diluted earnings per share \$7.15 - \$7.35 \$7.00 - \$7.20 Cash from operations \$>/= \$3,200 \$>/= \$3,300 ROIC(2) \$>/= 16.0% \$>/= 16.0%

(1) All amounts approximate.

(2) See discussion of non-GAAP performance measures at the end of this document.

The Corporation's updated outlook for 2010 diluted earnings per share incorporates the following revisions:

- -- Inclusion of a (\$96) million, or (\$0.25) per share unusual charge resulting from legislation that eliminates the tax deduction for benefit costs reimbursed under Medicare Part D; and
- -- A net \$0.10 per share improvement in the Corporation's outlook

As previously disclosed in our Jan. 28, 2010 Earnings Release, the outlook for 2010 cash from operations anticipates that the Corporation will make approximately \$1.4 billion in contributions to our pension trust during 2010. The Corporation anticipates recovering approximately \$1.0 billion as CAS cost during 2010, with the remainder being recoverable in future years.

The research and development (R&D) tax credit expired on Dec. 31, 2009, and has not been incorporated into our outlook for 2010. The benefit of the R&D tax credit was approximately \$0.11 per share for 2009. This benefit will not be incorporated into our 2010 outlook or results unless it is extended by the U.S. Congress.

It is the Corporation's practice not to incorporate adjustments to its outlook for proposed acquisitions, divestitures, joint ventures, or unusual items until such transactions have been consummated.

Balanced Cash Deployment Strategy

The Corporation continued to execute its balanced cash deployment strategy in the first quarter of 2010 by:

- -- repurchasing 6.5 million shares at a cost of \$516 million;
- -- paying cash dividends totaling \$238 million; and
- -- expending capital totaling \$92 million.

Segment Results

The Corporation operates in four principal business segments: Aeronautics; Electronic Systems; Information Systems & Global Services (IS&GS); and Space Systems.

Operating profit for the business segments includes equity earnings (losses) from investments they hold, because the operating activities of the investees are closely aligned with the operations of those segments. Our largest equity investments are United Launch Alliance (ULA) and United Space Alliance (USA), which are included in Space Systems.

The following table presents the operating results of the four business segments and reconciles these amounts to the Corporation's consolidated financial results.

(In millions)	1st Quart	er	
	2010 200	9	
Net sales			
Aeronautics Electronic Systems Information Systems & Glo Space Systems		2,913	2,761
Total net sales	\$10,637	\$10,373	
=	====== ==	====	
Operating profit			
Aeronautics Electronic Systems Information Systems & Glo Space Systems Segment operating profit Unallocated corporate expe	bal Services 213 1,15	390 233 212 8 1,19	9
Operating profit	\$982	\$1,057 ===	

In our discussion of comparative results, changes in net sales and operating profit generally are expressed in terms of volume and/or performance.

Volume refers to increases or decreases in sales resulting from varying production activity levels, deliveries, or service levels on individual contracts. Volume changes typically include a corresponding change in operating profit based on the estimated profit rate at completion for a particular contract for design, development, and production

activities.

Performance generally refers to changes in contract profit booking rates. These changes to our contracts for products usually relate to profit recognition associated with revisions to total estimated costs at completion of the contracts that reflect improved (or deteriorated) operating or award fee performance on a particular contract. Changes in contract profit booking rates on contracts for products are recognized by recording adjustments in the current period for the inception-to-date effect of the changes on current and prior periods. Recognition of the inception-to-date adjustment in the current or prior periods may affect the comparison of segment operating results.

Aeronautics

Operating margin

11.0%

12.8%

Net sales for Aeronautics increased by 5% for the first quarter of 2010 compared to the first quarter of 2009. Sales increased in all three lines of business. The increase in Combat Aircraft principally was due to higher volume on the F-35 program. This increase partially was offset by lower volume on F-16 programs, including a decline in deliveries, as well as lower volume on F-22 and other combat aircraft programs. There were six F-16 deliveries in the first quarter of 2010 compared to eight in the first quarter of 2009. The increase in Air Mobility primarily was attributable to higher volume on C-130 support programs. There were three C-130J deliveries in both the first quarter of 2010 and the first quarter of 2009. The increase in Other Aeronautics Programs mainly was due to higher volume on advanced development and P-3 programs, which partially were offset by declines in sustainment activities.

Operating profit for Aeronautics decreased by 9% for the first quarter of 2010 compared to the first quarter of 2009. The decline in operating profit primarily was due to decreases in Combat Aircraft, which partially were offset by increases in Air Mobility and Other Aeronautics Programs. The decrease in Combat Aircraft's operating profit during the quarter primarily was due to lower volume on the F-22 program and a decrease in the level of favorable performance adjustments on F-22 and other combat aircraft programs in 2010 compared to 2009. These decreases more than offset increased operating profit resulting from higher volume and improved performance on F-35 production contracts. The increase in Air Mobility operating profit primarily was due to the higher volume on C-130J support and other air mobility programs. The increase in Other Aeronautics Programs mainly was attributable to improved performance in sustainment activities and higher volume and improved performance on P-3 programs.

Electronic Systems

(In millions, except percentages)

1st Quarter

2010 2009

 Net sales
 \$2,914
 \$2,913

 Operating profit
 \$388
 \$390

 Operating margin
 13.3%
 13.4%

Net sales for Electronic Systems were relatively unchanged for the first quarter of 2010 compared to the first quarter of 2009. Sales increases in MFC&T were offset by declines in MS2. The increase at MFC&T primarily was due to higher volume on air defense and certain tactical missile programs, which partially were offset by lower volume on fire control systems. The decrease at MS2 mainly was due to lower volume on undersea warfare and ship & aviation systems programs, which partially were offset by higher volume on surface naval warfare programs.

Operating profit for Electronic Systems was relatively unchanged for the first quarter of 2010 compared to the first quarter of 2009. Increases in operating profit at MFC&T were offset by declines at MS2. The increase at MFC&T mainly was due to higher volume and improved performance on air defense programs and certain tactical missile programs, which partially were offset by lower volume on fire control systems. The decrease at MS2 primarily was

attributable to lower volume and performance on undersea warfare system programs, which partially were offset by improved performance on ship & aviation system programs in 2010.

As previously announced on Nov. 16, 2009, we realigned the Electronic Systems business segment effective Jan. 1, 2010. The preceding discussion was conformed to this realignment for all periods discussed above; however, the changes did not impact total segment results. See discussion of "Electronic Systems Realignment" at the end of this release for additional information.

Information Systems & Global Services

Net sales for IS&GS increased by 4% for the first quarter of 2010 compared to the first quarter of 2009. Sales increases in Defense and Civil partially were offset by a slight decline in Intelligence programs' sales. Defense sales primarily increased due to higher volume on readiness and stability operations, which partially were offset by declines in mission and combat systems activities. Civil increased principally due to higher volume on enterprise civilian services and Pacific Architects & Engineers Inc. (PAE) programs. Intelligence programs' sales declined slightly mainly due to lower volume on security solutions, which partially were offset by higher volume in enterprise integration activities.

Operating profit for IS&GS decreased by 4% for the first quarter of 2010 compared to the first quarter of 2009. During the quarter, operating profit declines in Intelligence programs and Defense more than offset growth in Civil. The decrease in Intelligence programs mainly was due to lower volume on security solutions activities. The decrease in Defense's operating profit primarily was attributable to lower volume and performance on mission and combat systems activities, which partially were offset by improved performance on global programs. The increase in Civil was mainly due to higher volume and improved performance on PAE programs.

Space Systems

Net sales for Space Systems were unchanged in the first quarter of 2010 compared to the first quarter of 2009. During the quarter, sales growth at Space Transportation offset declines in Strategic & Defensive Missile Systems (S&DMS) and Satellites. The increase in Space Transportation principally was due to higher volume on the Orion program, which partially was offset by lower volume on the space shuttle external tank program. The sales decline in Satellites primarily was attributable to lower volume in government satellite activities. There were no commercial satellite deliveries during the first quarter of 2010 or 2009. S&DMS' sales decreased mainly due to lower volume on defensive missile programs.

Operating profit for Space Systems was relatively unchanged in the first quarter of 2010 compared to the first quarter of 2009. During the quarter, growth in operating profit in Space Transportation and S&DMS partially were offset by a decline in Satellites. The increase in Space Transportation mainly was attributable to higher equity earnings on the ULA joint venture, and higher volume on the Orion program. S&DMS' operating profit increased mainly due to improved performance on defensive missile programs. Satellites' operating profit decreased primarily due to lower volume and a decrease in the level of favorable performance adjustments on government satellite programs. Total equity earnings recognized by Space Systems represented 25% of the segment's operating profit in the first quarter of 2010, compared to 15% in the first quarter of 2009.

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(In millions) 1st Quarter

2010 2009

FAS/CAS pension adjustment $(110) $(114)
Stock compensation expense (41) (30)
Other, net (25) 2

Unallocated corporate
income (expense), net $(176) $(142)

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See the Corporation's 2009 Form 10-K for a description of "Unallocated corporate income (expense), net," including the FAS/CAS pension adjustment.

Income Taxes

Our effective income tax rates for the first quarters of 2010 and 2009 were 40.7% and 31.9%. The effective tax rate for the first quarter of 2010 was higher than the comparable period in 2009, primarily due to the enactment of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 on March 23, 2010 and March 30, 2010, which together eliminated the tax deduction to the extent retiree prescription drug expenses are reimbursed under Medicare Part D, beginning in 2013. Since the tax benefits associated with these future deductions were reflected as deferred tax assets in our 2009 financial statements, the elimination of the tax deductions resulted in a reduction in deferred tax assets and an increase in income tax expense this quarter. This increase in income tax expense, as previously disclosed in our March 31, 2010 Form 8-K, decreased 2010 net earnings by (\$96) million, or (\$0.25) per share.

Excluding the impact of the Medicare Part D adjustment, the effective tax rates for both periods were lower than the statutory tax rate of 35% due to tax benefits for U.S. manufacturing activities and dividends related to our employee stock ownership plans. The first quarter 2009 tax rate included benefits related to the R&D credit, which expired on December 31, 2009. This benefit will not be incorporated into our 2010 results or outlook unless it is extended by the U.S. Congress.

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 136,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation reported 2009 sales of \$45.2 billion.

Web site: www.lockheedmartin.com

Conference call: Lockheed Martin will webcast the earnings conference call (listen-only mode) at 9:00 a.m. E.T. on April 21, 2010. A live audio broadcast, including relevant charts, will be available on the Investor Relations page of the company's web site at: http://www.lockheedmartin.com/investor.

FORWARD-LOOKING STATEMENTS

Statements in this release that are "forward-looking statements" are based on Lockheed Martin's current expectations and assumptions. Forward-looking statements in this release include estimates of future sales, earnings and cash flow. These statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results could differ materially due to factors such as: the availability of government funding for our products and services both domestically and internationally; changes in government and customer priorities and requirements (including changes to respond to the priorities of Congress and the Administration, budgetary constraints, and cost-cutting initiatives); the impact of economic recovery and stimulus plans and continued military operations in Iraq and Afghanistan on funding for existing defense programs; failure to have the F-35 program or other key programs recertified after notice of exceeding cost-growth thresholds specified by the Nunn-McCurdy process; the award or termination of contracts; actual returns (or losses) on pension plan assets, interest and discount rates and other changes that may affect pension plan assumptions; the effect of capitalization changes (such as share repurchase activity, advance pension funding, option exercises, or debt levels) on earnings per share; difficulties in developing and producing operationally advanced technology systems; the timing and customer acceptance of product deliveries; materials availability and performance by key suppliers, subcontractors and customers; charges from any future impairment reviews that may result in the recognition of losses and a reduction in the book value of goodwill or other long-term assets; the future impact of legislation, rulemaking, and changes in accounting, tax, defense procurement, or export policies; the future impact of acquisitions or divestitures, joint ventures or teaming arrangements; the outcome of legal proceedings and other contingencies (including lawsuits, government investigations or audits, and the cost of completing environmental remediation

efforts); the competitive environment for the Corporation's products and services; the ability to attract and retain key personnel; and economic, business and political conditions domestically and internationally.

These are only some of the factors that may affect the forward-looking statements contained in this press release. For further information regarding risks and uncertainties associated with Lockheed Martin's business, please refer to the Corporation's SEC filings, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors," and "Legal Proceedings" sections of the Corporation's 2009 annual report on Form 10-K, which may be obtained at the Corporation's website: http://www.lockheedmartin.com/.

It is the Corporation's policy to only update or reconfirm its financial projections by issuing a press release. The Corporation generally plans to provide a forward-looking outlook as part of its quarterly earnings release but reserves the right to provide an outlook at different intervals or to revise its practice in future periods. All information in this release is as of April 20, 2010. Lockheed Martin undertakes no duty to update any forward-looking statement to reflect subsequent events, actual results or changes in the Corporation's expectations. We also disclaim any duty to comment upon or correct information that may be contained in reports published by investment analysts or others.

NON-GAAP PERFORMANCE MEASURES

The Corporation believes that reporting ROIC provides investors with greater visibility into how effectively Lockheed Martin uses the capital invested in its operations. The Corporation uses ROIC to evaluate multi-year investment decisions and as a long-term performance measure, and also uses ROIC as a factor in evaluating management performance for incentive compensation purposes. ROIC is not a measure of financial performance under generally accepted accounting principles, and may not be defined and calculated by other companies in the same manner. ROIC should not be considered in isolation or as an alternative to net earnings as an indicator of performance.

The Corporation calculates ROIC as follows:

Net earnings plus after-tax interest expense divided by average invested capital (stockholders' equity plus debt), after adjusting stockholders' equity by adding back adjustments related to postretirement benefit plans.

(In millions, except percentages) 2010 Projections
January 2010 Current Update
Net Earnings Combined Combined

Interest Expense (multiplied by

65%) 1

Return >/= \$2,925 >/= \$2,860

Average debt 2, 5 Combined Combined

Average equity 3, 5

Average Benefit Plan Adjustments

4, 5

Average Invested Capital </= \$18,300 </= \$17,900

Return on Invested Capital >/= 16.0% >/= 16.0%

- 1 Represents after-tax interest expense utilizing the federal statutory rate of 35%. Interest expense is added back to net earnings as it represents the return to debt holders. Debt is included as a component of average invested capital.
- 2 Debt consists of long-term debt, including current maturities, and short-term borrowings (if any).
- 3 Equity includes non-cash adjustments, primarily to recognize the funded /unfunded status of our benefit plans.
- 4 Average Benefit Plan Adjustments reflect the cumulative value of entries identified in our Statement of Stockholders' Equity discussed in Note 3.
- 5 Yearly averages are calculated using balances at the start of the year and at the end of each quarter.

(In millions, except

percentages) 2010 Projections January 2010 Current Update

Net Earnings Combined Combined

Interest Expense (multiplied

by 65%) 1

Return >/= \$2,925 >/= \$2,860

Average debt 2, 5	Combined	Combined
Average equity 3, 5		
Average Benefit Plan		
Adjustments 4, 5		
Average Invested Capital	= \$18,300</td <td><!--= \$17,900</td--></td>	= \$17,900</td
Return on Invested Capital	>/= 16.0%	>/= 16.0%

- 1 Represents after-tax interest expense utilizing the federal statutory rate of 35%. Interest expense is added back to net earnings as it represents the return to debt holders. Debt is included as a component of average invested capital.
- 2 Debt consists of long-term debt, including current maturities, and short-term borrowings (if any).
- 3 Equity includes non-cash adjustments, primarily to recognize the funded /unfunded status of our benefit plans.
- 4 Average Benefit Plan Adjustments reflect the cumulative value of entries identified in our Statement of Stockholders' Equity discussed in Note 3
- 5 Yearly averages are calculated using balances at the start of the year and at the end of each quarter.

ELECTRONIC SYSTEMS REALIGNMENT

As previously announced on November 16, 2009, we realigned the Electronic Systems business segment effective January 1, 2010. Prior to the realignment, Electronic Systems reported three lines of business: Missiles & Fire Control; Maritime Systems & Sensors; and Platforms & Training. As a result of the realignment, Electronic Systems will now report two lines of business: Missiles, Fire Control & Training (MFC&T) and Mission Systems & Sensors (MS2). The realignment entailed combining our ground vehicles programs, which includes the Joint Light Tactical Vehicle program, and our simulation and training activities with the Missiles & Fire Control line of business to form MFC&T. Both were previously reported in the former Platforms & Training line of business. We combined the remaining elements of the former Platforms & Training line of business with the former Maritime Systems & Sensors line of business to form MS2. The changes did not impact total segment results.

LOCKHEED MARTIN CORPORATION Condensed Consolidated Statements of Earnings Unaudited

(In millions, except per share data and percentages)

OLIABTED ENDED

	QUARTER ENDED					
	March 28 2010		March 2 2009	29, (a)		
Net sales	\$10	0,637	\$1	0,373	;	
Cost of sales		9,701	9	,368		
	936		1,005			
Other income (expens	se), net		46 		52	
Operating profit		982	1	,057		
Interest expense		88		76		
Other non-operating in (expense), net	ncome 	28		(3)		
Earnings before incon	ne taxes		922		978	
Income tax expense		37	75 	31	2	
Net earnings		\$547	5	\$666		

Effective tax rate	40.7%	31.9%		
	====	====		
Earnings per common s	hare:			
Basic	\$1.46	\$1.69		
Diluted	\$1.45	\$1.68		
Average number of sha outstanding	res			
Basic	373.5	393.4		
Diluted	377.7	397.5		
Common shares reporte				

end:

368.5 386.2

(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, Operating Profit and Margins Unaudited (In millions, except percentages)

QUARTER ENDED

March 2010	,	March 29, 2009	% Ch	ange
			-	
Net sales				
Aeronautics	\$2,933	\$2,7	'81	5%
Electronic Systems	2,914	2	,913	-
Information Systems	S			
& Global Services	2,872	2,	761	4
Space Systems	1,918	1,	918	-
· · · · ·	-			
Total net sales	\$10,637	\$10	,373	3%
===	====	=====	=	

Operating profit

Aeronautics Electronic Systems	\$324 388	\$	355 390	(9)% (1)
Information Systems & Global Services Space Systems	233 213		242 212	(4) -
Segment operating	l			
profit 1,1	158	1,199	(3))

Unallocated

corporate expense, (176)(142)net ----

> \$982 \$1,057 (7)% ==== ======

Margins

11.0% 12.8% Aeronautics Electronic Systems 13.3 13.4

Information Systems

& Global Services Space Systems	8.1 11.1	8.8 11.1
Total operating segments	10.9	11.6
Total consolidated	9.2%	10.2%

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

QUARTER ENDED

	March 28, 2010	March 29, 2009
Unallocated corp (expense) incon		
FAS/CAS pensi adjustment Stock compens	\$(110)	\$(114)
expense	(41)	(30)
Other, net	(25)	2
Unallocated o	orporate	

QUARTER ENDED

\$(176)

\$(142)

March 28, March 29, 2010 2009

FAS/CAS pension adjustment

expense, net

\$(259) \$(357) FAS pension expense Less: CAS cost (247) (145)FAS/CAS pension adjustment \$(110) \$(114)

QUARTER ENDED MARCH 28, 2010 (1)

Operating profit Net earnings Earnings per share Unusual Item - 2010

Elimination of Medicare Part D

\$(96) \$(0.25) deferred tax assets ====

¹ There were no unusual items reported in the first quarter of 2009.

LOCKHEED MARTIN CORPORATION

Selected Financial Data Unaudited (In millions)

QUARTER ENDED

_	_	_	_	_	_	_	_	_	_	_	_	

March 28,	March 29	
2010	2009	

Depreciation and amortization of plant and equipment

amortization of plant and equipment		
Aeronautics	\$47	\$47
Electronic Systems	53	58
Information Systems &		
Global Services	15	14
Space Systems	43	43
Segments	158	162
Unallocated corporate		
expense, net	14	13
Total depreciation		
and amortization of		
plant and equipment	\$172	\$175
	_	

QUARTER ENDED

March 28, March 29, 2010 2009

Amortization of purchased intangibles

Aeronautics	\$12	\$12
Electronic Systems	4	2
Information Systems &		
Global Services	10	11
Space Systems	1	2

Total amortization of purchased intangibles \$27 \$27 \$27

LOCKHEED MARTIN CORPORATION Condensed Consolidated Balance Sheets

(In millions, except percentages)

(Unaudited) MARCH 28, DECEMBER 31, 2010 2009

Assets

 Cash and cash equivalents
 \$3,288
 \$2,391

 Accounts receivable, net
 6,610
 6,061

 Inventories
 2,476
 2,183

Deferred income taxes	839 815
Other current assets	706 1,027
Total current assets	13,919 12,477
Property, plant and equipmer	nt, net 4,436 4,520
Goodwill	9,938 9,948
Purchased intangibles, net Prepaid pension asset	283 311 164 160
Deferred income taxes	3,625 3,779
Other assets	3,922 3,916
Total assets	\$36,287 \$35,111
	======
Liabilities and Stockholders' E	Equity
Accounts payable	\$2,247 \$2,030
Customer advances and amo	
costs incurred Other current liabilities	5,274 5,049 4,051 3,624
Other current liabilities	4,051 3,624
Total current liabilities	11,572 10,703
Long-term debt, net	5,053 5,052
Accrued pension liabilities	11,184 10,823
Other postretirement benefit a noncurrent liabilities	and otner 4,450 4,404
Stockholders' equity	4,028 4,129
Total liabilities and stockhol	lders' equity \$36,287 \$35,111
Total habilition and ottomio	====== ======
Total data to a concession of a con-	500/ 550/
Total debt-to-capitalization ra	tio: 56% 55%
LOCKHEED MARTIN CORP	
LOCKHEED MARTIN CORP Condensed Consolidated Sta Unaudited (In millions)	
Condensed Consolidated Sta Unaudited	
Condensed Consolidated Sta Unaudited (In millions)	tements of Cash Flows QUARTER ENDED
Condensed Consolidated Sta Unaudited (In millions)	QUARTER ENDED March 28, March 29,
Condensed Consolidated Sta Unaudited (In millions)	QUARTER ENDED March 28, March 29,
Condensed Consolidated Statunaudited (In millions) A Operating Activities	QUARTER ENDED March 28, March 29,
Condensed Consolidated Statunaudited (In millions) Operating Activities	QUARTER ENDED March 28, March 29, 2010 2009
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net	QUARTER ENDED March 28, March 29, 2010 2009 \$547 \$666
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by	QUARTER ENDED March 28, March 29, 2010 2009 \$547 \$666
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities:	QUARTER ENDED March 28, March 29, 2010 2009 \$547 \$666 earnings
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization	QUARTER ENDED March 28, March 29, 2010 2009 \$547 \$666 earnings
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities:	QUARTER ENDED March 28, March 29, 2010 2009 \$547 \$666 earnings on of plant 172 175
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization and equipment Amortization of purchased in Stock-based compensation	### Action of Plant
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortizatic and equipment Amortization of purchased in Stock-based compensation Changes in operating assets	### Action of Plant
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities:	### QUARTER ENDED ### August
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortizatic and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories	### Authorized Cash Flows QUARTER ENDED
Condensed Consolidated Statunaudited (In millions) Operating Activities Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories Accounts payable	### Authorized Cash Flows QUARTER ENDED
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories Accounts payable Customer advances and accounts in the control of t	### Action of Cash Flows QUARTER ENDED
Condensed Consolidated Statunaudited (In millions) Operating Activities Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories Accounts payable	### Action of Plant ### 172
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories Accounts payable Customer advances and an of costs incurred	### Action of Cash Flows QUARTER ENDED
Condensed Consolidated Statunaudited (In millions) Operating Activities Operatings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortizatic and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories Accounts payable Customer advances and a of costs incurred Other	### QUARTER ENDED ### Arch 28, March 29, 2010 2009 ### \$547 \$666 ### earnings ### On of plant ### 172 175 ### 172 175 ### 173 175 ### 174 30 ### sand ### (549) (779) ### (293) 33 ### 217 120 ### mounts in excess ### 225 326 ### 1,262 620
Condensed Consolidated Statunaudited (In millions) Operating Activities Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortization and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories Accounts payable Customer advances and an of costs incurred	### QUARTER ENDED ### Arch 28, March 29, 2010 2009 ### \$547 \$666 ### earnings ### On of plant ### 172 175 ### 172 175 ### 173 175 ### 174 30 ### sand ### (549) (779) ### (293) 33 ### 217 120 ### mounts in excess ### 225 326 ### 1,262 620
Condensed Consolidated Statunaudited (In millions) Operating Activities Net earnings Adjustments to reconcile net to net cash provided by operating activities: Depreciation and amortizatic and equipment Amortization of purchased in Stock-based compensation Changes in operating assets liabilities: Accounts receivable, net Inventories Accounts payable Customer advances and a of costs incurred Other	### QUARTER ENDED ### Arch 28, March 29, 2010 2009 ### \$547 \$666 ### earnings ### On of plant

Expenditures for property, plant and equipment (92) Proceeds from short-term investment transactions 107 Acquisitions of businesses / investments in affiliates (1) Other (4)	(132) - 9) (156) 			
Net cash used for investing activities	(8) (292)			
Financing Activities				
Repurchases of common stock Common stock dividends Issuances of common stock and related amounts 24	(516) (499) (238) (227) 16			
Net cash used for financing activities	(730) (710)			
Effect of exchange rate changes on cash and cash equivalents Net increase in cash and cash equivalents 897 Cash and cash equivalents at beginning of period 2,391	216 2,168			
Cash and cash equivalents at end of period \$3,288	\$2,384 =====			
LOCKHEED MARTIN CORPORATION Condensed Consolidated Statement of Stockholders' Equity Unaudited (In millions, except per share data)				
Accumulated	d			
	Total			
Common Paid-In Retained hensive Stock Capital Earnings Loss	holders' Equity			
Balance at December 31, 2009 \$373 \$- \$12,351	\$(8,595) \$4,129			
Net earnings 547	547			
Common stock dividends declared (a) (238)	(238)			
Stock-based awards and other 3 116	119			
Common stock repurchases (b) (7) (116) (393)	(516)			

Other

Investing Activities

loss (13) (13)

Balance at March 28,

2010 \$369 \$- \$12,267 \$(8,608) \$4,028

- (a) Includes dividends (\$0.63 per share) declared and paid in the first quarter.
- (b) The Corporation repurchased 6.5 million shares for \$516 million during the first quarter. The Corporation has 22.3 million shares remaining under its share repurchase program as of March 28, 2010.

LOCKHEED MARTIN CORPORATION Operating Data Unaudited

December March 28, 31,

2010 2009

Backlog -----(In millions)

Aeronautics \$26,000 \$26,700 Electronic Systems 21,100 21,900

Information Systems & Global

 Services
 12,200
 12,600

 Space Systems
 15,700
 16,800

 Total
 \$75,000
 \$78,000

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QUARTER ENDED

March 28, March 29,
2010 2009
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F-22 4 5
C-130J 3 3

First Call Analyst: Randa Middleton

FCMN Contact:

SOURCE: Lockheed Martin Corporation

Web Site: http://www.lockheedmartin.com/