LOCKHEED MARTIN ANNOUNCES SECOND QUARTER 2010 RESULTS

- Second quarter net sales increase three percent to \$11.4 billion - Second quarter earnings from continuing operations decline one percent to \$727 million - Second quarter earnings per share from continuing operations increase five percent to \$1.96 - Second quarter cash from operations increases eight percent to \$1.2 billion - Increases outlook for earnings per share from continuing operations and cash from operations; decreases outlook for net sales due to discontinued operations

PRNewswire-FirstCall BETHESDA, Md.

Lockheed Martin Corporation today reported second quarter 2010 net sales of \$11.4 billion, a 3 percent increase over the \$11.1 billion in 2009. Earnings from continuing operations for the second quarter of 2010 were \$727 million, or \$1.96 per diluted share, compared to \$731 million, or \$1.87 per diluted share, in 2009. Cash from operations in the second quarter of 2010 was \$1.2 billion, compared to \$1.1 billion in 2009.

"We had strong second quarter financial results," said Chairman and CEO Bob Stevens. "Operationally, we're continuing to implement affordability initiatives that will enhance performance and lower cost, and our dedicated workforce is focused on meeting our commitments. Strategically, we decided to divest two units and realign others to strengthen performance over the long term. In the new reality of escalating demands and increasing constraints on resources, we continue to refine our portfolio of capabilities and services to provide the best, most affordable solutions for our customers, a secure future for our employees and value for our shareholders."

Realignment and Planned Divestitures

As previously announced on June 2, 2010, we have taken certain portfolio-shaping actions designed to strengthen our business over the long term, as follows:

- Disclosed plans to divest most of Enterprise Integration Group (EIG) and Pacific Architects and Engineers, Inc. (PAE), two businesses within Information Systems & Global Solutions (IS&GS); and
- Realigned two IS&GS businesses, Readiness & Stability Operations (RSO) and Savi Technology, Inc., with our Simulation, Training and Support business to form the Global Training & Logistics (GT&L) line of business within Electronic Systems.

We are actively marketing PAE for sale and expect the transaction to occur around the end of 2010. As a result, PAE's operating results are included in discontinued operations and its assets and liabilities are classified as held for sale on the balance sheet. The plan to divest PAE is a result of customers seeking a different mix of services that do not fit with our long-term strategy.

We are currently evaluating the relative merits of a sale transaction for EIG compared to a spin-off of the EIG business to our stockholders. EIG's financial results will remain in IS&GS' continuing operations until we either conclude that a sale is probable or close a spin-off transaction. We expect a transaction to occur around the end of 2010.

Our decision to divest EIG was based on our analysis of the U.S. Government's increased concerns about perceived organizational conflicts of interest within the defense contracting community. We have never had an organizational conflict of interest violation; however, the potential for conflicts arises in circumstances where a contractor providing certain types of advisory services or support to the U.S. Government is also involved in systems development activities. EIG provides systems engineering, architecture, and integration services and support to a broad range of government customers.

Certain financial information herein has been reclassified to reflect the realignment between the Electronic Systems and IS&GS business segments and to exclude the PAE business from the IS&GS business segment.

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 2nd Quarter Year-to-Date

(In millions, except per share data) 2010 2009 2010 2009 Net sales \$11,442 \$11,072 \$21,915 \$21,280 Operating profit Segment operating profit \$1,287 \$1,272 \$2,435 \$2,466 Unallocated corporate, net: FAS/CAS pension adjustment (110) (115) (220) (229) Stock compensation expense (41) (42) (82) Other, net (1) (37) (26) (35)Operating profit 1,135 1,078 2,107 2,130 Interest expense 86 148 Other non-operating income (expense), net(1) (19)46 9 43

Earnings from continuing

operations before income taxes 1,030 1,050 1,943 2,025

Income tax expense(2) 303 319 675 628

Net earnings:

Earnings from continuing

operations 727 731 1,268 1,397

Earnings from discontinued

operations(3) 98 3 104 3

Net earnings \$825 \$734 \$1,372 \$1,400

____ _____

Diluted earnings per share:

 Continuing operations
 \$1.96
 \$1.87
 \$3.38
 \$3.54

 Discontinued operations
 0.26
 0.01
 0.28
 0.01

 Diluted earnings per share
 \$2.22
 \$1.88
 \$3.66
 \$3.55

Cash from operations \$1,225 \$1,136 \$2,874 \$2,354

- 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 year-to-date 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.
- 3 The 2010 2nd quarter and year-to-date amounts include a \$96 million tax benefit due to the recognition of a deferred tax asset for PAE book and tax differences recorded when the decision was made to dispose of PAE.

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 OUTLOOK (1) 2010 Projections

(In millions, except per share data and percentages) April 2010 Current Update

Net sales \$46,250 - \$47,250 \$45,500 - \$46,500

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Operating profit:
                                $5,025 - $5,125 $5,025 - $5,125
 Segment operating profit
 Unallocated corporate expense,
                                          (440)
    FAS/CAS pension adjustment
                                                       (440)
    Stock compensation expense
                                         (170)
                                                       (170)
                             (120)
                                              (100)
    Other, net
Operating profit
                                           4,315 - 4,415
                            4,295 - 4,395
Interest expense
                                    (350)
                                                 (350)
Other non-operating income, net
                                          30
                                                       10
Earnings from continuing
operations before income taxes
                      $3,975 - $4,075 $3,975 - $4,075
Diluted earnings per share from
continuing operations
                        $7.00 - $7.20
                                        $7.15 - $7.35
Cash from operations
                                >/= $3,300
                                                >/= $3,400
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1 All amounts approximate.

ROIC(2)

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

>/=16.0%

>/= 17.0%

The Corporation's updated outlook for 2010 net sales, diluted earnings per share, and cash from operations incorporates: the removal of \$750 million in projected net sales and \$30 million in projected segment operating profit relating to PAE discontinued operations; a \$30 million increase in projected segment operating profit driven by improved performance within Space Systems; and a net \$0.15 per share improvement primarily due to a reduction in projected weighted average shares outstanding as a result of higher than anticipated share repurchase activity during the second quarter.

Our outlook for 2010 cash from operations anticipates that we will make at least \$1.4 billion in discretionary contributions to our pension trust during 2010. We have made discretionary contributions of \$350 million to our pension trusts through June 2010. We anticipate recovering approximately \$1.0 billion as CAS cost during 2010, with the remainder being recoverable in future years.

Our outlook does not include any financial effect of the voluntary executive separation program announced on July 6, 2010 as the financial results of the program will not be known until later in 2010. Our outlook also does not incorporate any financial effect related to the research and development (R&D) tax credit, which expired on Dec. 31, 2009. The R&D tax credit benefit will not be incorporated into our 2010 outlook or results unless it is extended by Congress. The benefit of the R&D tax credit was approximately \$0.11 per share for 2009.

Cash Deployment Strategy

We continued to execute our cash deployment strategy in the second quarter of 2010 by:

- repurchasing 9.7 million shares at a cost of \$782 million in the quarter and 16.2 million shares at a cost of \$1.3 billion for the year-to-date period;
- -- paying cash dividends totaling \$233 million in the quarter and \$471 million for the year-to-date period; and
- -- expending capital of \$131 million during the quarter and \$223 million during the first six months of the year.

In May 2010, we issued \$728 million of new 5.72 percent Notes due 2040 (the New Notes), in exchange for \$611 million of our then outstanding debt securities (the Old Notes). We paid a premium of \$158 million, of which \$117 million was in the form of New Notes and \$41 million was paid in cash. The premium will be amortized to interest expense over the life of the New Notes.

Segment Results

The Corporation operates in four principal business segments: Aeronautics; Electronic Systems; IS&GS; and Space Systems.

The segment results and discussions that follow reflect the previously discussed realignment between the Electronic Systems and IS&GS business segments as well as the exclusion of PAE from IS&GS as discontinued operations. EIG results continue to be included in the continuing operations of IS&GS.

Operating profit for the business segments includes equity earnings (losses) from their investments, 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), both of which are part of 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)	2nd Quarter	Year-to-Date
	2010 2009 201	0 2009
Net sales		
Electronic Systems Information System	2,688 2,535 5 2,080 2,056	5 6,804 6,564 5,034 4,875 6 3,998 3,974
	 \$11,442 \$11,072 	2 \$21,915 \$21,280
Operating profit		
Aeronautics Electronic Systems Information System Solutions	\$372 \$399 432 425 as & Global 238 224 4 245 224	836 825 145 451
Unallocated corpor	(152) (194)	
	it \$1,135 \$1,07	

In our discussion of comparative results, changes in net sales and operating profit generally are expressed in terms of volume and 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					
(\$ millions)	2nd	Quarter	Ye	ar-to-Date	
	2010	2009	2010	2009	

Net sales	\$3,	146 \$3	,086 \$6,	079 \$5	,867
Operating profit	\$372	\$399	9 \$696	\$754	
Operating					
margin	11.	8% 12	2.9% 11	.4% 1	2.9%

Net sales for Aeronautics increased by 2 percent for the quarter and 4 percent for the first six months of 2010 from the comparable 2009 periods. In both periods, sales increased in Air Mobility and declined in Combat Aircraft. The increase in Air Mobility primarily was attributable to higher volume on C-130J programs including deliveries and support activities. There were six C-130J deliveries in the second quarter of 2010 (compared to three in the second quarter of 2009) and nine in the first six months of 2010 (compared to six in the comparable period of 2009). The decrease in Combat Aircraft principally was due to lower volume on the F-35 System Development and Demonstration (SDD) contract, F-16 programs, including a decline in deliveries, as well as lower volume on F-22 and other combat aircraft programs. These decreases partially were offset by higher volume on the F-35 production contracts. There were five F-16 deliveries in the second quarter of 2010 (compared to eight in the second quarter of 2009) and 11 in the first six months of 2010 (compared to 16 in the comparable period of 2009). Other Aeronautics Programs sales were relatively unchanged between periods.

Operating profit for Aeronautics decreased by 7 percent for the quarter and 8 percent for the first six months of 2010 from the comparable 2009 periods. In both periods, 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 primarily was due to the lower volume on the F-35 SDD contract, F-16 and F-22 programs as well as a decrease in the level of favorable performance adjustments on 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 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.

(\$ millions)	2nd C	Quarter	Ye	ar-to-Date	
	2010	2009	2010	2009	
Net sales Operating	\$3,528	\$3,39	95 \$6,8	804 \$6,56	4
profit Operating	\$432	\$425	\$836	\$825	

12.2% 12.5% 12.3% 12.6%

Electronic Systems

margin

Net sales for Electronic Systems increased by 4 percent for the quarter and first six months of 2010 from the comparable 2009 periods. In both periods, sales increased in GT&L and Missiles & Fire Control (M&FC) but declined in Mission Systems & Sensors (MS2). The increase at GT&L primarily was due to growth on readiness and stability operations and higher volume on simulation & training programs. The increase at M&FC primarily was due to higher volume on air defense and certain tactical missile programs, which partially were offset in the six month period by lower volume on fire control systems. The decrease at MS2 mainly was due to lower volume on ship & aviation systems and undersea warfare programs, which partially were offset by higher volume on surface naval warfare and radar system programs.

Operating profit for Electronic Systems increased by 2 percent for the quarter and 1 percent for the first six months of 2010 from the comparable 2009 periods. During the quarter, operating profit increased at M&FC and GT&L but declined at MS2. The increase at M&FC mainly was due to higher volume and improved performance on certain tactical missile programs and improved performance on fire control systems, which partially were offset by declines on air defense programs. The increase at GT&L primarily was attributable to higher volume on readiness and stability operations, which partially were offset by lower profitability on certain simulation & training programs in 2010. The decrease at MS2 primarily was attributable to lower volume and performance on undersea warfare system programs and lower volume on ship & aviation system programs, which partially were offset by higher volume and improved performance on radar system programs in 2010.

During the first six months of the year, operating profit increased at M&FC and GT&L but declined at MS2. The increase at M&FC mainly was due to higher volume and improved performance on certain tactical missile programs and higher volume on air defense programs. The increase at GT&L primarily was attributable to higher volume on

readiness and stability operations, which partially were offset by the absence in 2010 of a benefit recognized in the first quarter of 2009 from favorably resolving a contract matter at simulation & training programs. The decrease at MS2 primarily was attributable to lower volume and performance on undersea warfare system programs, which partially were offset by higher volume and improved performance on radar system programs in 2010.

Information Systems & Global Solutions

(\$ millions)	2nd C	Quarter	Year	-to-Date
	2010	2009	2010	2009
Net sales Operating	\$2,688	\$2,535	\$5,03	4 \$4,875
profit Operating	\$238	\$224	\$445	\$451
margin	8.9%	8.8%	8.8%	9.3%

Net sales for IS&GS increased by 6 percent for the quarter and 3 percent for the first six months of 2010 from the comparable 2009 periods. In both periods, sales increased in Civil but declined in Defense and Intelligence. Civil increased principally due to higher volume on enterprise civilian services. Defense sales primarily decreased due to lower volume on mission and combat systems activities. Sales in Intelligence programs 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 increased by 6 percent for the quarter and decreased by 1 percent in the first six months of 2010 from the comparable 2009 periods. During the second quarter, operating profit increased in Intelligence and Civil but declined in Defense. The increase in Intelligence programs mainly was due to improved performance on security solutions, enterprise integration activities and other intelligence activities. The increase in Civil was mainly due to higher volume on enterprise civilian services. The decrease in operating profit at Defense primarily was attributable to lower volume on mission and combat systems activities.

During the first six months of the year, operating profit increases in Civil and Intelligence were more than offset by a decline in Defense. The increase in Civil was mainly due to higher volume on enterprise civilian services. The increase in Intelligence programs mainly was due to higher volume and improved performance on enterprise integration and other intelligence activities. The decrease in operating profit at Defense primarily was attributable to lower volume on mission and combat systems activities.

Space Systems

(\$ millions)	2nd	Quarter		Year-to	-Date
	2010	2009	201	0 20	09
Net sales Operating	\$2,08	30 \$2,0	56	\$3,998	\$3,974
profit	\$245	\$224	\$4	58 \$	436
Operating margin	11.8	% 10.	9%	11.5%	11.0%

Net sales for Space Systems increased by 1 percent for the quarter and first six months of 2010 from the comparable 2009 periods. In both periods, sales growth at Satellites and Space Transportation partially were offset by declines in Strategic & Defensive Missile Systems (S&DMS). The sales growth in Satellites primarily was attributable to higher volume in government satellite activities. There were no commercial satellite deliveries during the second quarter and first six months of 2010 or 2009. 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. S&DMS sales decreased mainly due to lower volume on defensive missile and strategic missile programs.

Operating profit for Space Systems increased by 9 percent for the quarter and 5 percent for the first six months of 2010 from the comparable 2009 periods. Operating profit increased in all three lines of business during the quarter. The increase in Space Transportation mainly was attributable to higher volume on the Orion program, which partially was offset by lower volume on the space shuttle's external tank program. Satellites' operating profit increased primarily due to higher volume and improved performance on government satellite programs, which partially was offset by performance on commercial satellite programs. S&DMS operating profit increased mainly

due to improved performance on strategic missile programs. Equity earnings represented 26 percent of operating profit at Space Systems in the second quarter of 2010, compared to 28 percent in the second quarter of 2009.

During the first six months of the year, operating profit increases in Space Transportation and S&DMS partially were offset by a decline in Satellites' operating profit. The increase in Space Transportation mainly was attributable to higher equity earnings on the ULA joint venture and higher volume on the Orion program, which partially were offset by lower volume on the space shuttle's external tank program. Satellites' operating profit decreased primarily due to performance on commercial satellite programs and a lower level of favorable performance adjustments on government satellite programs in 2010 as compared to 2009. S&DMS operating profit increased mainly due to improved performance on strategic missile and defensive missile programs. Equity earnings represented 25 percent of operating profit at Space Systems in the first six months of 2010, compared to 22 percent in the first six months of 2009.

Unallocated Co	orporate Expense,	Net
(\$ millions)	2nd Quarter	Year-to-Date
2	 2010 2009 20 	10 2009
FAS/CAS pens adjustment Stock compens expense Other, net	\$(110) \$(115)	(82) (72)
Unallocated corporate expense, net	\$(152) \$(194) \$(328) \$(336)

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

Income Taxes

Our effective income tax rates were 29.4 percent and 34.7 percent for the quarter and six months ended June 27, 2010 compared to 30.4 percent and 31.0 percent for the quarter and six months ended June 28, 2009. The effective tax rate for the second quarter of 2010 was lower than the comparable period in 2009 primarily due to a reduction in our provision for foreign taxes. The effective tax rate for the first six months 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. These Acts eliminated our tax deduction for company-paid retiree prescription drug expenses to the extent they 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 in the first quarter of 2010. This increase in income tax expense reduced 2010 net earnings by \$96 million.

The effective tax rates for both periods included tax benefits for U.S. manufacturing activities and dividends related to our employee stock ownership plans. The second quarter and first six months of 2009 tax rates included benefits related to the R&D credit, which expired on Dec. 31, 2009.

Discontinued Operations

Discontinued operations includes the operating results for PAE for all periods presented and a \$96 million tax benefit in 2010 due to the recognition of a deferred tax asset for PAE book and tax differences recorded when the decision was made to dispose of PAE.

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's 2009 sales from continuing operations were \$44.5 billion.

Web site: www.lockheedmartin.com

Conference call: Lockheed Martin will webcast the earnings conference call (listen-only mode) at 11:00 a.m. E.T. on July 27, 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 due to performance, cost growth, or other factors;
- 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 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; including the potential that a delay in the divestiture of EIG could result in U.S. Government customers electing not to renew existing or award new contracts to EIG;
- 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 July 26, 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 April 2010 Current Update Net Earnings Interest Expense (multiplied by 65%) (1) Combined Combined Return >/= \$ 2,860 >/= \$ 3,000 Average debt (2, 5) Average equity (3, 5) Combined Combined Average Benefit Plan Adjustments(4,5) </= \$ Average Invested Capital 17,900 </= \$ 17,650 Return on invested

>/= 16.0%

capital

(1) Represents after-tax interest expense utilizing the federal statutory rate of 35 percent. 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.

>/= 17.0%

- (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 11.
- (5) Yearly averages are calculated using balances at the start of the year and at the end of each quarter.

LOCKHEED MARTIN CORPORATION

Condensed Consolidated Statements of Earnings Unaudited (In millions, except per share data and percentages)

THREE MONTHS ENDED

June 28,

June 27, 2010 (a) 2009 (a) Net sales \$11,442 \$11,072 Cost of sales 10,382 10,060 Gross profit 1,060 1,012 Other income, net 75 66 Operating profit 1,135 1,078 Interest expense 86 74 Other non-operating income (expense), net (19)46

Earnings from continuing operations before income taxes	e 1,030	1,050
Income tax expense	303	319
		-
Earnings from continuing operations	727	731
Earnings from discontinue operations (b), (c)	ed 98 	3
Net earnings	\$825 ====	\$734 ====
Effective tax rate	29.4%	30.4%

Earnings per common share:

Basic

\$1.98 Continuing operations \$1.89 Discontinued operations 0.27 0.01

Basic earnings per common

share \$2.25 \$1.90

Diluted

Continuing operations \$1.96 \$1.87 Discontinued operations 0.26 0.01 Diluted earnings per

\$2.22 \$1.88 common share

Average number of shares

outstanding

Basic 367.6 386.9 Diluted 371.7 390.9

Common shares reported in stockholders' equity at quarter end:

SIX MONTHS ENDED -----

June 28, June 27, 2010 (a) 2009 ----------

Net sales \$21,915 \$21,280 Cost of sales 19,927 19,263 Gross profit 1,988 2,017 Other income, net 119 113 Operating profit 2,107 2,130 173 148 Interest expense Other non-operating income (expense), net 9 43

Earnings from continuing operations before income

taxes	1,943	2,025
Income tax expense	675	628
Earnings from continuing operations	1,268	1,397
Earnings from discontinue operations (b), (c)	d 104 	3
Net earnings	\$1,372 ====	\$1,400 =====
Effective tax rate	34.7%	31.0%
Earnings per common sha Basic Continuing operations Discontinued operation	\$3.42	0.01
Basic earnings per comr share	non \$3.70	\$3.59
Diluted Continuing operations Discontinued operation	\$3.38 s 0.28	
Diluted earnings per common share	\$3.66	\$3.55
Average number of shares outstanding Basic Diluted Common shares reported	370.6 374.7	390.2 394.2
Common shares reported	III	

(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.

360.0

381.7

- (b) In June 2010, we announced plans to divest Pacific Architects and Engineers, Inc. (PAE). As a result, the consolidated financial statements have been reclassified to reflect PAE as a discontinued operation.
- (c) The 2010 2nd quarter and year-to-date amounts include a \$96 million tax benefit due to the recognition of a deferred tax asset for PAE book and tax differences recorded when the decision was made to dispose of PAE.

LOCKHEED MARTIN CORPORATION Net Sales, Operating Profit and Margins (a) Unaudited (In millions, except percentages)

stockholders' equity at

quarter end:

THREE MONTHS ENDED

June 27, June 28, % 2010 2009 Change

Net sales

 Aeronautics
 \$3,146
 \$3,086
 2%

 Electronic Systems
 3,528
 3,395
 4

 Information
 4
 4
 4

Systems & Global Solutions Space Systems	2,688 2,080	2,535 6 2,056 1
Total net sales		\$11,072 3% ======
Operating profit		
Aeronautics Electronic Systems Information	\$372 432	\$399 (7)% 425 2
Systems & Global Solutions Space Systems	238 245	224 6 224 9
Segment operating profit 1,	ig 287	1,272 1
Unallocated corporate expense, net	(152)	(194)
•	,135 ===	\$1,078 5% =====
Margins		
Aeronautics Electronic Systems Information	11.8% 12.2	12.9% 12.5
Systems & Global Solutions Space Systems	8.9 11.8	8.8 10.9
Total operating segments	11.2	11.5
Total consolidated	9.9%	9.7%
	SIX MON	THS ENDED
		June 28, % 2009 Change
Net sales		
Aeronautics Electronic Systems Information System	6,804	\$5,867 4% 6,564 4
Global Solutions Space Systems	5,034	4,875 3 3,974 1
Total net sales	\$21,915 ====	\$21,280 3% ======
Operating profit		
Aeronautics Electronic Systems Information System Global Solutions		\$754 (8)% 825 1
Space Systems	445 458 	451 (1) 436 5
Segment operating	ıg	

profit	2,435	2,466	(1)
Unallocated corp expense, net	oorate (328)	(336)	
Total operatin profit	g \$2,107 =====	\$2,130 =====	(1)%
Margins			
Aeronautics Electronic Syste Information Syst		12.9 12	, -
Global Solutions Space Systems Total operating	s 8.8 11.5	9.3 11	.0
segments	11.1	11.6	

9.6%

(a) In June 2010, we announced the realignment of two IS&GS businesses, Readiness & Stability Operations (RSO) and Savi Technology, Inc., with our Simulation, Training and Support business to form the Global Training & Logistics line of business within Electronic Systems. All of the business segment information presented in the attachments has been reclassified to reflect this realignment and to exclude the PAE business from the IS&GS business segment information for all prior periods presented. PAE is now presented in discontinued operations. In connection with the realignment and divestiture activities announced in June, IS&GS' name was changed to Information Systems & Global Solutions, replacing "Services" with "Solutions" to better reflect its focus and scope.

10.0%

LOCKHEED MARTIN CORPORATION

Total consolidated

Effect of Realignment on ESBA and IS&GS Net Sales, Operating Profit and Margins (a)
Unaudited
(In millions, except percentages)

THREE MONTHS ENDED

June 27, June 28, 2010 2009

Electronic Systems

Net Sales

Results under old

 structure
 \$3,088
 \$3,076

 Realignment
 440
 319

Reported under

new structure \$3,528 \$3,395 ======

Operating profit

Results under old

structure \$405 \$406 Realignment 27 19

--- --

Reported under

new structure \$432 \$425 ====

Margins

Results under old

structure 13.1% 13.2% Realignment (0.9) (0.7)

Reported under

new structure 12.2% 12.5%

SIX MONTHS ENDED

June 27, June 28, 2010 2009

Electronic Systems

Net Sales

Results under old

 structure
 \$6,002
 \$5,989

 Realignment
 802
 575

Reported under

new structure \$6,804 \$6,564

Operating profit

Results under old

 structure
 \$793
 \$796

 Realignment
 43
 29

Reported under

new structure \$836 \$825

Margins

Results under old

 structure
 13.2%
 13.3%

 Realignment
 (0.9)
 (0.7)

Reported under

new structure 12.3% 12.6%

THREE MONTHS ENDED

June 27, June 28, 2010 2009

Information Systems & Global Solutions

Net Sales

Results under old		
structure	\$3,277	\$3,018
Realignment	(440)	\$(319)
PAE to		
discontinued operations	(149)	(164)
-		(104)
Reported under new structure	\$2,688	\$2,535
==	ΨZ,000 ===== =	Ψ <u>2</u> ,333
Operating profit		
Results under old		
structure	\$269	\$248
Realignment PAE to	(27)	(19)
discontinued		
operations (b)	(4)	(5)
Reported under		
new structure	\$238	\$224
=	=== :	====
Margins		
Daniska sundan ald		
Results under old structure	8.2%	8.2%
Realignment and	0.270	0.270
exclusions	0.6	0.6
Reported under new structure	8.9%	8.8%
new structure	0.5/6	0.0 /6
	SIX MONTH	IS ENDED
	SIX MONTH	IS ENDED
	e 27, Ju	IS ENDED ne 28,
Jun	e 27, Ju	ne 28,
Jun 20 	e 27, Ju	ne 28,
Jun	e 27, Ju 10 20	ne 28,
June 20	e 27, Ju 10 20	ne 28,
June 20 Information Systems & Globa	e 27, Ju 10 20	ne 28,
June 20 Information Systems & Globa Solutions	e 27, Ju 10 20	ne 28,
June 20	e 27, Ju 10 20	ne 28,
June 20 Information Systems & Globa Solutions Net Sales Results under old	e 27, Ju 10 20 	ne 28, 009
June 20	e 27, Ju 10 20	ne 28,
June 20	= 27, Ju 10 20 Il \$6,149	ne 28, 109 \$5,779
June 20	e 27, Ju 10 20 Il \$6,149 (802)	\$5,779 (575)
June 20	= 27, Ju 10 20 Il \$6,149	\$5,779 (575)
June 20	e 27, Ju 10 20 Il \$6,149 (802)	\$5,779 (575)
June 20	\$6,149 (802)	\$5,779 (575)
June 20	\$6,149 (802)	\$5,779 (575)
June 20	\$6,149 (802)	\$5,779 (575) (329)
June 20	\$6,149 (802)	\$5,779 (575) (329)
June 20	\$6,149 (802)	\$5,779 (575) (329)
June 20	\$6,149 (802) (313) \$5,034	\$5,779 (575) (329) \$4,875
June 20	\$5,034 =====	\$5,779 (575) (329) \$4,875
June 20	\$6,149 (802) (313) \$5,034	\$5,779 (575) (329) \$4,875
June 20	\$5,034 =====	\$5,779 (575) (329) \$4,875

operations (b)

(14)

(10)

Reported under

new structure \$445 \$451

Margins

Results under old

structure 8.2% 8.5% Realignment and

0.7 exclusions 8.0

Reported under

new structure 8.8% 9.3%

(a)In June 2010, we announced the realignment of two IS&GS businesses, Readiness & Stability Operations (RSO) and Savi Technology, Inc., with our Simulation, Training and Support business to form the Global Training & Logistics line of business within Electronic Systems. We also announced plans to divest our PAE business. PAE is now presented in discontinued operations. This attachment shows what the results would have been under the old structure before the realignment, the impact of the realignment and the results under the new structure.

(b) Earnings from discontinued operations on the Income Statement includes the operating profit amounts noted above plus interest income, interest expense and income tax expense or benefits. These amounts totaled \$94 million and \$90 million in the second quarter and first six months of 2010 as compared to (\$2) million and (\$7) million in the comparable 2009 periods.

LOCKHEED MARTIN CORPORATION Selected Financial Data Unaudited

(In millions, except per share data)

THREE MONTHS ENDED

June 27, June 28, 2010 2009

Unallocated corporate expense, net

FAS/CAS pension

adjustment \$(110) \$(115) Stock compensation

expense (41) (42)Other, net (1) (37)

Unallocated corporate

expense, net \$(152) \$(194)

THREE MONTHS ENDED

June 27, June 28, 2009 2010

FAS/CAS pension

adjustment

FAS pension

expense Less: CAS costs	\$(357) (247)	\$(259) (144)
- FAS/CAS pens	 ion	
adjustment	\$(110)	\$(115)
=	====	=====

THREE MONTHS ENDED JUNE 27, 2010 (a)

Operating Net profit earnings Earnings per ------ share

Unusual Item -2010 -----Elimination of Medicare Part D

deferred tax assets

\$---- \$-

SIX MONTHS ENDED

June 27, June 28, 2010 2009

Unallocated corporate expense, net

FAS/CAS pension

adjustment \$(220) \$(229)

Stock

compensation

expense (82) (72) Other, net (26) (35)

--- ---

Unallocated corporate

expense, net \$(328) \$(336)

SIX MONTHS ENDED

June 27, June 28, 2010 2009

FAS/CAS pension adjustment

FAS pension

expense \$(714) \$(518) Less: CAS costs (494) (289)

FAS/CAS pension

adjustment \$(220) \$(229)

SIX MONTHS ENDED JUNE 27, 2010 (a)

	Operating profit	Net earnings	Earnings
			per share
Unusual Item 2010	1 -		
Elimination o			
Medicare Pa			
deferred tax	•	A (0.0)	Φ (0 , 05)
assets	\$-	\$(96)	\$(0.25)

(a) There were no unusual items reported in the first six months of 2009.

LOCKHEED MARTIN CORPORATION Selected Financial Data Unaudited (In millions)

THREE MONTHS ENDED

June 27, June 28, 2010 2009

Depreciation and amortization of plant and equipment

Aeronautics Electronic Systems Information Systems &	\$48 58 Global	\$47 60
Solutions	14	17
Space Systems	44	42
Segments	164	166
Unallocated corporate net	expense, 15	15
Total depreciation an amortization of plan		
equipment	\$179	\$181

THREE MONTHS ENDED

June 27, June 28, 2010 2009

Amortization of purchased intangibles

Aeronautics \$13 \$13 Electronic Systems 5 5 Information Systems & Global Solutions 4 8 Space Systems - 1

SIX MONTHS ENDED

\$27

June 27, June 28, 2010 2009

Depreciation and amortization of plant and equipment

\$95 Aeronautics \$94 Electronic Systems 112 118 Information Systems & Global Solutions 28 31 Space Systems 87 85 Segments 322 328 Unallocated corporate expense, 28 net Total depreciation and

Total depreciation and amortization of plant and equipment \$351 \$356

SIX MONTHS ENDED

June 27, June 28, 2010 2009

Amortization of purchased intangibles

 Aeronautics
 \$25
 \$25

 Electronic Systems
 11
 9

 Information Systems & Global
 50lutions
 12
 17

 Space Systems
 1
 3

Total amortization of purchased intangibles \$49 \$54

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

(Unaudited)

DECEMBER JUNE 27, 31, 2010 2009

Assets

Cash and Cash Equivaler Short-Term Investments Accounts Receivable, Net Inventories Deferred Income Taxes Assets of Discontinued Operations Held for Sale Other Current Assets	877 t 6,383 2,360 962	2 \$2,391 346 5,840 2,131 812 537 656
Total Current Assets	14,212	12,713
Property, Plant and Equipment, Net Goodwill Purchased Intangibles, Ne Prepaid Pension Asset Deferred Income Taxes Other Assets	4,381 9,797 et 179 167 3,614 3,889	4,517 9,810 226 160 3,779 3,906
Total Assets	\$36,239	\$35,111
===	:==== :	=====
Liabilities and Stockholders' Equity		
Accounts Payable Customer Advances and Amounts in Excess of Co		\$2,014
Incurred Liabilities of Discontinued	5,180	5,039
Operations Held for Sale Other Current Liabilities	4,127	280 3,392
Total Current Liabilities		10,725
Long-term Debt, Net Accrued Pension Liabilitie Other Postretirement Benefit Liabilities and	5,019 es 11,194	5,052 10,823
Other Noncurrent Liabilities	4,433	4,382
Stockholders' Equity	3,734	4,129
Total Liabilities and Stockholders' Equity ===	\$36,239 ====	\$35,111 =====
Total debt-to- capitalization ratio:	57%	55%

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

SIX MONTHS ENDED

June 27, June 28, 2010 2009

Operating Activities

Net earnings \$1,372 \$1,400

Adjustments to reconcile net earnings to net cash provided by operating activities:

Depreciation and

amortization of plant and equipment 351 356 Amortization of purchased intangibles 49 54 Stock-based compensation 82 72 Excess tax benefits on stock compensation (8) (13) Changes in operating assets and liabilities: Accounts receivable, net (552) (812) Inventories (197) 101 Accounts payable 247 118 Customer advances and amounts in excess of costs incurred 137 219 Other 1,393 859	
Net cash provided by operating activities 2,874 2,354	
Investing Activities	
Expenditures for property, plant and equipment (223) (299) Net cash used for short-term investment transactions (531) - Acquisition of businesses / investments in affiliates (22) (187) Other (28) (14)	
Net cash used for investing activities (804) (500)	
Financing Activities	
Financing Activities	9)
Repurchases of common stock Issuances of common stock and related amounts 37 23 Excess tax benefits on stock compensation 8 13 Common stock dividends (471) (449) Cash premium and transaction costs for debt	9)
Repurchases of common stock (1,247) (969 Issuances of common stock and related amounts 37 23 Excess tax benefits on stock compensation 8 13 Common stock dividends (471) (449) Cash premium and transaction costs for debt exchange (47)	9)

Additional
Common Paid-In Retained
Stock Capital Earnings

Balance at December

31, 2009 \$373 \$- \$12,351

Net earnings - - 1,372

Common stock dividends declared

(a) - (704)

Stock-based awards and

other 3 251

Common stock repurchases

(b) (16) (251) (1,031)

Other

comprehensive

loss - -

Balance at June 27,

2010 \$360 \$- \$11,988

Accumulated
Other Total
Comprehensive Stockholders'
Loss Equity

Balance at December

31, 2009 \$(8,595) 4,129

Net earnings - 1,372

Common stock dividends declared

(a) - (704)

Stock-based awards and

other - 254

Common stock repurchases

(b) - (1,298)

Other

comprehensive

loss (19) (19)

Balance at June 27,

2010 \$(8,614) \$3,734

- (a) Includes dividends (\$0.63 per share) declared and paid in the first and second quarters. This amount also includes a dividend (\$0.63 per share) that was declared on June 24, 2010 and is payable on September 24, 2010 to stockholders of record on September 1, 2010.
- (b) We repurchased 9.7 million shares for \$781.8 million during the second quarter. Year-to-date, we repurchased 16.2 million common shares for \$1.3 billion. We have 12.6 million shares remaining under our share repurchase program as of June 27, 2010.

LOCKHEED MARTIN CORPORATION

Operating Data Unaudited

> June December 27, 31, 2010 2009

Backlog

.____

(In millions)

\$26,700 Aeronautics \$24,400 Electronic Systems 21,900 23,100 Information Systems & Global Solutions 9,900 10,900 Space Systems 16,600 16,800 Total \$72,800 \$77,500 ======

SIX MONTHS THREE MONTHS ENDED

ENDED

	June	June June June
Aircraft	27,	28, 27, 28,
Deliveries	2010	2009 2010 2009
F-16	5	8 11 16
F-22	4	5 8 10
C-130.I	6	396

LOCKHEED MARTIN CORPORATION

Condensed Consolidated Statements of Earnings - Unaudited (In millions, except per share data and percentages)

THREE MONTHS ENDED

March 28, 2010

Net sales \$10,473

Cost of sales 9,545

Gross profit 928

Other income, net 44

Operating profit	972
Interest expense	87
Other non- operating income (expense), net	28
Earnings from continuing operations before income taxes	913 372
Earnings from continuing operations	541
Earnings (loss) from discontinued operations (a)	6
Net earnings	\$547
Net earnings Effective tax rate	\$547 ==== 40.7%
Effective tax rate Earnings per common share: Basic Continuing operations	40.7%
Effective tax rate Earnings per common share: Basic Continuing	40.7%
Effective tax rate Earnings per common share: Basic Continuing operations Discontinued	==== 40.7% ==== \$1.45
Effective tax rate Earnings per common share: Basic Continuing operations Discontinued operations Basic earnings per	\$1.45 0.01

THREE MONTHS ENDED

	March Jui 29, 28, 2009 20	27,	ptember Dec 31, 2009 200	
Net sales	\$10,208	\$11,072	\$10,893	\$12,332
Cost of sales	9,203	10,060	9,894	11,103
Gross profit	1,005	1,012	999 1	,229
Other income	e, net 47	66	82 	28
Operating pro	ofit 1,052	1,078	1,081	1,257

Interest expense	74	74	74	86
Other non- operating income (expense), net	(3)	46	54 	26
Earnings from continuing operations before income taxes	975	1,050	1,061	1,197
Income tax expense	30	9 319		7 353
Earnings from continuing operations	666	731	794	844
Earnings (loss) from discontinued operations (a)	- 	3	3 (1	7)
Net earnings			\$797 ====	
Effective tax rate	31.7%		25.2	
Earnings per common share: Basic Continuing	on			
operations S Discontinued	\$1.69	\$1.89	\$2.08	\$2.23
operations	- 0. 	01	0.01 (0	0.04)
Basic earnings pe common share	r \$1.69	\$1.90	\$2.0	9 \$2.19
Diluted Continuing operations Discontinued operations	\$1.68 - 0.	\$1.87 01	\$2.06 0.01 (0	\$2.21 0.04)
Diluted earnings per common shar		58 \$1.88	3 \$2.	07 \$2.17

YEAR ENDED DECEMBER 31,

2008 2007

Net sales \$41,926 \$41,232 Cost of sales 37,291 37,018

Gross profit 4,635 4,214

Other income, net 475 295

Operating profit 5,110 4,509
Interest expense 332 341

Other nonoperating income (expense), net (91) 189 Earnings from continuing operations before income taxes 4,687 4,357 1,479 1,318 Income tax expense Earnings from continuing 3,208 3,039 operations Earnings (loss) from discontinued operations (a) (6) Net earnings \$3,217 \$3,033 Effective tax rate 31.6% 30.3% Earnings per common share: Basic Continuing \$8.03 operations \$7.31 Discontinued 0.02 operations (0.02)Basic earnings per \$8.05 \$7.29 common share Diluted Continuing operations \$7.84 \$7.12 Discontinued operations 0.02 (0.02)

(a) In June 2010, we announced plans to divest Pacific Architects and Engineers, Inc. (PAE). As a result, the consolidated financial statements have been reclassified to reflect PAE as a discontinued operation.

\$7.10

\$7.86

LOCKHEED MARTIN CORPORATION

Net Sales, Operating Profit and Margins - Realigned Business Segments Unaudited

(In millions, except percentages)

Diluted earnings per common share

> THREE **MONTHS ENDED** -----

March 28, 2010

Net sales:

Aeronautics Electronic Systems \$2,933 3,276 Information Systems & Global Solutions 2,346 Space Systems 1,918

Total net sales \$10,473

Operating profit:

\$324 Aeronautics Electronic Systems 404

Information Systems & Global Solutions

Space Systems 213

Segment operating profit 1,148

Unallocated corporate expense, net (176)

207

Total operating profit \$972

Margins:

11.0% Aeronautics Electronic Systems 12.3 Information Systems & Global Solutions 8.8

Space Systems 11.1

Total operating segments 11.0

Total consolidated 9.3%

THREE MONTHS ENDED

March June 28, 29, 2009 2009

Net sales:

Aeronautics \$2,781 \$3,086 Electronic Systems 3,395 3,169 Information Systems & Global Solutions 2,340 2,535

Space Systems

1,918 2,056

Total net sales \$10,208 \$11,072

====== ======

Operating profit:

Aeronautics \$355 \$399 Electronic Systems 400 425 Information Systems & Global Solutions 227 224

Space Systems 212 224

Segment operating profit 1,194 1,272

Unallocated corporate expense, net (142) (194)

Total operating profit \$1,052 \$1,078

Margins:

Aeronautics 12.8% 12.9% Electronic Systems 12.6 12.5 Information Systems & Global Solutions 9.7 8.8 Space Systems 11.1 10.9

Total operating segments 11.7 11.5

Total consolidated 10.3% 9.7%

THREE MONTHS ENDED

 September
 December

 27,
 31,

 2009
 2009

Net sales:

 Aeronautics
 \$3,084
 \$3,250

 Electronic Systems
 3,254
 3,714

 Information Systems & Global Solutions
 2,482
 2,761

 Space Systems
 2,072
 2,607

Space Systems 2,073 2,607

Total net sales \$10,893 \$12,332

Operating profit:

 Aeronautics
 \$397
 \$426

 Electronic Systems
 404
 431

 Information Systems & Global Solutions
 225
 272

 Space Systems
 236
 300

Segment operating profit 1,262 1,429

Unallocated corporate expense, net (181) (172)

--

Total operating profit \$1,081 \$1,257

Margins:

 Aeronautics
 12.9%
 13.1%

 Electronic Systems
 12.4
 11.6

 Information Systems & Global Solutions
 9.1
 9.9

 Space Systems
 11.4
 11.5

Total operating segments 11.6 11.6

Total consolidated 9.9% 10.2%

YEAR ENDED DECEMBER 31,

---,

2008 2007

Net sales:

 Aeronautics
 \$11,473
 \$12,303

 Electronic Systems
 12,803
 12,046

 Information Systems & Global Solutions
 9,623
 8,680

 Space Systems
 8,027
 8,203

Total net sales \$41,926 \$41,232

Operating profit:

 Aeronautics
 \$1,433
 \$1,476

 Electronic Systems
 1,583
 1,441

 Information Systems & Global Solutions
 980
 900

 Space Systems
 953
 856

Segment operating profit 4,949 4,673

Unallocated corporate expense, net 161 (164)

Total operating profit \$5,110 \$4,509

======

Margins:

 Aeronautics
 12.5%
 12.0%

 Electronic Systems
 12.4
 12.0

 Information Systems & Global Solutions
 10.2
 10.4

 Space Systems
 11.9
 10.4

Total operating segments 11.8 11.3

Total consolidated 12.2% 10.9%

LOCKHEED MARTIN CORPORATION

Selected Financial Data - Realigned Business Segments Unaudited (In millions)

THREE MONTHS ENDED

March 28, 2010

Depreciation and amortization of plant and equipment

Aeronautics \$47
Electronic Systems 54
Information Systems & Global Solutions 14
Space Systems 43

Segments 158

Total depreciation and amortization of plant and equipment \$172

Amortization of purchased intangibles

\$12 Aeronautics Electronic Systems Information Systems & Global Solutions 8 Space Systems 1

27 Segments

Unallocated corporate expense, net

Total amortization of purchased intangibles \$27

THREE MONTHS ENDED

March June September December 29, 28, 27, 31, 2009 2009 2009 2009 ----

Depreciation and amortization of plant and equipment

Aeronautics	\$47 \$47	\$49	\$55
Electronic Systems	58 60	61	66
Information Systems 8	&		
Global Solutions	14 17	17	18
Space Systems	43 42	46	51
Segments	162 166	173	190

Unallocated corporate

expense, net 13 15 15 16

Total depreciation and amortization of plant

and equipment \$175 \$181 \$188 \$206

=====

Amortization of purchased intangibles

Aeronautics Electronic Systems	\$12 \$13 4 5	\$13 4	\$12 5
Information Systems Global Solutions	& 9 8	8	9
Space Systems	2 1	2	(3)
Segments	27 27	27	23

Unallocated corporate

expense, net

Total amortization of				
purchased intangibles	\$27	\$27	\$27	\$23

YEAR ENDED DECEMBER 31,

2008 2007

Depreciation and amortization of plant and equipment

 Aeronautics
 \$190
 \$181

 Electronic Systems
 257
 230

 Information Systems & Global Solutions
 61
 65

 Space Systems
 166
 136

 Segments
 674
 612

Unallocated corporate expense, net 53 54

Total depreciation and amortization of plant and equipment \$727 \$666

Amortization of purchased intangibles

\$50 \$50 Aeronautics Electronic Systems 18 34 Information Systems & Global Solutions 36 48 Space Systems 9 109 141 Segments 12 Unallocated corporate expense, net 9

Total amortization of purchased intangibles \$118 \$153

LOCKHEED MARTIN CORPORATION Backlog - Realigned Business Segments Unaudited (In millions)

March 28, March 29, June 28, 2010 2009 2009

Backlog:

\$26,000 Aeronautics \$27,100 \$27,900 24,000 Electronic Systems 22,300 22,100 Information Systems & Global 11,400 10,400 Solutions 10,600 Space Systems 15,700 17,800 18,400 Total backlog \$74,600 \$80,300 \$78,800

September 27, December 31, December 31, 2009 2009 2008

Backlog:

 Aeronautics
 \$25,900
 \$26,700
 \$27,200

 Electronic Systems
 21,700
 23,100
 23,500

First Call Analyst: Randa Middleton

FCMN Contact:

SOURCE: Lockheed Martin Corporation

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

https://news.lockheedmartin.com/2010-07-27-LOCKHEED-MARTIN-ANNOUNCES-SECOND-QUARTER-2010-RESULTS