

LOCKHEED MARTIN CORP  
Form 10-Q  
October 21, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 10-Q**

**Quarterly Report Pursuant To Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**For the quarterly period ended September 26, 2010**

**Commission file number 1-11437**

**LOCKHEED MARTIN CORPORATION**

(Exact name of registrant as specified in its charter)

**MARYLAND**  
(State or other jurisdiction of

**52-1893632**  
(I.R.S. Employer Identification Number)

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incorporation or organization)

**6801 ROCKLEDGE DRIVE, BETHESDA, MD**  
(Address of principal executive offices)

**20817**  
(Zip Code)

**(301) 897-6000**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class  
Common stock, \$1 par value

Outstanding as of September 26, 2010  
360,128,404

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Exhibit 12	Computation of Ratio of Earnings from Continuing Operations to Fixed Charges for the Nine Months Ended September 26, 2010
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Exhibit 31.1	Rule 13a-14(a) Certification of Robert J. Stevens
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Exhibit 32.1	Certification Pursuant to 18 U.S.C. Section 1350 of Robert J. Stevens
Exhibit 32.2	Certification Pursuant to 18 U.S.C. Section 1350 of Bruce L. Tanner
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****Lockheed Martin Corporation****Unaudited Condensed Consolidated Statements of Earnings**

	Quarter Ended		Nine Months Ended	
	September 26, 2010	September 27, 2009	September 26, 2010	September 27, 2009
	<i>(In millions, except per share data)</i>			
<b>Net Sales</b>				
Products	\$ 8,965	\$ 8,688	\$ 26,327	\$ 25,913
Services	2,410	2,079	6,682	5,879
Total Net Sales	11,375	10,767	33,009	31,792
<b>Cost of Sales</b>				
Products	(8,045)	(7,727)	(23,548)	(23,071)
Services	(2,151)	(1,878)	(5,995)	(5,243)
Voluntary Executive Separation Charge	(178)		(178)	
Other Unallocated Corporate Costs	(203)	(176)	(529)	(502)
Total Cost of Sales	(10,577)	(9,781)	(30,250)	(28,816)
Gross Profit	798	986	2,759	2,976
Other Income, Net	91	82	210	195
<b>Operating Profit</b>	889	1,068	2,969	3,171
Interest Expense	(85)	(74)	(258)	(222)
Other Non-Operating Income, Net	37	54	46	97
Earnings from Continuing Operations before Income Taxes	841	1,048	2,757	3,046
Income Tax Expense	(276)	(262)	(941)	(883)
Earnings from Continuing Operations	565	786	1,816	2,163
Earnings from Discontinued Operations	6	11	127	34
<b>Net Earnings</b>	\$ 571	\$ 797	\$ 1,943	\$ 2,197
<b>Earnings Per Common Share</b>				
Basic				
Continuing Operations	\$ 1.57	\$ 2.06	\$ 4.95	\$ 5.59
Discontinued Operations	.02	.03	.35	.08

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Basic Earnings Per Common Share	\$ 1.59	\$ 2.09	\$ 5.30	\$ 5.67
Diluted				
Continuing Operations	\$ 1.55	\$ 2.04	\$ 4.89	\$ 5.53
Discontinued Operations	.02	.03	.34	.08
Diluted Earnings Per Common Share	\$ 1.57	\$ 2.07	\$ 5.23	\$ 5.61
Cash Dividends Paid Per Common Share	\$ .63	\$ .57	\$ 1.89	\$ 1.71

*See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.*

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**Lockheed Martin Corporation**  
**Condensed Consolidated Balance Sheets**

	(Unaudited) September 26, 2010	December 31, 2009
	(In millions)	
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	\$ 2,656	\$ 2,391
Short-term Investments	767	346
Accounts Receivable, Net	6,275	6,061
Inventories	2,093	2,183
Deferred Income Taxes	930	815
Assets of Discontinued Operations Held for Sale	805	
Other Current Assets	413	681
Total Current Assets	13,939	12,477
Property, Plant and Equipment, Net	4,347	4,520
Goodwill	9,588	9,948
Purchased Intangibles, Net	158	311
Prepaid Pension Asset	171	160
Deferred Income Taxes	3,339	3,779
Other Assets	4,009	3,916
Total Assets	\$ 35,551	\$ 35,111
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 2,352	\$ 2,030
Customer Advances and Amounts in Excess of Costs Incurred	5,060	5,049
Salaries, Benefits and Payroll Taxes	1,890	1,648
Liabilities of Discontinued Operations Held for Sale	344	
Other Current Liabilities	1,992	1,976
Total Current Liabilities	11,638	10,703
Long-term Debt, Net	5,019	5,052
Accrued Pension Liabilities	10,506	10,823
Other Postretirement Benefit Liabilities	1,292	1,308
Other Liabilities	3,178	3,096
Total Liabilities	31,633	30,982
<b>Stockholders' Equity</b>		
Common Stock, \$1 Par Value Per Share	358	373
Additional Paid-in Capital		
Retained Earnings	12,150	12,351
Accumulated Other Comprehensive Loss	(8,590)	(8,595)
Total Stockholders' Equity	3,918	4,129

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Total Liabilities and Stockholders	Equity	\$ 35,551	\$ 35,111
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*See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.*



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**Lockheed Martin Corporation**

**Unaudited Condensed Consolidated Statements of Cash Flows**

	<b>Nine Months Ended</b>	
	<b>September 26, 2010</b>	<b>September 27, 2009</b>
	<i>(In millions)</i>	
<b>Operating Activities</b>		
Net earnings	<b>\$ 1,943</b>	<b>\$ 2,197</b>