Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES

1b Three-digit plan number (PN) ▶ 043

1c Effective date of plan 12/31/1999

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

LOCKHEED MARTIN CORPORATION

6801 ROCKLEDGE DRIVE, CCT-115
BETHESDA, MD 20817

2b Employer Identification Number (EIN) 52-1893632

2c Sponsor's telephone number 301-548-2384

2d Business code (see instructions) 339900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	DONALD REMSCH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	DONALD REMSCH
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
LOCKHEED MARTIN CORPORATION

6801 ROCKLEDGE DRIVE, CCT-115
BETHESDA, MD 20817

3b Administrator's EIN
52-1893632

3c Administrator's telephone number
301-548-2384

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	1253
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	114
b	Retired or separated participants receiving benefits	**6b**	560
c	Other retired or separated participants entitled to future benefits	**6c**	503
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1177
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	66
f	Total. Add lines **6d** and **6e**	**6f**	1243
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1B 1G 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 043

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	**2a**		141264490
b	Actuarial value	**2b**		131145814
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	594	79097126
b	For terminated vested participants	**3b**	523	41756671
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		590508
	(2) Vested benefits	**3c(2)**		29920503
	(3) Total active	**3c(3)**	136	30511011
d	Total	**3d**	1253	151364808
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	**4a**		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		6.24 %
6	Target normal cost	**6**		2143248

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

	09/28/2012
Signature of actuary	Date
THOMAS S. STAUFFER	11-06384
Type or print name of actuary	Most recent enrollment number
AON CONSULTING, INC.	410-547-2800
Firm name	Telephone number (including area code)
500 EAST PRATT ST. BALTIMORE, MD 21202	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	
9	Amount remaining (line 7 minus line 8)	26107952	0
10	Interest on line 9 using prior year's actual return of 0.00%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 6.66 % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	16053985	
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	10053967	0

Part III Funding percentages

14	Funding target attainment percentage	14	80.00 %
15	Adjusted funding target attainment percentage	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.16 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/20/2011	1781011				
03/23/2012	1781011				
03/30/2012	1781011				
			Totals ► 18(b)	5343033	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4985346

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
3.78%	6.31%	6.57 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	2143248
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	30272961	4980795
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	7124043

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	4655812	0	4655812

36 Additional cash requirement (line 34 minus line 35)	**36**	2468231
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	4985346

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	2517115
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	2517115
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 043

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: L.M. CORP. MASTER RETIREMENT TRUST

b Name of sponsor of entity listed in (a): NORTHERN TRUST

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
22-3546821-001	M	141606131

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 043

C Plan sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	5644416	3562022
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	135801217	141606131
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	141445633	145168153
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	203970	100695
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	203970	100695
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	141241663	145067458

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	5343033	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		5343033
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		6460982
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		11804015
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7877525	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		7877525
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	13824	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	55610	
(4) Other	2i(4)	31261	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		100695
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		7978220
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		3825795
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MITCHELL & TITUS, LLP (2) EIN: 13-2781641

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		100000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES

B Three-digit plan number (PN) ▶ 043

C Plan sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-3810641

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 17

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☒ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 51% Investment-Grade Debt: 31% High-Yield Debt: 2% Real Estate: 1% Other: 15%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS
RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES (043)

Financial Statements

Year ended December 31, 2011 with Report of Independent Auditors

Lockheed Martin Tactical Defense Systems
Retirement Plan II for Bargaining Unit Employees (043)

Financial Statements

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Financial Statements of the Lockheed Martin Tactical Defense Systems Retirement Plan II for Bargaining Unit Employees

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Statement of Changes in Net Assets Available for Benefits 3
Notes to Financial Statements 4

MITCHELL & TITUS

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Report of Independent Auditors

Plan Administrator
Lockheed Martin Tactical Defense Systems Retirement Plan II for Bargaining Unit Employees

We were engaged to audit the accompanying statements of net assets available for benefits of the Lockheed Martin Tactical Defense Systems Retirement Plan II for Bargaining Unit Employees as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 6, which was certified by the Northern Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on these accompanying financial statements as a whole. The form and content of the information included in the financial statements, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Mitchell & Titus, LLP

October 9, 2012

Lockheed Martin Tactical Defense Systems
Retirement Plan II for Bargaining Unit Employees (043)

Statements of Net Assets Available for Benefits

	December 31, 2011	2010
	(in thousands)	
Assets		
Interest in Master Trust, at fair value	$ 141,606	$ 135,801
Employer contributions receivable	3,562	5,644
Total assets	145,168	141,445
Liabilities		
Accrued expenses	101	204
Net assets available for benefits	$ 145,067	$ 141,241

See accompanying notes to financial statements.

	Year ended December 31, 2011 *(In thousands)*
Net assets available for benefits at beginning of year	$ 141,241
Additions	
Interest in net investment gain of Master Trust	7,179
Employer contributions	5,343
Total additions	12,522
Deductions	
Benefit payments	7,878
Administrative expenses	818
Total deductions	8,696
Net increase	3,826
Net assets available for benefits at end of year	$ 145,067

See accompanying notes to financial statements.

Lockheed Martin Tactical Defense Systems
Retirement Plan II for Bargaining Unit Employees (043)

Notes to Financial Statements

December 31, 2011

1. Description of Plan

The following description of the Lockheed Martin Tactical Defense Systems Retirement Plan II for Bargaining Unit Employees (the Plan) provides only general information. Participants should refer to the Summary Plan Description or the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan covering bargaining unit employees of Lockheed Martin Maritime Systems and Sensors Tactical Systems—Eagan and Lockheed Martin Maritime Systems and Sensors Undersea Systems—Mitchel Field, and has been revised and amended from time to time. Lockheed Martin Corporation (Lockheed Martin or the Corporation) is the Plan Sponsor and the Plan Administrator. Active participants become fully vested in the Plan upon the earlier of the completion of five years of service or attainment of age 65. Effective January 1, 2008, new and rehired employees at Lockheed Martin Maritime Systems and Sensors Undersea Systems—Mitchel Field are not eligible to participate in the Plan. Effective January 1, 2010, new and rehired employees at Lockheed Martin Maritime Systems and Sensors —Eagan, Minnesota are not eligible to participate in the Plan.

The assets of the Plan, excluding the "Employer contributions receivable," are held and invested on a commingled basis in the Lockheed Martin Corporation Master Retirement Trust (the Master Trust). The assets of the Master Trust are held by The Northern Trust Company (the Trustee), with the exception of commingled investment funds, limited partnerships and certain futures contracts.

Funding Policy

The Corporation has agreed to contribute such amounts as are necessary to satisfy the funding requirements under the Employee Retirement Income Security Act of 1974 (ERISA) and also satisfy the funding requirements for Cost Accounting Standards (CAS) reimbursements. Contributions by Lockheed Martin met the ERISA minimum funding requirements. The Corporation has the right under the Plan to discontinue such contributions at any time and/or terminate the Plan. In the event of termination, the Plan's net assets are to be used first for the payment of retirement benefits that former employees or their beneficiaries have been receiving, next for the payment of vested benefits, and finally for the payment of nonvested benefits for the remaining participants. If the net assets allocated for one of the above categories are not sufficient to pay all the benefits in such category, the available net assets shall be allocated pro rata to all the benefits in that category. However, in the event of termination of the Plan, the Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of nonforfeitable retirement benefits subject to certain limitations prescribed by ERISA.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments that are attributable under the Plan's provisions for credited service by participants from their date of eligibility to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired, terminated and disabled participants or their beneficiaries; and (b) present participants or their beneficiaries. Benefits for retired, terminated and disabled participants or their beneficiaries are based on each former participant's credited service prior to his or her termination or retirement date. Accumulated plan benefits for active participants are based on each participant's credited service preceding the valuation date. Benefits payable under all circumstances—retirement, death, disability and termination of employment—are included to the extent they are deemed attributable to employee service prior to the valuation date.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan, through the Master Trust, invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Investments in the Master Trust are reported at fair value. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for additional disclosure of fair value measurements.

Purchases and sales of securities in the Master Trust are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gain/loss on investments bought and sold as well as held during the year are included in interest in net investment gain of Master Trust on the statement of changes in net assets available for benefits.

Administrative Expenses

Direct administrative expenses are paid by the Master Trust and generally allocated to the Plan either on a pro rata basis or directly if specifically related to the Plan. Other indirect administrative expenses are paid by the Corporation.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Recent Accounting Pronouncements

Effective with the Plan's 2011 financial statements, the Plan adopted new guidance issued by the Financial Accounting Standards Board (FASB) which requires the presentation of purchases, sales, issuances, and settlements on a gross basis in the reconciliation of Level 3 assets.

In May 2011, the FASB issued amended guidance to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The Plan's management is currently evaluating the impact that the amended guidance will have on the Plan's financial statements.

Subsequent Events

The Plan's management has evaluated subsequent events through October 9, 2012, the date the financial statements were available to be issued.

3. Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to the accumulated plan benefits earned by the participants to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits is as follows:

	December 31,	
	2011	2010
	(In thousands)	
Vested benefits:		
Participants currently receiving payments	$ 84,928	$ 75,260
Other participants	94,519	85,669
Total vested benefits	179,447	160,929
Nonvested benefits	840	783
Total actuarial present value of accumulated plan benefits	$ 180,287	$ 161,712

The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (Prescribed Internal Revenue Service (IRS) Static Mortality Table - Separate), (b) turnover based upon the termination experience of the Plan, (c) assumed retirement age probabilities based on the experience of the Plan, and (d) an annual discount rate of 4.75% and 5.50% for 2011 and 2010, respectively. The interest rate assumption used to calculate the actuarial present value of accumulated plan benefits is adjusted annually to reflect current yields on long-term high-quality corporate bonds. This can result in significant year to year fluctuations in the valuations. The average retirement age is 62.

3. Actuarial Present Value of Accumulated Plan Benefits (continued)

Factors affecting the change in the actuarial present value of accumulated plan benefits are as follows:

	Year ended December 31, 2011
	(In thousands)
Actuarial present value of accumulated plan benefits at end of the prior year	$ 161,712
Increase (decrease) during the year attributable to:	
Increase for interest due to the decrease in the discount period	8,677
Benefits paid	(7,878)
Benefits accumulated	3,539
Changes in actuarial assumptions	14,237
Net increase	18,575
Actuarial present value of accumulated plan benefits at end of year	$ 180,287

The actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

4. Income Tax Status

The IRS has determined and informed the Corporation by letter dated March 18, 2010, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

4. Income Tax Status (continued)

GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2004.

5. Reconciliation of Financial Statements to Form 5500

Net investment gain from the participation in the Master Trust reported in the financial statements is $717,000 greater than the amount reported on Form 5500 for the year ended December 31, 2011. Administrative expenses reported in the financial statements are $717,000 less than the amounts reported on Form 5500 for the year ended December 31, 2011. These differences arose from the classification of certain administrative expenses which are included in the net investment gain in the Master Trust for Form 5500 reporting purposes.

6. Master Trust

General

The Plan's investments are held by the Master Trust, which was established for the investment of the Plan's assets and the assets of several other defined benefit plans sponsored by the Corporation. The Master Trust's net assets, investment income, appreciation (depreciation) of investments, and administrative expenses are allocated to the Plan on a pro rata basis based on its share of the total contributions made to the Master Trust. The Plan's interest in the Master Trust's net assets as of December 31, 2011 and 2010 was approximately 0.52% and 0.53%.

The Master Trust owes direct reimbursements to the Corporation for certain expenses incurred by the Corporation and its subsidiaries in providing services to the Plan.

6. Master Trust (continued)

General (continued)

Other than the fair value of investment information in the following table below, the reported total fair value by asset class as disclosed in the fair value of assets tables including investments held as of December 31, 2011 and 2010, and net appreciation (depreciation) in fair value of investments, interest income, and dividend income for the year ended December 31, 2011, was obtained or derived from information provided to the Plan Administrator and certified as complete and accurate by The Northern Trust Company, the trustee of the Master Trust. The following investment information was not certified by the trustee:

	December 31, 2011	December 31, 2010
	(In thousands)	*(In thousands)*
Assets		
Cash and cash equivalents	$ 1,022,594	$ 298,315
Equity:		
U.S. equity securities	391,450	210,980
International equity securities	56,894	35,690
Commingled equity funds	-	119,631
Fixed income:		
Corporate debt securities	277,736	290,550
U.S. Government securities	625	7,603
Other fixed income securities	40,795	26,767
Alternative investments:		
Hedge funds	23,917	-
Total assets	1,814,011	989,536
Liabilities		
U.S. equity securities(short)	-	289,473
International equity securities(short)	-	42,326
Total liabilities	-	331,799
Receivables, net	-	34,356
Payables, net	3,046	-
Total net assets	$ 1,810,965	$ 692,093

Net appreciation in fair value of investments	$ 6,476

6. Master Trust (continued)

Fair Value of Assets

The accounting standard for fair value measurements defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and expands disclosures about fair value measurements. The standard is applicable whenever assets and liabilities are measured and included in the financial statements at fair value.

The fair value hierarchy established in the standard prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1 – Observable inputs – quoted prices in active markets for identical assets and liabilities;

- Level 2 – Observable inputs other than the quoted prices in active markets for identical assets and liabilities – includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and

- Level 3 – Unobservable inputs – includes amounts derived from valuation models where one or more significant inputs are unobservable and require us to develop relevant assumptions.

6. Master Trust (continued)

Fair Value of Assets (continued)

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2011 and their appreciation (depreciation) for the year ended December 31, 2011:

	Level 1	Level 2	Level 3	Total	Appreciation (Depreciation)
			(In thousands)		
Cash and cash equivalents	$ 3,109,584	$ -	$ -	$ 3,109,584	$ (5,982)
Equity:					
U.S. equity securities	3,677,484	37,680	3,284	3,718,448	(166,452)
International equity securities	3,587,577	11,136	14,827	3,613,540	(843,359)
Commingled equity funds	980,169	922,819	-	1,902,988	60,238
Fixed income:					
Corporate debt securities	-	948,308	97,882	1,046,190	(38,363)
U.S. Government securities	-	9,306,884	-	9,306,884	1,782,433
Other fixed income securities	-	494,299	40,167	534,466	30,654
Alternative investments:					
Private equity funds	-	-	2,294,145	2,294,145	148,301
Real estate funds	-	-	281,139	281,139	81,103
Hedge funds	-	-	850,845	850,845	(98,163)
Commodities	981,554	277,885	-	1,259,439	(130,885)
Total	$ 12,336,368	$ 11,999,011	$ 3,582,289	$ 27,917,668	$ 819,525
Receivables, net				92,970	
Total net assets				$ 28,010,638	

Interest and dividend income for the year ended December 31, 2011 was $278,578,000 and $301,608,000, respectively. Other income for the year ended December 31, 2011 was $69,610,000.

6. Master Trust (continued)

Fair Value of Assets (continued)

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
		(In thousands)		
Cash and cash equivalents	$ 1,284,616	$ -	$ -	$ 1,284,616
Equity:				
U.S. equity securities	3,779,084	44,879	-	3,823,963
International equity securities	4,816,582	5,910	16,150	4,838,642
Commingled equity funds	1,235,248	1,758,638	-	2,993,886
Fixed income:				
Corporate debt securities	-	1,059,003	63,445	1,122,448
U.S. Government securities	-	6,962,630	-	6,962,630
Other fixed income securities	-	549,108	46,434	595,542
Alternative investments:				
Private equity funds	-	-	2,010,331	2,010,331
Real estate funds	-	-	250,150	250,150
Hedge funds	-	-	1,014,574	1,014,574
Commodities	325,026	868,946	-	1,193,972
Total	$ 11,440,556	$ 11,249,114	$ 3,401,084	$ 26,090,754
Receivables, net				116,630
Total net assets				$ 26,207,384

6. Master Trust (continued)

Fair Value of Assets (continued)

The following table presents the changes in the fair value of Master Trust's Level 3 assets for the year ended December 31, 2011:

	Balance, beginning of year	Realized gains/(losses)	Unrealized gains/(losses)	Purchases	Sales	Settlements	Net transfers into (out of) Level 3	Balance, end of year
				(In thousands)				
Equity:								
U.S. equity securities	-	-	620	6,849	(3,565)	(620)	-	3,284
International equity securities	16,150	(8)	(7,900)	10,477	(61)	(1,353)	(2,478)	14,827
Fixed income:								
Corporate debt securities	63,445	872	(3,062)	49,285	(36,531)	(677)	24,550	97,882
Other fixed income securities	46,434	1,029	(2,896)	34,917	(12,901)	(24,856)	(1,560)	40,167
Alternative investments:								
Private equity funds	2,010,331	174,394	10,522	520,030	(3,755)	(417,377)	-	2,294,145
Real estate funds	250,150	22,395	19,836	68,830	-	(80,072)	-	281,139
Hedge funds	1,014,574	(4,682)	(11,286)	217,656	(302,318)	(88,666)	25,567	850,845
Total	$ 3,401,084	$ 194,000	$ 5,834	$ 908,044	$ (359,131)	$ (613,621)	$ 46,079	$ 3,582,289

Transfers into Level 3 represent assets that were categorized in Level 1 or Level 2 at the beginning of the year and were categorized in Level 3 at the end of the year. Transfers out of Level 3 represent assets that were categorized in Level 3 at the beginning of the year and were categorized in Level 1 or Level 2 at the end of the year. The Master Trust recognizes transfers between the Levels 1, 2, and 3 fair value classifications as of the date of the change in circumstances that causes the transfer. There were no significant transfers between levels of fair value hierarchy during 2011.

The Master Trust has invested in certain private equity funds (e.g. limited partnerships) that have required capital commitments, which may be called over a specific number of years. Unfunded capital commitments as of December 31, 2011 and 2010 totaled $1,558,500,000 and $1,616,613,000, respectively.

6. Master Trust (continued)

Derivative Instruments

Derivative instruments are used in the Master Trust to achieve certain portfolio objectives and to adjust asset allocation in order to manage market risk. Derivative instruments allow internal and external investment managers to achieve these goals efficiently while maintaining appropriate liquidity.

At December 31, 2011, the Master Trust utilized four types of derivative instruments:

Futures Contracts – The purchase of futures contracts allows the Master Trust to achieve desired portfolio positions in various commodities without the need to physically own and store them. From an asset allocation standpoint, futures are used to manage the overall risk to equity and fixed income markets. Foreign exchange futures are used to separate the management of currency exposure from foreign equity exposure. Futures contracts are exchange-traded with initial margin required from both parties and daily settlement of gains and losses; therefore credit and counterparty risks are minimal, and futures contracts have no net market value.

Forward Contracts – Forward contracts are similar to futures contracts except that they are traded over-the-counter rather than over a standardized exchange. Foreign exchange forwards are used by investment managers as another means of separating currency risk from investment risk. These contracts allow a manager to lock into a rate at which to exchange an upcoming settlement in a foreign currency into US dollars. Commodity forward contracts are used by investment managers to achieve desired portfolio positions in various commodities. While forward contracts are traded over-the-counter, they are generally very short-term which minimizes counterparty risk.

Options, including Options on Futures – These contracts allow the holder to buy or sell a security or a futures contract at a specified price prior to an expiration date. Options are primarily used to protect against downside risk in an equity, commodity or currency position held by the Master Trust.

Swaps – Swaps are over-the-counter agreements between counterparties to exchange the return stream of one security for another. Swaps are utilized either to provide exposure to a security for which there is no available futures contract, or to achieve an exposure over a specific time horizon.

A long derivative position gains in value when the price of the underlying (currency, equity index, for example) increases. A short position gains when the price of the underlying decreases.

6. Master Trust (continued)

Derivative Instruments (continued)

The notional amounts and fair values of derivative instruments as of December 31, 2011 are presented below:

	Notional Amount	Amount included in Fair Value of Asset
	(In thousands)	
Equity:		
U.S. equity securities		
Futures Contracts (Long)	433,991	-
Futures Contracts (Short)	(1,093,367)	-
Options on Futures (Long)	226,368	-
Options on Futures (Short)	(201,216)	-
Equity Options (Long)	20,227	2,488
Equity Options (Short)	(19,176)	(1,782)
Swaps	(133)	353
International equity securities		
Futures Contracts (Long)	131,843	-
Futures Contracts (Short)	(17,653)	-
Swaps	(711)	(1,072)
Fixed income:		
U.S. fixed income securities		
Futures Contracts (Long)	1,998,278	-
Futures Contracts (Short)	(514,251)	-
Options on Futures (Long)	72,406	953
Options on Futures (Short)	(144,812)	(797)
Swaps	(46,556)	3,821
International fixed income securities		
Futures Contracts (Long)	1,510,093	-
Futures Contracts (Short)	(104,348)	-
Options on Futures (Short)	(68,265)	(235)
Swaps	(37,200)	1,655
Alternative investments:		
Commodities		
Futures Contracts (Long)	3,382,458	-
Futures Contracts (Short)	(429,370)	-
Options on Futures (Long)	76,938	941
Options on Futures (Short)	(19,804)	(919)
Forward Contracts	17,171	2,058
Foreign Exchange Derivative Instruments included in Cash and Equivalents		
Futures Contracts (long)	80,563	-
Futures Contracts (short)	(167,739)	-
Options on Futures (Long)	5,086	29
Options on Futures (Short)	-	
FX Options (Long)	25,000	7,549
FX Options (Short)	(25,000)	(7,346)
Forward Contracts	43,176	1,038

6. Master Trust (continued)

Derivative Instruments (continued)

The notional amounts and fair values of derivative instruments as of December 31, 2010 are presented below:

	Notional Amount	Amount included in Fair Value of Asset
	(In thousands)	
Equity:		
U.S. equity securities		
Options	16,446	2,896
Futures contracts	(2,125,236)	-
Options on Futures	5,031	-
Swaps	(24,315)	-
International equity securities		
Futures contracts	(122,155)	-
Swaps	(9,786)	342
Fixed income:		
U.S. fixed income securities		
Futures contracts	1,535,180	-
Swaps	(9,726)	1,277
International fixed income securities		
Futures contracts	169,876	-
Options on Futures	2,386,680	-
Alternative investments:		
Commodities		
Futures contracts	2,813,244	-
Options on Futures	188,390	162
Swaps	28,874	(233)
Foreign Exchange Derivative Instruments included in Cash and Equivalents		
Options (long)	50,000	(17)
Options (short)	(50,000)	91
Futures contracts (long)	114,712	-
Futures contracts (short)	(74,548)	-
Options on futures	178,744	395
Forward contracts	(179,391)	4,439

6. Master Trust (continued)

Valuation Techniques

Cash equivalents are mostly comprised of short-term money-market instruments and are valued at cost, which approximates fair value.

U.S. equity securities and international equity securities categorized as Level 1 are traded on active national and international exchanges and are valued at their closing prices on the last trading day of the year. For U.S. equity securities and international equity securities not traded on an active exchange, or if the closing price is not available, the trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These securities are categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

Commingled equity funds are investment vehicles valued using the Net Asset Value (NAV) provided by the fund manager. The NAV is the total value of the fund divided by the number of shares outstanding. Commingled equity funds are categorized as Level 1 if traded at their NAV on a nationally recognized securities exchange. If the NAV is corroborated by observable market data (*e.g.* purchases or sales activity), commingled equity funds are categorized as Level 2.

Corporate debt securities, U.S. government securities, and other fixed income securities categorized as Level 2 are valued by the trustee using pricing models that use verifiable observable market data (*e.g.* interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics. Corporate debt securities and other fixed income securities are categorized at Level 3 when valuations using observable inputs are unavailable. The trustee obtains pricing based on indicative quotes or bid evaluations from vendors, brokers or the investment manager.

Private equity funds, real estate funds, hedge funds, and certain fixed income securities categorized as Level 3 are valued based on valuation models that include significant unobservable inputs and cannot be corroborated using verifiable observable market data. Valuations for private equity funds and real estate funds are determined by the general partners, while hedge funds are valued by independent administrators. Depending on the nature of the assets, the general partners or independent administrators use both the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors.

6. Master Trust (continued)

Valuation Techniques (continued)

Commodities categorized as Level 1 are traded on a commodity exchange and are valued at their closing prices on the last trading day of the year. Commodities categorized as Level 2 represent shares in a commingled commodity fund valued using the NAV, which is corroborated by observable market data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes the valuation methods of the Master Trust are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

7. Parties-in-Interest Transactions

The Master Trust invests in funds managed by The Northern Trust Company, the Trustee. This is a party-in-interest transaction for which a statutory exemption exists.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
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Schedule SB, Line 19 – Discounted Employer Contributions

The following contributions for the 2011 Plan Year were made on the dates indicated. The contributions are also shown discounted to the beginning of the Plan Year at the Effective Interest Rate of 6.24%.

Date Paid	Contribution	Discounted Contributions as of 01/01/2011
12/20/2011	$1,781,011	$1,679,743
3/23/2012	$1,781,011	$1,653,761
3/30/2012	$1,781,011	$1,651,842
Total	$5,343,033	$4,985,346

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Schedule SB, Line 22 – Description of Weighted Average Retirement Age

Weighted Average Retirement Age

Age	Retirement Rate	Retirement Probability	Weighted Age
55	0.10	0.1000	5.50
56	0.05	0.0450	2.52
57	0.05	0.0428	2.44
58	0.05	0.0406	2.36
59	0.10	0.0772	4.55
60	0.10	0.0694	4.17
61	0.15	0.0938	5.72
62	0.20	0.1063	6.59
63	0.15	0.0638	4.02
64	0.15	0.0542	3.47
65	0.20	0.0614	3.99
66	0.15	0.0368	2.43
67	0.20	0.0418	2.80
68	0.15	0.0251	1.70
69	0.15	0.0213	1.47
70	1.00	0.1207	8.45
Totals:		**1.0000**	**62.18**

Weighted Age Rounded to the Nearest Age: 62

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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Interest Rates	Based on segment rates with a four-month lookback (as of September 2010):
1st Segment Rate	3.78%
2nd Segment Rate	6.31%
3rd Segment Rate	6.57%
Salary Increases:	
Minimum Funding Target Normal Cost	4.50%
Maximum Tax Expected Benefit Increase	4.50%
Retirement Age:	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65 for Eagan. Age 62 for Mitchel Field.
Mortality Rates:	
Healthy and Disabled	2011 Static Mortality Table for annuitants and non-annuitants per §1.430(h)(3)-1(e).
Withdrawal Rates	2003 SOA Select and Ultimate Table. See Table 2.
Disability Rates	See Table 3.
Decrement Timing	Beginning of year decrements, with 100% retirement occurring at beginning of year.
Surviving Spouse Benefit	It is assumed that 80% of males and 50% of females have an eligible spouse, and that males are 3 years older than their spouses.
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC Section 415 maximum benefit of $195,000 and the 401(a)(17) compensation limit of $245,000.

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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
(continued)

Valuation of Plan Assets	Smoothed Fair Market Value of Assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of Fair Market Value. A characteristic of this method is that the expected distribution of the value of Plan assets is skewed toward understatement relative to the corresponding Market Values for expected long-term rates of return in excess of the Third Segment Rate under IRC Section 430(h)(2)(C)(iii).
Expected Return on Assets: 2010 Plan Year	8.50%
Trust Expenses Included in Target Normal Cost	$809,771
Actuarial Method	Standard Unit Credit Cost Method
Valuation Date	January 1, 2011

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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
(continued)

Table 1
Retirement Rates

Age	Rate
55	10.00%
56	5.00%
57	5.00%
58	5.00%
59	10.00%
60	10.00%
61	15.00%
62	20.00%
63	15.00%
64	15.00%
65	20.00%
66	15.00%
67	20.00%
68	15.00%
69	15.00%
70+	100.00%

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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
(continued)

Table 2
Withdrawal Rates—2003 SOA Select and Ultimate Table

	Years of Service			
Age	**0-1**	**2-4**	**5-9**	**10+**
18	39.64%	0.00%	0.00%	0.00%
19	20.23%	0.00%	0.00%	0.00%
20	17.99%	14.19%	0.00%	0.00%
21	22.38%	18.19%	0.00%	0.00%
22	24.07%	19.60%	15.00%	0.00%
23	23.85%	19.58%	15.09%	0.00%
24	22.70%	18.32%	14.25%	0.00%
25	21.74%	17.14%	12.96%	0.00%
26	20.95%	16.27%	11.29%	0.00%
27	20.41%	15.29%	9.97%	0.00%
28	19.42%	14.52%	9.15%	8.75%
29	18.73%	13.93%	8.69%	5.21%
30	18.61%	13.58%	8.39%	4.84%
31	18.83%	13.09%	8.02%	5.39%
32	18.32%	12.60%	7.76%	5.47%
33	17.39%	11.97%	7.56%	5.30%
34	16.94%	11.33%	7.37%	5.15%
35	16.78%	11.02%	7.15%	5.02%
36	16.69%	10.98%	6.85%	4.87%
37	16.29%	10.99%	6.68%	4.68%
38	16.00%	10.77%	6.44%	4.43%
39	15.36%	10.59%	6.27%	4.32%
40	15.91%	10.35%	6.01%	4.15%
41	15.94%	10.01%	5.89%	3.93%
42	16.05%	9.72%	5.84%	3.86%
43	15.98%	9.71%	5.75%	3.81%
44	15.88%	9.62%	5.77%	3.79%
45	15.48%	9.47%	5.82%	3.73%
46	15.61%	9.54%	5.81%	3.64%
47	15.30%	9.47%	5.61%	3.66%
48	15.15%	9.37%	5.52%	3.70%
49	15.53%	9.02%	5.60%	3.65%

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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
(continued)

Table 2 - continued
Withdrawal Rates—2003 SOA Select and Ultimate Table

	Years of Service			
Age	0-1	2-4	5-9	10+
50	15.60%	8.90%	5.32%	3.49%
51	15.35%	9.32%	5.13%	3.38%
52	14.35%	9.52%	4.99%	3.35%
53	14.34%	9.24%	4.70%	3.22%
54	14.17%	8.80%	4.12%	2.37%
55	13.52%	7.82%	2.59%	0.88%
56	12.84%	7.49%	1.84%	0.23%
57	12.66%	7.67%	1.54%	0.11%
58	12.74%	7.68%	1.58%	0.22%
59	13.50%	7.94%	1.92%	0.31%
60	13.63%	7.84%	2.12%	0.20%
61+	0.00%	0.00%	0.00%	0.00%

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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
(continued)

Table 3
Disability Rates

Age	Rate	Age	Rate
18	0.03%	48	0.14%
19	0.03%	49	0.16%
20	0.03%	50	0.18%
21	0.03%	51	0.20%
22	0.03%	52	0.23%
23	0.03%	53	0.26%
24	0.03%	54	0.30%
25	0.03%	55	0.36%
26	0.04%	56	0.42%
27	0.04%	57	0.50%
28	0.04%	58	0.59%
29	0.04%	59	0.69%
30	0.04%	60	0.90%
31	0.04%	61	1.16%
32	0.04%	62	1.46%
33	0.05%	63	1.81%
34	0.05%	64	2.22%
35	0.05%	65	1.00%
36	0.05%	66+	0.00%
37	0.05%		
38	0.06%		
39	0.06%		
40	0.07%		
41	0.07%		
42	0.08%		
43	0.08%		
44	0.09%		
45	0.10%		
46	0.11%		
47	0.12%		

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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
(continued)

Discussion of Actuarial Assumptions and Methods

For the funding valuation, the allowable interest rates and mortality tables available to measure Plan liabilities are prescribed by IRC Section 412. Aon Hewitt provided guidance with respect to the alternative interest rate and mortality table options, and it is our belief that the options prescribed by Lockheed Martin Corporation are appropriate for funding purposes. It is our belief that all other actuarial assumptions used for the funding valuation represent reasonable expectations of anticipated Plan experience. The Actuarial Cost Method used is prescribed by IRC Section 412. While the method used to value assets is prescribed by Lockheed Martin Corporation, Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the ERISA Target Normal Cost and Funding Target is the Unit Credit Cost Method. The Funding Target under IRC Section 430 is calculated as the present value of all benefits that have been accrued or earned under the Plan as of the first day of the Plan Year, based on current service and current pay. The Target Normal Cost is the present value of all benefits expected to accrue or be earned under the Plan during the Plan Year, including any increase in benefits earned in prior Plan Years attributable to compensation increases in the current Plan Year.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA assumptions is the ERISA Funding Target. The Target Normal Cost is the present value of the benefits earned during the year.

For calculating the Actuarial Present Value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, certain ancillary benefits have been treated as vested consistent with PBGC premium regulations.

The ERISA Funding Target for lump sum benefits is determined by valuing the annuity that corresponds to the distribution using special actuarial assumptions, as described under Treasury Regulations Section 1.430(d). Under these special assumptions, for the period beginning with the annuity starting date, the current IRC Section 417(e) applicable mortality table is substituted for the mortality table otherwise used.

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Schedule SB, Part V – Summary of Plan Provisions

Effective Date of Plan:	December 31, 1999.
Most Recent Collective Bargaining Agreement:	March 8, 2008 for Mitchel Field. June, 2009 for Eagan.
Eligibility:	1) ***Mitchel Field*** All employees hired before January 1, 2009 are eligible on their date of employment. Employees hired or rehired on or after January 1, 2009 will not be eligible for the Plan. 2) ***Eagan*** Earlier of two years of Vesting Service or attainment of age 21 and one year of Vesting Service.
Compensation:	Total compensation including Section 125, 401(k) and 132 amounts and severance. Compensation is limited to the annual compensation limit under IRC Section 401(a)(17). Only applicable for Mitchel Field participants.
Normal Retirement:	(a) Eligibility Requirement: Age 65. (b) Benefit: 1) ***Mitchel Field*** The accrued benefit under the Prior Plan plus 2.00% of compensation earned on or after May 5, 1995. For Local 444, minimum of $13.00 multiplied by years of Credited Service. For all other Unions, minimum of $13.00 to $19.50 multiplied by years of Credited Service, varying with 5-Year Final Average Compensation. Effective January 1, 2009, Local 444 employees will receive the greater of this benefit or their December 31, 1998 accrued benefit, plus for service after January 1, 1999, a benefit calculated under the terms of the Lockheed Martin Retirement Plan formula in effect on March 1, 2008.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions
(continued)

Normal Retirement (continued): (b) 2) ***Eagan***

$50 ($41 prior to most recent Collective Bargaining Agreement, $42 for IGUA Local 32) multiplied by years of Credited Service.

Early Retirement: (a) Eligibility Requirement:

Age 55 and 5 years of Vesting Service.

(b) Benefit:

1) ***Mitchel Field***
Monthly benefit computed as in Normal Retirement, reduced 5.00% for each year by which retirement precedes age 62.

2) ***Eagan***
Monthly benefit computed as in Normal Retirement, reduced 6.00% for each year by which retirement precedes age 65 (62 for participants who have at least 20 years of Vesting Service).

Early Retirement Supplement: (a) Eligibility Requirement:

Age 55 and 15 years of Vesting Service for Mitchel Field; 10 years of Vesting Service for Eagan.

(b) Benefit:

1) ***Mitchel Field***
For Local 444, $10 multiplied by years of Credited Service, payable until age 62. The LMRP supplement was discontinued effective January 1, 2011. For all other Unions, $2.75 multiplied by years of Credited Service.

2) ***Eagan***
$2.50 multiplied by years of Credited Service. Payable until age 65 (62 for participants who have at least 20 years of Vesting Service).

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions

(continued)

"Adder" Benefit:

(a) Eligibility Requirement

25 years of Vesting Service as of July 1, 2008. This benefit is only available for Local 444 members of Mitchel Field.

(b) Benefit

$3,000, in addition to Normal Retirement Benefit.

Total and Permanent Disability Retirement:

(a) Eligibility Requirement:

No age or service requirement.

(b) Benefit:

1) ***Mitchel Field***

Accrued benefit based on earnings at date of disability and service projected to the participant's Normal Retirement Date. Benefit payable at Normal Retirement.

2) ***Eagan***

Accrued benefit earned to the date of disability, payable unreduced at the time of disability for life. For participants ineligible for Social Security Disability Benefits, an additional $1 multiplied by years of Credited Service will be paid.

Termination:

(a) Eligibility Requirement:

5 years of Vesting Service.

(b) Benefit:

A monthly benefit computed as in Normal Retirement, payable at age 62 for Mitchel Field employees and age 65 for Eagan employees. Benefits starting at age 55 will receive reductions as computed in Early Retirement.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions
(continued)

Preretirement Surviving Spouse's Benefit:

(a) Eligibility Requirement:
5 years of Vesting Service.

(b) Benefit:

1) ***Mitchel Field***

Effective January 1, 2009, 100% of the monthly benefit the participant would have received if he had retired under the 100% Joint and Survivor Option on the first of the month preceding or coincident with his death, payable at the participant's Earliest Retirement Date.

2) ***Eagan***

50% of the monthly benefit the participant would have received if he had retired under the 50% Joint and Survivor Option on the first of the month preceding or coincident with his death, payable at the participant's Earliest Retirement Date.

Preretirement Non-Spouse Death Benefit:

(a) Eligibility Requirement:

1) ***Mitchel Field***

10 years of Vesting Service. 5 years of Vesting Service for Local 444 participants.

2) ***Eagan***

5 years of Vesting Service.

(b) Benefit:

60 monthly payments of the benefit the participant would have received if he had retired or terminated the day prior to his death, payable at the participant's Earliest Retirement Date.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions
(continued)

Postretirement Death Benefit:

(a) Eligibility Requirement:

Age 55 and 10 years of Vesting Service. This benefit is only available to Eagan employees.

(b) Benefit:

$9,000 Lump Sum.

Normal Form of Benefit Payment: Married Participants:

50% Joint and Survivor Annuity.

Unmarried Participants:

(a) ***Mitchel Field***

Single Life Annuity.

(b) ***Eagan***

5 Year Certain and Continuous Annuity.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Line 24 – Changes in Actuarial Assumptions

The funding valuation reflects the following assumption changes:

- New retirement rates

  The retirement rates for 2011 were updated following an assumption review performed by Aon Hewitt.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Line 26 - Schedule of Active Participant Data

Age as of 01/01/2011	YEARS OF SERVICE									
	< 1	01-04	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40+
< 25	-	3	-	-	-	-	-	-	-	-
25 – 29	-	24	1	-	-	-	-	-	-	-
30 - 34	-	4	-	-	-	-	-	-	-	-
35 - 39	-	1	-	-	-	-	-	-	-	-
40 - 44	-	1	1	-	-	-	-	-	-	-
45 - 49	-	4	1	-	-	1	3	1	-	-
50 - 54	-	2	2	-	-	2	8	9	-	-
55 - 59	-	-	1	-	1	1	3	15	6	-
60 - 64	-	3	1	-	-	-	2	4	15	3
65 - 69	-	1	2	-	-	1	2	-	1	5
70+	-	-	-	-	-	-	-	-	-	1

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions

Effective Date of Plan:	December 31, 1999.
Most Recent Collective Bargaining Agreement:	March 8, 2008 for Mitchel Field. June, 2009 for Eagan.
Eligibility:	1) ***Mitchel Field*** All employees hired before January 1, 2009 are eligible on their date of employment. Employees hired or rehired on or after January 1, 2009 will not be eligible for the Plan. 2) ***Eagan*** Earlier of two years of Vesting Service or attainment of age 21 and one year of Vesting Service.
Compensation:	Total compensation including Section 125, 401(k) and 132 amounts and severance. Compensation is limited to the annual compensation limit under IRC Section 401(a)(17). Only applicable for Mitchel Field participants.
Normal Retirement:	(a) Eligibility Requirement: Age 65. (b) Benefit: 1) ***Mitchel Field*** The accrued benefit under the Prior Plan plus 2.00% of compensation earned on or after May 5, 1995. For Local 444, minimum of $13.00 multiplied by years of Credited Service. For all other Unions, minimum of $13.00 to $19.50 multiplied by years of Credited Service, varying with 5-Year Final Average Compensation. Effective January 1, 2009, Local 444 employees will receive the greater of this benefit or their December 31, 1998 accrued benefit, plus for service after January 1, 1999, a benefit calculated under the terms of the Lockheed Martin Retirement Plan formula in effect on March 1, 2008.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions
(continued)

Normal Retirement (continued): (b) 2) ***Eagan***

$50 ($41 prior to most recent Collective Bargaining Agreement, $42 for IGUA Local 32) multiplied by years of Credited Service.

Early Retirement: (a) Eligibility Requirement:

Age 55 and 5 years of Vesting Service.

(b) Benefit:

1) ***Mitchel Field***
Monthly benefit computed as in Normal Retirement, reduced 5.00% for each year by which retirement precedes age 62.

2) ***Eagan***
Monthly benefit computed as in Normal Retirement, reduced 6.00% for each year by which retirement precedes age 65 (62 for participants who have at least 20 years of Vesting Service).

Early Retirement Supplement: (a) Eligibility Requirement:

Age 55 and 15 years of Vesting Service for Mitchel Field; 10 years of Vesting Service for Eagan.

(b) Benefit:

1) ***Mitchel Field***
For Local 444, $10 multiplied by years of Credited Service, payable until age 62. The LMRP supplement was discontinued effective January 1, 2011. For all other Unions, $2.75 multiplied by years of Credited Service.

2) ***Eagan***
$2.50 multiplied by years of Credited Service. Payable until age 65 (62 for participants who have at least 20 years of Vesting Service).

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions

(continued)

"Adder" Benefit:

(a) Eligibility Requirement

25 years of Vesting Service as of July 1, 2008. This benefit is only available for Local 444 members of Mitchel Field.

(b) Benefit

$3,000, in addition to Normal Retirement Benefit.

Total and Permanent Disability Retirement:

(a) Eligibility Requirement:

No age or service requirement.

(b) Benefit:

1) ***Mitchel Field***

Accrued benefit based on earnings at date of disability and service projected to the participant's Normal Retirement Date. Benefit payable at Normal Retirement.

2) ***Eagan***

Accrued benefit earned to the date of disability, payable unreduced at the time of disability for life. For participants ineligible for Social Security Disability Benefits, an additional $1 multiplied by years of Credited Service will be paid.

Termination:

(a) Eligibility Requirement:

5 years of Vesting Service.

(b) Benefit:

A monthly benefit computed as in Normal Retirement, payable at age 62 for Mitchel Field employees and age 65 for Eagan employees. Benefits starting at age 55 will receive reductions as computed in Early Retirement.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions
(continued)

Preretirement Surviving Spouse's Benefit:

(a) Eligibility Requirement:
5 years of Vesting Service.

(b) Benefit:

1) ***Mitchel Field***

Effective January 1, 2009, 100% of the monthly benefit the participant would have received if he had retired under the 100% Joint and Survivor Option on the first of the month preceding or coincident with his death, payable at the participant's Earliest Retirement Date.

2) ***Eagan***

50% of the monthly benefit the participant would have received if he had retired under the 50% Joint and Survivor Option on the first of the month preceding or coincident with his death, payable at the participant's Earliest Retirement Date.

Preretirement Non-Spouse Death Benefit:

(a) Eligibility Requirement:

1) ***Mitchel Field***

10 years of Vesting Service. 5 years of Vesting Service for Local 444 participants.

2) ***Eagan***

5 years of Vesting Service.

(b) Benefit:

60 monthly payments of the benefit the participant would have received if he had retired or terminated the day prior to his death, payable at the participant's Earliest Retirement Date.

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Part V – Summary of Plan Provisions
(continued)

Postretirement Death Benefit:

(a) Eligibility Requirement:

Age 55 and 10 years of Vesting Service. This benefit is only available to Eagan employees.

(b) Benefit:

$9,000 Lump Sum.

Normal Form of Benefit Payment: Married Participants:

50% Joint and Survivor Annuity.

Unmarried Participants:

(a) ***Mitchel Field***

Single Life Annuity.

(b) ***Eagan***

5 Year Certain and Continuous Annuity.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

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SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2011 This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan: Lockheed Martin Tactical Defense Retirement Plan II Barg.

B Three-digit plan number (PN) ▶ 043

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF: Lockheed Martin Corporation

D Employer Identification Number (EIN): 52-1893632

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 1 Day 1 Year 2011			
2	Assets:			
a	Market value	2a		141,264,490
b	Actuarial value	2b		131,145,814
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	594	79,097,126
b	For terminated vested participants	3b	523	41,756,671
c	For active participants:			
(1)	Non-vested benefits	3c(1)		590,508
(2)	Vested benefits	3c(2)		29,920,503
(3)	Total active	3c(3)	136	30,511,011
d	Total	3d	1,253	151,364,808
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		6.24 %
6	Target normal cost	6		2,143,248

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE: THOMAS S. STAUFFER/TSS

Signature of actuary

09/28/2012
Date

Thomas S. Stauffer
Type or print name of actuary

11-06384
Most recent enrollment number

Aon Consulting, Inc.
Firm name

(410) 547-2800
Telephone number (including area code)

500 EAST PRATT ST.

BALTIMORE MD 21202
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

SB Actuary Signature

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	
9	Amount remaining (line 7 minus line 8)	26,107,952	0
10	Interest on line 9 using prior year's actual return of 0.00%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 6.66% except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	16,053,985	
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	10,053,967	0

Part III Funding percentages

14	Funding target attainment percentage	14	80.00 %
15	Adjusted funding target attainment percentage	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.16 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/20/2011	1,781,011				
03/23/2012	1,781,011				
03/30/2012	1,781,011				
			Totals • 18(b)	5,343,033	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4,985,346

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

SB Actuary Signature

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
3.78 %	6.31 %	6.57 %	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	31a	2,143,248
b Excess assets, if applicable, but not greater than 31a	31b	0

	Outstanding Balance	Installment
32 Amortization installments:		
a Net shortfall amortization installment	30,272,961	4,980,795
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	7,124,043

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	4,655,812	0	4,655,812

36 Additional cash requirement (line 34 minus line 35)	36	2,468,231
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	4,985,346
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	2,517,115
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	2,517,115
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	

LOCKHEED MARTIN TACTICAL DEFENSE SYSTEMS RETIREMENT PLAN II
FOR BARGAINING UNIT EMPLOYEES
EIN: 52-1893632/043

Schedule SB, Line 25 –Changes in Method

The following Method Change has been made since the prior Valuation:

The 2011 results reflect the new funding calculations as required by the *Pension Protection Act of 2006 (PPA)*.