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 12/25/2011 and ending 12/24/2012

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 RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 12/31/1942

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.	10/13/2013	DONALD REMSCH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2013	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**	68402
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**	9413
b	Retired or separated participants receiving benefits	**6b**	30567
c	Other retired or separated participants entitled to future benefits	**6c**	19159
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	59139
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	7008
f	Total. Add lines **6d** and **6e**	**6f**	66147
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**	186
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:
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 12/25/2011 and ending 12/24/2012

▶ **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 RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES

B Three-digit plan number (PN) ▶ 002

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 12 Day 25 Year 2011			
2	Assets:			
a	Market value	**2a**		3395253379
b	Actuarial value	**2b**		3356143810
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	37416	2207198712
b	For terminated vested participants	**3b**	20563	580730068
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		235721604
	(2) Vested benefits	**3c(2)**		977566306
	(3) Total active	**3c(3)**	10423	1213287910
d	Total	**3d**	68402	4001216690
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**		5.42 %
6	Target normal cost	**6**		65536994

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

Signature of actuary	09/26/2013 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 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	0
9	Amount remaining (line 7 minus line 8)	727481651	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 6.23 % 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		0
12	Other reductions in balances due to elections or deemed elections	631311193	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	96170458	0

Part III Funding percentages

14	Funding target attainment percentage	14	81.47 %
15	Adjusted funding target attainment percentage	15	81.47 %
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	83.13 %
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
10/05/2012	25000000				
12/19/2012	410000000				
05/21/2013	100000000				
07/15/2013	100000000				
			Totals ► 18(b)	635000000	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	598254547

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:	
2.06%	5.25%	6.32 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	3
22 Weighted average retirement age	**22**	63

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**	65536994
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	741243338	117432143
b Waiver amortization installment		0

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**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	182969137

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	96170458	0	96170458

36 Additional cash requirement (line 34 minus line 35)	**36**	86798679
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	598254547

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

a Total (excess, if any, of line 37 over line 36)	**38a**	511455868
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	96170458
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 12/25/2011 and ending 12/24/2012

A Name of plan
LOCKHEED MARTIN RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES

B Three-digit plan number (PN) ▶ 002

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	3852963620

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

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 12/25/2011 and ending 12/24/2012

A Name of plan
LOCKHEED MARTIN RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES

B Three-digit plan number (PN) ▶ 002

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)	141586525	200000000
(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)	3255799495	3852963620
(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	3397386020	4052963620
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	2759137	2849488
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	2759137	2849488
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	3394626883	4050114132

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)	635000000	
(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)		635000000
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)		255904649
(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		890904649
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	232567912	
(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)		232567912
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)	22815	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	1116171	
(4) Other	2i(4)	1710502	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2849488
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		235417400
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		655487249
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 12/25/2011 and ending 12/24/2012

A Name of plan
LOCKHEED MARTIN RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES

B Three-digit plan number (PN) ▶ 002

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** 632

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: 36% Investment-Grade Debt: 43% High-Yield Debt: 2% Real Estate: 1% Other: 18%

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 RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES

Financial Statements as of December 31, 2012 and 2011,
and for the Year ended December 31, 2012, with Report of Independent Auditors

Lockheed Martin Retirement Plan for Certain Hourly Employees

Financial Statements

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Financial Statements of the Lockheed Martin
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MITCHELL & TITUS

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REPORT OF INDEPENDENT AUDITORS

Plan Administrator
Lockheed Martin Retirement Plan for Certain Hourly Employees

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Lockheed Martin Retirement Plan for Certain Hourly Employees, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 certified investment information described in Note 7, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of December 31, 2012 and 2011, and for the year ended December 31, 2012, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

MITCHELL & TITUS

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the certified investment information, 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, 2013

Lockheed Martin Retirement Plan for Certain Hourly Employees

Statements of Net Assets Available for Benefits

	December 31, 2012	2011
	(In thousands)	
Assets		
Investments:		
Interest in Master Trust	$ 3,852,964	$ 3,255,800
Employer contributions receivable	200,000	141,587
Total assets	4,052,964	3,397,387
Liabilities		
Accrued expenses	2,849	2,759
Net assets available for benefits	$ 4,050,115	$3,394,628

See accompanying notes to financial statements.

Lockheed Martin Retirement Plan for Certain Hourly Employees

Statement of Changes in Net Assets Available for Benefits

	Year ended December 31, 2012 *(In thousands)*
Net assets available for benefits at beginning of year	$ 3,394,628
Additions to net assets:	
Interest in net investment gain of Master Trust	270,814
Employer contributions	635,000
Total additions	905,814
Deductions from net assets:	
Benefit payments	232,568
Administrative expenses	17,759
Total deductions	250,327
Change in net assets	655,487
Net assets available for benefits at end of year	$ 4,050,115

See accompanying notes to financial statements.

1. Description of the Plan

The following description of the Lockheed Martin Retirement Plan for Certain Hourly 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 certain bargained and hourly employees of Lockheed Martin Corporation (the Corporation), and has been amended from time to time. 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. During 2012 and 2011, as a result of collective bargaining agreements, the Plan was amended to provide that certain new hires and rehired employees 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 certain assets that are not held under custody by the Trustee as described in Note 7.

The Plan's year-end is December 24 of each year, and therefore differs from the fiscal year-end of the Master Trust. However, the financial statements of the Plan are presented on a calendar-year basis. All Trustee-supplied information and valuations are reported on a calendar-year basis. The transactions in the intervening period did not materially affect the financial statements as presented.

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 U.S. Government Cost Accounting Standards (CAS) reimbursements. Contributions by the Corporation, if any, 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 based 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.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

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.

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 7 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 gains and losses 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 proportionally based on the Plan's interest in the Master Trust's net assets or directly if specifically related to the Plan. Other indirect administrative expenses are paid by the Corporation.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued guidance to clarify the application of existing fair value measurement requirements and for disclosing information about

fair value measurements. The amended guidance became effective for the Plan on January 1, 2012 and did not have a material impact on the Plan's financial statements and disclosures.

Subsequent Events

The Plan's management has evaluated subsequent events through October 9, 2013, the date the financial statements were available to be issued. Other than the Plan being submitted for an updated Internal Revenue Service (IRS) determination letter (see Note 4), no other material subsequent events have occurred since December 31, 2012 that required recognition or disclosure in these financial statements.

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,	
	2012	2011
	(In thousands)	
Vested benefits:		
Participants currently receiving payments	$ 2,277,879	$ 2,040,807
Other participants	2,227,261	1,868,951
Total vested benefits	4,505,140	3,909,758
Nonvested benefits	369,154	328,697
Total actuarial present value of accumulated plan benefits	$ 4,874,294	$ 4,238,455

The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (Prescribed 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 resulting in an average retirement age of 63, and (d) an annual discount rate of 4.00% and 4.75% for 2012 and 2011, respectively. The discount 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.

Changes in the actuarial present value of accumulated plan benefits are as follows:

	Year ended December 31, 2012 *(In thousands)*
Actuarial present value of accumulated plan benefits at beginning of year	$ 4,238,455
Increase (decrease) during the year attributable to:	
Increase for interest due to the decrease in the discount period	195,803
Benefits paid	(232,568)
Benefits accumulated	128,578
Plan amendment	91,182
Changes in actuarial assumptions	452,844
Net increase	635,839
Actuarial present value of accumulated plan benefits at end of year	$ 4,874,294

During 2012, contracts for the bargaining units for certain participants in the Plan were renegotiated and the Plan was amended to increase the benefit formula. The amendment resulted in an unrecognized prior service cost of $91,182,000 for the year ended December 31, 2012.

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 is 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. The Plan was submitted for an updated IRS determination letter on January 23, 2013.

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, 2012, 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 2005.

5. Reconciliation of Financial Statements to Form 5500

Interest in net investment gain of Master Trust reported in the financial statements is $14,910,000 greater than the amount reported on Form 5500 for the year ended December 31, 2012. Administrative expenses reported in the financial statements are $14,910,000 greater than the amounts reported on Form 5500 for the year ended December 31, 2012. 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. Parties-in-Interest Transactions

The Master Trust invests in funds managed by The Northern Trust Company, the Trustee. Investments in these funds qualify as party-in-interest transactions for which a statutory exemption exists.

7. 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 assets, realized and unrealized gains and losses, and investment income of the Master Trust are allocated among the plans included therein proportionally based on each plan's interest in the Master Trust's net assets. The Plan's interest in the Master Trust's net assets as of December 31, 2012 and 2011 was approximately 12.40% and 11.89%, respectively.

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.

Other than the financial information in the following table, the reported total fair value by asset class as disclosed in the fair value of assets tables including investments held as of December 31, 2012 and 2011, and net appreciation (depreciation) in fair value of investments, interest income, and dividend income for the year ended December 31, 2012, was obtained or derived from information certified as complete and accurate by The Northern Trust Company, the Trustee of

the Master Trust. The following financial information was not certified by the Trustee, as the net assets are not held in custody by the Trustee:

	December 31, 2012	2011
	(In thousands)	
Assets		
Cash and cash equivalents	$ 909,125	$ 1,022,594
Equity:		
U.S. equity securities	450,505	391,450
International equity securities	39,426	56,894
Fixed income:		
Corporate debt securities	397,668	277,736
U.S. Government securities	43	625
Other fixed income securities	48,447	40,795
Alternative investments:		
Hedge funds	149,745	23,917
Commodities	379	–
Total assets	1,995,338	1,814,011
Liabilities		
Payables, net	26,886	3,046
Total net assets	$ 1,968,452	$ 1,810,965

	Year ended December 31, 2012
	(In thousands)
Investment income not certified by the custodian	
Interest and dividend income	$ 28,629
Net appreciation in fair value of investments	113,595

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 requires disclosures regarding 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.

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, 2012 and their appreciation (depreciation) for the year ended December 31, 2012:

	Level 1	Level 2	Level 3	Total	Appreciation (Depreciation)
			(In thousands)		
Cash and cash equivalents	$ 3,285,396	$ —	$ —	$ 3,285,396	$ 346
Equity:					
U.S. equity securities	3,696,746	49,887	18,609	3,765,242	286,906
International equity securities	3,254,972	15,316	10,959	3,281,247	402,266
Commingled equity funds	890,915	2,851,491	—	3,742,406	496,734
Fixed income:					
Corporate debt securities	—	1,037,630	66,748	1,104,378	47,548
U.S. Government securities	—	11,536,799	—	11,536,799	(573,875)
Other fixed income securities	—	436,855	43,336	480,191	20,676
Alternative investments:					
Private equity funds	—	—	2,463,814	2,463,814	217,466
Real estate funds	—	25,780	501,312	527,092	(18,401)
Hedge funds	—	31,404	717,167	748,571	117,409
Commodities	712,440	(1,737)	—	710,703	89,444
Total Investment Assets at Fair Value	$11,840,469	$15,983,425	$3,821,945	$ 31,645,839	$ 1,086,519
Receivables, net				97,323	
Total net assets				$ 31,743,162	

Interest and dividend income earned by the Master Trust for the year ended December 31, 2012 was $287,884,000 and $166,621,658, respectively. Other income for the year ended December 31, 2012 was $77,590,000.

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:

	Level 1	Level 2	Level 3	Total
		(In thousands)		
Cash and cash equivalents	$ 3,109,584	$ —	$ —	$ 3,109,584
Equity:				
U.S. equity securities	3,677,484	37,680	3,284	3,718,448
International equity securities	3,587,577	11,136	14,827	3,613,540
Commingled equity funds	980,169	922,819	—	1,902,988
Fixed income:				
Corporate debt securities	—	948,308	97,882	1,046,190
U.S. Government securities	—	9,306,884	—	9,306,884
Other fixed income securities	—	494,299	40,167	534,466
Alternative investments:				
Private equity funds	—	—	2,294,145	2,294,145
Real estate funds	—	—	281,139	281,139
Hedge funds	—	—	850,845	850,845
Commodities	981,554	277,885	—	1,259,439
Total Investment Assets at Fair Value	$ 12,336,368	$ 11,999,011	$ 3,582,289	$ 27,917,668
Receivables, net				92,970
Total net assets				$ 28,010,638

The following table presents the changes in the fair value of Master Trust's Level 3 assets for the year ended December 31, 2012:

	Balance, beginning of year	Realized gains	Unrealized gains/ (losses)	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, end of year
					(In thousands)				
Equity:									
U.S. equity securities	$ 3,284	$ —	$ —	$ 15,325	$ —	$ —	$ —	$ —	$ 18,609
International equity securities	14,827	105	(130)	201	(201)	(4,929)	1,086	—	10,959
Fixed income:									
Corporate debt securities	97,882	1,182	(388)	48,904	(93,831)	10,839	2,160	—	66,748
Other fixed income securities	40,167	70	1,324	44,173	(12,938)	(29,460)	—	—	43,336
Alternative investments:									
Private equity funds	2,294,145	138,633	26,096	549,314	(11,394)	(532,980)	—	—	2,463,814
Real estate funds	281,139	10,972	21,077	159,424	—	28,700	—	—	501,312
Hedge funds	850,845	39,650	20,912	125,976	(299,406)	10,594	—	(31,404)	717,167
Total	$ 3,582,289	$ 190,612	$ 68,891	$ 943,317	$ (417,770)	$ (517,236)	$ 3,246	$ (31,404)	$ 3,821,945

International equity and corporate debt securities in the amounts of $1,086,000 and $2,160,000, respectively, were reclassified as Level 3 securities in 2012 due to changes in fair value hierarchy parameters as recognized by the Trustee. $31,404,000 were reclassified from Level 3 to Level 2 following an assessment of the liquidity provisions of the hedge funds. The Master Trust recognizes transfers between levels of the fair value hierarchy as of the date of the change in circumstances that causes the transfer.

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 or 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 managers. 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 or categorized as Level 2 if the NAV is corroborated by observable market data (e.g., purchases or sales activity). Funds may be redeemed daily, monthly, or annually, depending upon notification requirements, liquidity, and other matters. Certain funds may require notification of management's intent to redeem at least one to 90 days in advance of exercising management's redemption right.

Corporate debt securities, U.S. government securities, real estate funds, 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, and hedge funds are valued using the NAV based on the valuation models of underlying securities 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. Depending on the nature of the assets, the general partners may use various valuation methodologies, including 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. Hedge funds are valued by independent administrators using various models based on the nature of the securities.

Private equity funds consist of investments in private equities that are held primarily by limited partnerships and are in various strategies, including venture capital, corporate finance, opportunistic, and distressed. The term of each private equity fund is generally 10 years, and the fund's investors do not have the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Unfunded capital commitments related to the Master Trust's investment in private equity funds as of December 31, 2012 and 2011 totaled $1,699,995,000 and $1,558,500,000, respectively. Real estate funds consist of investments in U.S. and international commercial real estate that are held primarily by limited partnerships. The term of each real estate fund is generally 10 years, and the fund's investors do not have the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Hedge fund

investments are made through fund-of-funds vehicles which invest in a diversified array of hedge funds across a multitude of strategies. Depending on the hedge fund, redemptions can be monthly or annually. The redemption notice period, depending on the hedge fund, is 45 to 180 days in advance.

Commodities categorized as Level 1 are traded on an active commodity exchange and are valued at their closing prices on the last trading day of the year. Commodities categorized as Level 2 as of December 31, 2011 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 management believes its valuation methods 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.

In estimating the fair value of the investments in Level 3, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

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, 2012 and 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. 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 increases (decreases) in value when the price of the underlying asset (e.g., currency, equity index) increases (decreases). A short derivative position increases (decreases) when the price of the underlying asset decreases (increases).

The notional amounts and fair values of derivative instruments as of December 31, 2012 are presented below:

	Notional Amount	Amount included in Fair Value of Asset
	(In thousands)	
Equity:		
U.S. Equity Securities		
Futures Contracts (Long)	$ 482,897	$ -
Futures Contracts (Short)	(53,167)	-
Options on Futures (Long)	85,571	312
Options on Futures (Short)	(85,571)	(492)
Equity Options (Long)	157,608	1,710
Equity Options (Short)	(44,043)	(1,073)
Swaps	(1,525)	58
International Equity Securities		
Futures Contracts (Long)	131,669	-
Futures Contracts (Short)	(109,038)	-
Equity Options (Long)	6,980	88
Swaps	890,385	2,102
Fixed income securities:		
U.S. Fixed Income Securities		
Futures Contracts (Long)	562,279	-
Futures Contracts (Short)	(601,001)	-
Swaps	660,949	(1,732)
International Fixed Income Securities		
Futures Contracts (Long)	1,042,140	-
Futures Contracts (Short)	(809,447)	-
Swaps	(53,927)	448
Alternative investment:		
Commodities		
Futures Contracts (Long)	4,293,694	-
Futures Contracts (Short)	(537,427)	-
Options on Futures (Long)	102,984	1,352
Options on Futures (Short)	(26,051)	(741)
Commodity Options (Long)	33,290	782
Commodity Options (Short)	(33,290)	(296)
Forward Contracts	-	-
Swaps	188,775	(1,738)

	Notional Amount	Amount included in Fair Value of Asset
	(In thousands)	
Foreign Exchange Derivative Instruments included in Cash and Equivalents		
Futures Contracts (long)	$ 80,798	$ -
Futures Contracts (short)	(92,253)	-
FX Options (Long)	162,768	1,001
FX Options (Short)	(147,533)	(277)
Forward Contracts	(67,583)	105
Swaps	(1,877)	(6)
Total	$ 6,219,054	$ 1,603

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
Futures Contracts (long)	80,563	-
Futures Contracts (short)	(167,739)	-
Options on Futures (Long)	5,086	29

	Notional Amount	Amount included in Fair Value of Asset
	(In thousands)	
FX Options (Long)	$ 25,000	$ 7,549
FX Options (Short)	(25,000)	(7,346)
Forward Contracts	43,176	1,038
Total	$ 5,133,997	$ 8,734

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 12/25/2011 and ending 12/24/2012

▶ **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 Retirement Plan for Certain Hourly Employees

B Three-digit plan number (PN) ▶ 002

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 12 Day 25 Year 2011

2	Assets:			
	a Market value		2a	3,395,253,379
	b Actuarial value		2b	3,356,143,810
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	37,416	2,207,198,712
	b For terminated vested participants	3b	20,563	580,730,068
	c For active participants:			
	(1) Non-vested benefits	3c(1)		235,721,604
	(2) Vested benefits	3c(2)		977,566,306
	(3) Total active	3c(3)	10,423	1,213,287,910
	d Total	3d	68,402	4,001,216,690
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		5.42 %
6	Target normal cost	6		65,536,994

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 FSA — Signature of actuary — Date: 09/26/2013

Thomas S. Stauffer — Type or print name of actuary — Most recent enrollment number: 11-06384

Aon Consulting, Inc. — Firm name — Telephone number (including area code): (410) 547-2800

500 EAST PRATT

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	0
9	Amount remaining (line 7 minus line 8)	727,481,651	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 6.23% 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		0
12	Other reductions in balances due to elections or deemed elections	631,311,193	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	96,170,458	0

Part III Funding percentages

14	Funding target attainment percentage	14	81.47 %
15	Adjusted funding target attainment percentage	15	81.47 %
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	83.13 %
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
10/05/2012	25,000,000				
12/19/2012	410,000,000				
05/21/2013	100,000,000				
07/15/2013	100,000,000				
			Totals • 18(b)	635,000,000	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	598,254,547

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
2.06 %	5.25 %	6.32 %	

b Applicable month (enter code)	21b	3
22 Weighted average retirement age	22	63

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	65,536,994
b Excess assets, if applicable, but not greater than 31a	31b	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	741,243,338	117,432,143
b Waiver amortization installment		0

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	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	182,969,137

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	96,170,458	0	96,170,458

36 Additional cash requirement (line 34 minus line 35)	36	86,798,679
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	598,254,547
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	511,455,868
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	96,170,458
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 RETIREMENT PLAN
FOR CERTAIN HOURLY EMPLOYEES
EIN: 52-1893632/002

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 5.42 %.

Date	Amount	Interest Rate	Days to Discount to 12/25/2011	Interest Adjusted Contribution
October 5, 2012	$ 25,000,000	5.42%	285	$ 23,993,308
December 19, 2012	410,000,000	5.42%	360	389,257,180
May 21, 2013	100,000,000	5.42%	513	92,868,879
July 15, 2013	100,000,000	5.42%	568	92,135,180
Total Contribution	$ 635,000,000			$ 598,254,547

LOCKHEED MARTIN RETIREMENT PLAN
FOR CERTAIN HOURLY EMPLOYEES
EIN: 52-1893632/002

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

Weighted Average Retirement Age

Age	Retirement Rate	Retirement Probability	Weighted Age
55	0.05	0.0500	2.75
56	0.05	0.0475	2.66
57	0.05	0.0451	2.57
58	0.05	0.0429	2.49
59	0.05	0.0407	2.40
60	0.10	0.0774	4.64
61	0.10	0.0696	4.25
62	0.20	0.1254	7.77
63	0.15	0.0752	4.74
64	0.15	0.0639	4.09
65	0.20	0.0725	4.71
66	0.20	0.0580	3.83
67	0.20	0.0464	3.11
68	0.20	0.0371	2.52
69	0.20	0.0297	2.05
70	1.00	0.1186	8.30
Totals:		**1.0000**	**62.88**

Weighted Age Rounded to the Nearest Age: 63

LOCKHEED MARTIN RETIREMENT PLAN
FOR CERTAIN HOURLY EMPLOYEES
EIN: 52-1893632/002

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

Interest Rate:	Based on segment rates with a three-month lookback (as of September 2011).
1st Segment Rate	2.06%
2nd Segment Rate	5.25%
3rd Segment Rate	6.32%
Retirement Age:	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65.
Mortality Rates:	
Healthy and Disabled	2011 Static Mortality Table for annuitants and non-annuitants per §1.430(h)(3)-1(e).
Withdrawal Rates	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 three years older than their spouses.
Benefit and Compensation Limits	Projected benefits are limited by the current IRC Section 415 maximum benefit of $195,000

LOCKHEED MARTIN RETIREMENT PLAN
FOR CERTAIN HOURLY EMPLOYEES
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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: 2009 Plan Year 2010 Plan Year	 8.50%, limited to 6.82% 8.50%, limited to 6.57%
Trust Expenses Included in Target Normal Cost	$11,961,259
Actuarial Method	Standard Unit Credit Cost Method
Valuation Date	December 25, 2011

LOCKHEED MARTIN RETIREMENT PLAN
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EIN: 52-1893632/002

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

Table 1

Retirement Rates

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

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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+
48	15.15%	9.37%	5.52%	3.70%
49	15.53%	9.02%	5.60%	3.65%
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%		

LOCKHEED MARTIN RETIREMENT PLAN
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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, 1942
Most Recent Collective Bargaining Agreement:	April 2009 for Fort Worth. March 2011 for Non-Fort Worth.
Eligibility:	All employees are eligible on their date of employment.
Normal Retirement -	
Eligibility Requirement:	Age 65.
Benefit:	(a) **Fort Worth** $79 multiplied by years of credited service, plus an additional $29 multiplied by years of bridged service. (b) **Non-Fort Worth** $88 multiplied by years of credited service to a maximum of 40 years, plus an additional $33 multiplied by years of bridged service.
Early Retirement –	
Eligibility Requirement:	Age 55 and 10 years of credited, continuous or vesting service.
Benefit:	The accrued normal retirement benefit, reduced by the lesser of: (a) 2.5% (3.0% for Fort Worth) for each year payment commences prior to age 65. (b) 2.5% for each point under 85 (3.0% for Fort Worth). The points earned equal the sum of the participant's age (in years and months) and credited service since the last break-in-service. Unreduced benefit calculated as in normal retirement for Fort Worth participants at least age 62 with 10 years of continuous service.

LOCKHEED MARTIN RETIREMENT PLAN
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Schedule SB, Part V – Summary of Plan Provisions
(continued)

Total and Permanent Disability Retirement -

Eligibility Requirement:	Total and permanent disability for at least 6 months and 10 years of continuous service as of the date of disability.
Benefit:	The monthly benefit computed as in normal retirement based on credited service to the date of disability. For non-Fort Worth participants, this benefit is reduced by the excess of the sum of Workers' Compensation or disability benefits over 60% of monthly pay at the time of disability; benefit is unreduced for Fort Worth participants. This benefit is payable while the participant is disabled until age 65. At age 65, the normal retirement benefit is payable.

Disability Supplement-

Eligibility Requirement:	Non-Fort Worth early retirees under total and permanent disability.
Benefit:	$5 multiplied by years of credited service to a maximum of $125. The temporary benefit is payable until age 65.

Preretirement Surviving Spouse's Benefit-

Eligibility Requirement:	Vested.
Benefit:	The spouse will receive a benefit as if the participant retired the day prior to his death and elected a 100% joint and survivor annuity. The benefit is deferred to what would have been the participant's earliest retirement date under the plan.

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

Postretirement Surviving Spouse's Benefit-

For non-Fort Worth participants who retire from active status, a lump sum determined as follows:

Age at Death	Benefit
55 - 59	$ 2,000
60 - 64	$ 1,500
65 or older	$ 1,000

For non-Fort Worth participants on disability retirement, a lump sum of $1,000. The lump sum benefit is reduced by death benefits from other company insurance and retirement plans.

Postretirement surviving spouse's benefits are not payable to Fort Worth employees or vested terminations.

Termination-

Eligibility Requirement:

For non-Fort Worth participants, 5 years of vesting or continuous service. For Fort Worth participants, 5 years of continuous service, age 55, or the 5th anniversary of date of hire.

Benefit:

(a) A deferred monthly benefit computed as in normal retirement, payable at age 65.

(b) Vested terminations with at least 10 years of credited, continuous or vesting service (5 years of continuous service for Fort Worth employees) may elect a monthly benefit computed as in normal retirement, reduced for payment commencing prior to age 65 in accordance with the following:

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

Termination (continued) -

Benefit (continued):

Age at Retirement	PERCENT REDUCTION Non-Fort Worth	Fort Worth
64	11.8%	10.5%
63	20.8%	19.7%
62	29.2%	27.7%
61	36.6%	34.8%
60	43.1%	41.1%
59	48.8%	46.7%
58	53.9%	51.6%
57	58.4%	56.0%
56	62.4%	60.0%
55	66.0%	63.5%

(c) For non-Fort Worth participants who terminate due to layoff and have 25 or more years of credited, continuous or vesting service, a monthly benefit computed as in normal retirement, reduced 2.5% for each point under 85.

Normal Form of Benefit Payment-

Married Participants -

A reduced 50% Joint and Survivor Annuity.

Unmarried Participants -

Single life 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.

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Schedule SB, Line 24 – Changes in Actuarial Assumptions

The following Assumption Changes have been made since the prior Valuation:

- The Expense Load was changed from $17,443,063 to $11,961,259 to reflect actual administrative expenses.
- The investment return was modified from 8.50% to 8.00%.

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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).

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Schedule SB, Line 26 - Schedule of Active Participant Data

Age as of 12/25/2011	YEARS OF SERVICE									
	< 1	01-04	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40+
< 25	18	172	1	-	-	-	-	-	-	-
25 – 29	51	447	60	1	-	-	-	-	-	-
30 - 34	30	454	186	14	1	-	-	-	-	-
35 - 39	18	344	213	22	1	-	-	-	-	-
40 - 44	19	346	292	49	15	13	1	-	-	-
45 - 49	26	406	398	128	112	108	89	11	-	-
50 - 54	22	361	454	192	171	284	349	336	8	-
55 - 59	9	186	312	139	179	268	391	556	60	-
60 - 64	1	90	184	85	115	161	266	381	78	28
65 - 69	1	14	60	42	40	78	109	189	42	55
70+	-	2	7	9	8	6	9	22	4	14

SB Actuary Signature

LOCKHEED MARTIN RETIREMENT PLAN
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Schedule SB, Line 32 – Schedule of Amortization Bases

Type Of Base	Present Value of Installments	Valuation Date Established	Remaining Years in Amortization Period	Amortization Amount
Shortfall	$741,243,338	December 25, 2011	7	$117,432,143

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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	0.05	0.0500	2.75
56	0.05	0.0475	2.66
57	0.05	0.0451	2.57
58	0.05	0.0429	2.49
59	0.05	0.0407	2.40
60	0.10	0.0774	4.64
61	0.10	0.0696	4.25
62	0.20	0.1254	7.77
63	0.15	0.0752	4.74
64	0.15	0.0639	4.09
65	0.20	0.0725	4.71
66	0.20	0.0580	3.83
67	0.20	0.0464	3.11
68	0.20	0.0371	2.52
69	0.20	0.0297	2.05
70	1.00	0.1186	8.30
Totals:		**1.0000**	**62.88**

Weighted Age Rounded to the Nearest Age: 63

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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 5.42 %.

Date	Amount	Interest Rate	Days to Discount to 12/25/2011	Interest Adjusted Contribution
October 5, 2012	$ 25,000,000	5.42%	285	$ 23,993,308
December 19, 2012	410,000,000	5.42%	360	389,257,180
May 21, 2013	100,000,000	5.42%	513	92,868,879
July 15, 2013	100,000,000	5.42%	568	92,135,180
Total Contribution	$ 635,000,000			$ 598,254,547

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

Interest Rate:	Based on segment rates with a three-month lookback (as of September 2011).
1st Segment Rate	2.06%
2nd Segment Rate	5.25%
3rd Segment Rate	6.32%
Retirement Age:	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65.
Mortality Rates:	
Healthy and Disabled	2011 Static Mortality Table for annuitants and non-annuitants per §1.430(h)(3)-1(e).
Withdrawal Rates	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 three years older than their spouses.
Benefit and Compensation Limits	Projected benefits are limited by the current IRC Section 415 maximum benefit of $195,000

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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: 2009 Plan Year 2010 Plan Year	 8.50%, limited to 6.82% 8.50%, limited to 6.57%
Trust Expenses Included in Target Normal Cost	$11,961,259
Actuarial Method	Standard Unit Credit Cost Method
Valuation Date	December 25, 2011

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

Table 1

Retirement Rates

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

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Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
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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%

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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+
48	15.15%	9.37%	5.52%	3.70%
49	15.53%	9.02%	5.60%	3.65%
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, 1942
Most Recent Collective Bargaining Agreement:	April 2009 for Fort Worth. March 2011 for Non-Fort Worth.
Eligibility:	All employees are eligible on their date of employment.
Normal Retirement -	
Eligibility Requirement:	Age 65.
Benefit:	(a) **Fort Worth** $79 multiplied by years of credited service, plus an additional $29 multiplied by years of bridged service. (b) **Non-Fort Worth** $88 multiplied by years of credited service to a maximum of 40 years, plus an additional $33 multiplied by years of bridged service.
Early Retirement –	
Eligibility Requirement:	Age 55 and 10 years of credited, continuous or vesting service.
Benefit:	The accrued normal retirement benefit, reduced by the lesser of: (a) 2.5% (3.0% for Fort Worth) for each year payment commences prior to age 65. (b) 2.5% for each point under 85 (3.0% for Fort Worth). The points earned equal the sum of the participant's age (in years and months) and credited service since the last break-in-service. Unreduced benefit calculated as in normal retirement for Fort Worth participants at least age 62 with 10 years of continuous service.

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

Total and Permanent Disability Retirement -

Eligibility Requirement:	Total and permanent disability for at least 6 months and 10 years of continuous service as of the date of disability.
Benefit:	The monthly benefit computed as in normal retirement based on credited service to the date of disability. For non-Fort Worth participants, this benefit is reduced by the excess of the sum of Workers' Compensation or disability benefits over 60% of monthly pay at the time of disability; benefit is unreduced for Fort Worth participants. This benefit is payable while the participant is disabled until age 65. At age 65, the normal retirement benefit is payable.

Disability Supplement-

Eligibility Requirement:	Non-Fort Worth early retirees under total and permanent disability.
Benefit:	$5 multiplied by years of credited service to a maximum of $125. The temporary benefit is payable until age 65.

Preretirement Surviving Spouse's Benefit-

Eligibility Requirement:	Vested.
Benefit:	The spouse will receive a benefit as if the participant retired the day prior to his death and elected a 100% joint and survivor annuity. The benefit is deferred to what would have been the participant's earliest retirement date under the plan.

Postretirement Surviving Spouse's Benefit-

For non-Fort Worth participants who retire from active status, a lump sum determined as follows:

Age at Death	Benefit
55 - 59	$ 2,000
60 - 64	$ 1,500
65 or older	$ 1,000

For non-Fort Worth participants on disability retirement, a lump sum of $1,000. The lump sum benefit is reduced by death benefits from other company insurance and retirement plans.

Postretirement surviving spouse's benefits are not payable to Fort Worth employees or vested terminations.

Termination-

Eligibility Requirement:

For non-Fort Worth participants, 5 years of vesting or continuous service. For Fort Worth participants, 5 years of continuous service, age 55, or the 5th anniversary of date of hire.

Benefit:

(a) A deferred monthly benefit computed as in normal retirement, payable at age 65.

(b) Vested terminations with at least 10 years of credited, continuous or vesting service (5 years of continuous service for Fort Worth employees) may elect a monthly benefit computed as in normal retirement, reduced for payment commencing prior to age 65 in accordance with the following:

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

Termination (continued) -

Benefit (continued):

Age at Retirement	PERCENT REDUCTION Non-Fort Worth	Fort Worth
64	11.8%	10.5%
63	20.8%	19.7%
62	29.2%	27.7%
61	36.6%	34.8%
60	43.1%	41.1%
59	48.8%	46.7%
58	53.9%	51.6%
57	58.4%	56.0%
56	62.4%	60.0%
55	66.0%	63.5%

(c) For non-Fort Worth participants who terminate due to layoff and have 25 or more years of credited, continuous or vesting service, a monthly benefit computed as in normal retirement, reduced 2.5% for each point under 85.

Normal Form of Benefit Payment-

Married Participants -

A reduced 50% Joint and Survivor Annuity.

Unmarried Participants -

Single life 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 RETIREMENT PLAN
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Schedule SB, Line 24 – Changes in Actuarial Assumptions

The following Assumption Changes have been made since the prior Valuation:

- The Expense Load was changed from $17,443,063 to $11,961,259 to reflect actual administrative expenses.
- The investment return was modified from 8.50% to 8.00%.

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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).

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Schedule SB, Line 26 - Schedule of Active Participant Data

Age as of 12/25/2011	YEARS OF SERVICE									
	< 1	01-04	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40+
< 25	18	172	1	-	-	-	-	-	-	-
25 – 29	51	447	60	1	-	-	-	-	-	-
30 - 34	30	454	186	14	1	-	-	-	-	-
35 - 39	18	344	213	22	1	-	-	-	-	-
40 - 44	19	346	292	49	15	13	1	-	-	-
45 - 49	26	406	398	128	112	108	89	11	-	-
50 - 54	22	361	454	192	171	284	349	336	8	-
55 - 59	9	186	312	139	179	268	391	556	60	-
60 - 64	1	90	184	85	115	161	266	381	78	28
65 - 69	1	14	60	42	40	78	109	189	42	55
70+	-	2	7	9	8	6	9	22	4	14

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Schedule SB, Line 32 – Schedule of Amortization Bases

Type Of Base	Present Value of Installments	Valuation Date Established	Remaining Years in Amortization Period	Amortization Amount
Shortfall	$741,243,338	December 25, 2011	7	$117,432,143