



LOCKHEED MARTIN CORPORATION

2013 Annual Report



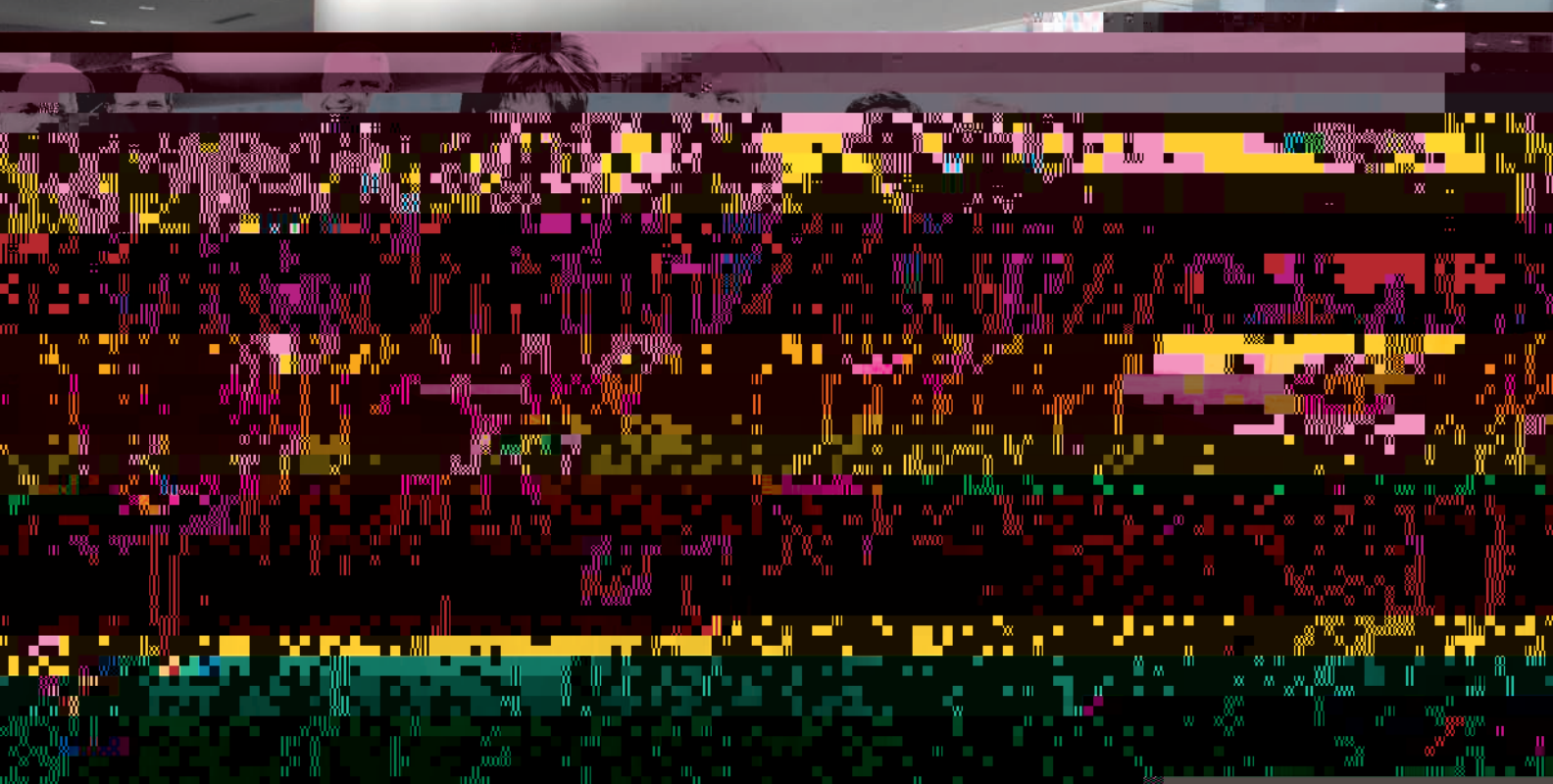
2013 FINANCIAL HIGHLIGHTS

(In million, except where indicated)	2013	2012	2011
Revenue	\$45,358	\$47,182	\$46,499
Operating income	5,752	5,583	5,281
Operating income from continuing operations	4,505	4,434	4,020
Operating income from discontinued operations	29.50	2,745	2,667
Operating income	29.81	2,745	2,655
Operating income from continuing operations	9.04	8.36	7.85
Operating income	9.13	8.36	7.81
Operating income from continuing operations	4.78	4.15	3.25
Operating income from discontinued operations	327	328	340
Operating income	\$ 2,617	\$ 1,898	\$ 3,582
Operating income from continuing operations	36,188	38,657	37,908
Operating income	6,152	6,308	6,460
Operating income from continuing operations	49.18	39	1,001
Operating income from discontinued operations	30	321	321
Operating income	\$ 4,546	\$ 1,561	\$ 4,253

Operating income from continuing operations includes the following items: 7. Operating income from continuing operations includes the following items: 8. Operating income from continuing operations includes the following items:

On the Cover: A photograph of a person's face, partially obscured by a dark, textured overlay.

A photograph of a person's face, partially obscured by a dark, textured overlay. The image is positioned at the top of the page, above the main text. The person's eyes are visible, looking slightly to the right. The background is dark and grainy, suggesting a low-light or artistic photograph.



2013 was a year of dynamic change. As the world's leading aerospace and global security company, we embraced that change, continued our record of exceptional performance, and positioned Lockheed Martin for continued success.

We took proactive steps to strengthen our core and international business, drive opportunities in adjacent markets, streamline our cost structure to improve affordability, and deliver innovations that will address our customers' challenges today and tomorrow.

Performance has always been our hallmark, and 2013 was no exception. With our customers grappling with increasing budget uncertainty, our goal was to be an anchor of dependability. We kept our promises, delivered on our commitments and acted with integrity in everything we did. This continued commitment to performance translated into value for our stockholders, delivered cutting-edge products for our customers, and positioned Lockheed Martin for the future.

Orlando P. Carvalho, Executive Vice President, Aeronautics; Patrick M. Dewar, Executive Vice President, Security

Our continued focus on affordability is helping us adapt to our customers' budget constraints. Costs of vjg"ckthtc o g" jcxg" fgenkpgf"77" rtegepv"htq o "kpkvkcn" rrtqfwekqp"Ł i jgtu"vq"vjqug"tqmkpi"qhh"vjg"rtqfwekqp" line today. And we're continuing our efforts to decrease costs across the entire program.

Littoral Combat Ship (LCS): "kvou"ohwmn"urggf"cjgcfö"hqf" vjg"NEU"rtqitc o "cu"vjg"fggv"eqpwpwgu"vq"itqy0"C"hcuv." ocpwxtgdng"uwthceg"eq o dcvcpv."vjg"NEU"ku"c"fgzkdng." versatile platform built for today's dynamic global ugewtkv{"gpxtq o gpv0"Vjku"qrgtcvkqpcn"fgzkdnkvt{" o gcpu" it can take on missions ranging from mine-clearing to anti-submarine and anti-surface warfare, as well as security and humanitarian missions in both coastal and qrgp"ycvgtu0"Vjku{"gct"vjg"WUU"Freedom deployed to Uqvwjgcuv"Cukc"cpf"rctvkekrcvgf"kp"kvu"Łtuv"Eqqrgtcvkqp" Cfgcv"Tgcfkpguu"Vtckpki"gzgtekug0"Cpf"WUU"Freedom delivered humanitarian assistance and disaster relief supplies to the Philippines in response to the devastation ecwugf"d{"V{rjqqp"Jck{cp0"Vjg"WUU"Fort Worth eq o rnygf"Łpcn"eqpvcevt"vtkcnu"kp"Ucp"Fkgiq."cpf"kp" December we launched the *Milwaukee*. Construction of the *Detroit*, *Little Rock*, and *Sioux City* is under way.

Missile Defense: Our air and missile defense systems demonstrated an unmatched ability to protect against the full spectrum of 21st century threats — from hostile aircraft to cruise and ballistic missiles. Years ago we rkqpgtgf"vjg"eq o dcvr/tqxgp"öj kv/vq/mkmö"vgejppni {" that defeats incoming targets and their payloads through force of impact alone. Three of our business segments participated in a ground-breaking Missile Defense Agency test that proved the value of an integrated, nc{gtgf" o kuukng"ujkgnf0"Cgiku"Dcnkuvke"Okuukng"Fghgpug=" vjg"Vgtokpcn"Jkij"cnkvwfg"Ctgc"Fghgpug"*VJCCF+=" cpf"vjg"Eq o ocpf."Eqvvtqn."Dcuvng"Ocpicogpvcpf" Communications systems worked together to intercept two ballistic missile targets that were launched nearly uk o wnvcpqgwun{0"kp"cf fvkqp."vjg"Ogfkw o "Gzvgpfgf"Ckt" Fghgpug"U{uvgo"*OGCFU+."Łtkpi"RCE/5"Okuukngu." intercepted and destroyed two targets attacking simultaneously from opposite directions — an unprecedented feat. These tests proved yet again that the capability and maturity of our portfolio of missile defense systems are unequalled.

We continue to see strong demand for our missile fghgpug"u{uvgo u0"kp"4235"yg"ukipgf"c"&50;"dknkqp" VJCCF"rtqfwekqp"eqpvcevt"vjcv"kpewfgu"u{uvgo u"hqf" dqj"vjg"W0U0"Ct o {"cpf"vjg"Wpkvgf"Ctcd"Go ktcvgu."cpf" Kuwait became the sixth international customer for the PAC-3 Missile.

Information Technology: "Qp"vjg"KV"htqpv."yg" o ctmgf" major deliveries and strategic international growth in 2013. We delivered new crime-solving capabilities via vjg"HDkku"Pgzv" I gpgtcvkqp"KfgpvkŁecvkqp"u{uvgo"vjcv" k o rrtxg"ncvypv"Łpigrtkp"ugcte.j"ceewtce{"vq"jgnr"uqnxg" cold cases and advance crime-solving capabilities. We were also awarded a contract to provide the United Mkpifq o ou"Okpkvt{"qh"Lwuvkeg"ykvj"Ugtxkeg"Kpvgitcvkqp" cpf"Ocpicogpvcuwr rrtv"vq"fgnkxgt"eqpuqkf cvgf"KV" services across the organization's complex, multi-uwr rnkgt"KV"gpvktq o gpv0"Cpf"yg"ygtg"ugngcvgf"vq" fgukip"cpf"ugewtg"vjg"Cevkxg"Pgvyqtm"Kphtcuvtwewtg"hqf" PCVQou"pgy"jgcfswctvgtu"kp"Dtwuugnu."Dgnikw o 0

As industry and government face growing threats from persistent cyber attackers, we have been equally fvgto kpgf"kp" fghgp fki"ci ckpv"vjg o 0"Hqt"qwt"e{dgt" security customers — and for our own internal networks — we have developed robust threat detection and okvickvkqp"rtqeguug"hqf"uchgi wctfki"KV"tguwtegu"cpf" securing vital assets.

Satellites and Space Systems: Our space portfolio marked a number of milestone launches in 2013. kp"Ocjej."vjg"W0U0"Ckt"Hqtegu"ugeqpf"Urcceg"Dcugf" Kphtctgf"U{uvgo"*UDKTU+" I gqu{pej tqpquw"Gctvj"Qtdkv" *IGQ/4+"ucvgnkv"cnug"ncwpejgf"uweeguuhwmn{0"UDKTU" delivers critical missile warning information that helps rrtqvev"vjg"W0U0"cpf"kvu"cnkku0"Vjg"ugeqpf"Oqdkng"Wugt"

And with a growing international backlog, we are well positioned with respect to our goal of growing international sales over the next few years to over 20 percent of total revenue.

To accelerate the growth of our international business, in July we announced the formation of Lockheed Octave, a new company that will be focused on growing our global business.

Qatar Airways is a leading airline in the Middle East and North Africa region, and we are pleased to have a strong partnership with them.

É

innovation is an example of our ability to collaborate across our portfolio to make our systems more relevant and valuable for our customers.

Another arena where we're innovating for growth is sustainability. This continues to be a key priority for us, as we apply innovative solutions to protect the environment, strengthen communities and drive responsible growth. One example of how innovation in sustainability is opening new markets is Ocean

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
Form 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 1992

LOCKHEED MARTIN CORPORATION

A Delaware corporation

Maryland
Incorporated in

52-1893632

File No.

Lockheed Martin Corporation
Form 10-K
For the Year Ended December 31, 2013
Table of Contents

PART I

Space Systems

The Space Systems segment is a leading provider of space systems and services for the U.S. Government and commercial customers. The segment's products and services include the design, development, production, and launch of satellites and space systems, as well as the provision of ground stations and mission management services. The segment's primary customers are the U.S. Government, including the Department of Defense, the National Aeronautics and Space Administration (NASA), and the National Reconnaissance Office (NRO). The segment's products and services are used in a wide range of applications, including intelligence gathering, communications, and scientific research.

The segment's revenue is primarily derived from the U.S. Government, which accounts for approximately 80% of total revenue. The segment's revenue is also derived from commercial customers, including satellite operators and other space-related companies. The segment's revenue is expected to continue to grow over the next several years, driven by the increasing demand for space systems and services from both the U.S. Government and commercial customers.

The segment's operating expenses are primarily related to the design, development, production, and launch of satellites and space systems. The segment's operating expenses are also related to the provision of ground stations and mission management services. The segment's operating expenses are expected to continue to grow over the next several years, driven by the increasing demand for space systems and services from both the U.S. Government and commercial customers.

The segment's financial performance is measured by its revenue, operating income, and net income. The segment's revenue is expected to continue to grow over the next several years, driven by the increasing demand for space systems and services from both the U.S. Government and commercial customers. The segment's operating income and net income are also expected to continue to grow over the next several years, driven by the increasing demand for space systems and services from both the U.S. Government and commercial customers.

Financial and Other Business Segment Information

The following table provides a summary of the segment's financial performance for the year ended December 31, 2023. The table is presented in millions of dollars.

Item	2023
Revenue	\$1,234.5
Operating Income	\$234.5
Net Income	\$123.4

Competition

The Space Systems segment faces competition from other leading providers of space systems and services, including Lockheed Martin, Boeing, and Northrop Grumman. The segment's competitive advantage is derived from its long history of providing space systems and services to the U.S. Government, its strong relationships with its customers, and its ability to provide a wide range of products and services. The segment's competitive advantage is also derived from its ability to provide cost-effective solutions to its customers.

The segment's competitive advantage is expected to continue to grow over the next several years, driven by the increasing demand for space systems and services from both the U.S. Government and commercial customers. The segment's competitive advantage is also expected to continue to grow over the next several years, driven by the increasing demand for space systems and services from both the U.S. Government and commercial customers.

t r r * t s r s r
f e t t s t r t t s t r t t e f t f t t t
s s t r r f o t r s e e t t r r * s r t e e
s e e t r r * u s s e e f e t * t r * s t r u s t
r r r * s r r

International sales may pose different risks.

% e t s s s e s r r t s s r r r s s
s s r s t u s e f s e r r e t s r r r s s s
t s t t r r * s r r s t s s e r t s
r r s s * t s e s t s t s t s e t s r r s
r s r s

t s r r t s * t s t e s r r s (r s t s s s

Our business could be negatively affected by cyber or other security threats or other disruptions.

Our business could be negatively affected by cyber or other security threats or other disruptions.

Our business could be negatively affected by cyber or other security threats or other disruptions.

Our business could be negatively affected by cyber or other security threats or other disruptions.

Our business could be negatively affected by cyber or other security threats or other disruptions.

Our business could be negatively affected by cyber or other security threats or other disruptions.

1. The first part of the document is a list of names and titles, including "The Hon. Mr. Justice" and "The Hon. Mr. Justice".

ITEM 3. Legal Proceedings.

[REDACTED]

[REDACTED]

[REDACTED]

ITEM 4. Mine Safety Disclosures.

[REDACTED]

ITEM 4(a). Executive Officers of the Registrant.

[REDACTED]

Dale P. Bennett (age 57), Executive Vice President – Mission Systems and Training

at\$ at\$ _f at\$ at\$ _f at\$ t_u at\$ at\$ at\$ at\$ e at\$ _f * _f at\$ at\$ at\$ at\$ 1. 01' at\$

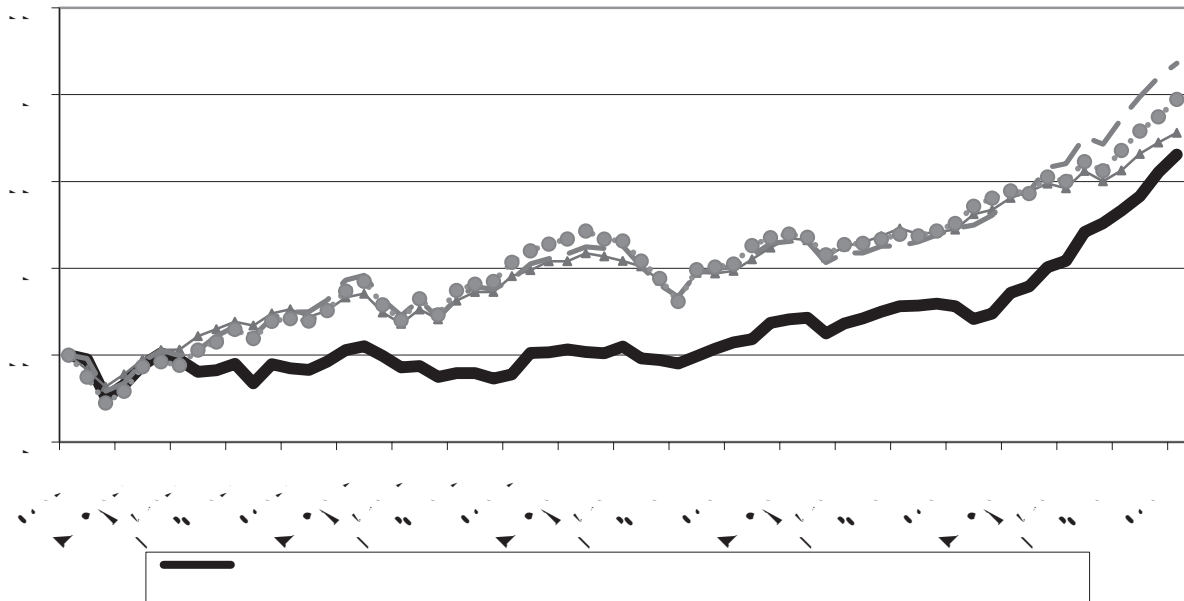
PART II

ITEM 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market, Price, and Dividend Information

Quarter	Dividends Paid Per Share		Stock Prices (High-Low)	
	2013	2012	2013	2012
Q1	\$1.15	\$1.15	\$ 96.59 - \$ 85.88	\$ 96.59 - \$ 85.88
Q2	1.15	1.15	109.26 - 94.00	109.26 - 94.00
Q3	1.15	1.15	131.60 - 105.54	131.60 - 105.54
Q4	1.33	1.33	149.99 - 121.52	149.99 - 121.52
Year	\$4.78	\$4.78	\$149.99 - \$ 85.88	\$149.99 - \$ 85.88

Stock Performance Graph



Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Amount Available for Future Share Repurchases Under the Plans or Programs
1/1/2018 - 3/31/2018	1,200	\$10.00	1,200	\$12,000
4/1/2018 - 6/30/2018	1,200	\$10.00	1,200	\$12,000
7/1/2018 - 9/30/2018	1,200	\$10.00	1,200	\$12,000
10/1/2018 - 12/31/2018	1,200	\$10.00	1,200	\$12,000
Total	4,800	\$10.00	4,800	\$48,000

ITEM 6. Selected Financial Data.

(In millions, except per share data)

	2013	2012	2011	2010	2009
Operating results					
Revenue	\$45,358	\$44,111	\$43,666	\$42,111	\$40,111
Operating income	4,505	3,227	2,311	2,111	2,111
Operating profit	2,950	1,777	1,111	1,111	1,111
Operating loss	2,981	1,777	1,111	1,111	1,111
Operating expense					
Depreciation and amortization	9.19	9.04	8.92	8.81	8.70
Goodwill impairment	9.04	2.00	1.00	1.00	1.00
Restructuring charges	9.29	2.00	1.00	1.00	1.00
Other	9.13	2.00	1.00	1.00	1.00
Cash dividends declared per common share	\$ 4.78	\$ 2.11	\$ 2.11	\$ 1.11	\$ 1.11
Balance sheet					
Current assets	\$ 2,617	\$ 1,111	\$ 2,111	\$ 1,111	\$ 1,111
Property, plant and equipment	13,329	10,348	10,348	11,111	11,111
Goodwill	10,348	10,348	10,348	11,111	11,111
Other intangible assets	36,188	2,111	2,111	2,111	2,111
Other assets	11,120	6,152	6,152	6,152	6,152
Current liabilities	6,152	31,270	2,111	2,111	2,111
Other liabilities	31,270	4,918	2,111	2,111	2,111
Common shares at year-end	319	211	211	211	211
Cash flow information					
Operating activities	\$ 4,546	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111
Investing activities	(1,121)	(1,111)	(1,111)	(1,111)	(1,111)
Financing activities	(2,706)	(1,111)	(1,111)	(1,111)	(1,111)
Backlog	\$82,600	\$ 11,111	\$ 11,111	\$ 11,111	\$ 11,111

Operating results are presented on a consolidated basis. Revenue is derived from the sale of products and services. Operating income is derived from the sale of products and services, less operating expenses. Operating profit is derived from operating income, less operating expenses. Operating loss is derived from operating profit, less operating expenses. Cash dividends declared per common share are presented on a per share basis. Balance sheet items are presented in millions of dollars. Cash flow information is presented in millions of dollars. Backlog is presented in millions of dollars.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Business Overview

The following table shows the percentage change in net sales, net income, and earnings per share for the periods indicated. The percentage change in net sales is calculated based on the following formula: $\frac{\text{Net Sales in Current Period} - \text{Net Sales in Prior Period}}{\text{Net Sales in Prior Period}} \times 100$. The percentage change in net income is calculated based on the following formula: $\frac{\text{Net Income in Current Period} - \text{Net Income in Prior Period}}{\text{Net Income in Prior Period}} \times 100$. The percentage change in earnings per share is calculated based on the following formula: $\frac{\text{Earnings per Share in Current Period} - \text{Earnings per Share in Prior Period}}{\text{Earnings per Share in Prior Period}} \times 100$.

The following table shows the percentage change in net sales, net income, and earnings per share for the periods indicated. The percentage change in net sales is calculated based on the following formula: $\frac{\text{Net Sales in Current Period} - \text{Net Sales in Prior Period}}{\text{Net Sales in Prior Period}} \times 100$. The percentage change in net income is calculated based on the following formula: $\frac{\text{Net Income in Current Period} - \text{Net Income in Prior Period}}{\text{Net Income in Prior Period}} \times 100$. The percentage change in earnings per share is calculated based on the following formula: $\frac{\text{Earnings per Share in Current Period} - \text{Earnings per Share in Prior Period}}{\text{Earnings per Share in Prior Period}} \times 100$.

The following table shows the percentage change in net sales, net income, and earnings per share for the periods indicated. The percentage change in net sales is calculated based on the following formula: $\frac{\text{Net Sales in Current Period} - \text{Net Sales in Prior Period}}{\text{Net Sales in Prior Period}} \times 100$. The percentage change in net income is calculated based on the following formula: $\frac{\text{Net Income in Current Period} - \text{Net Income in Prior Period}}{\text{Net Income in Prior Period}} \times 100$. The percentage change in earnings per share is calculated based on the following formula: $\frac{\text{Earnings per Share in Current Period} - \text{Earnings per Share in Prior Period}}{\text{Earnings per Share in Prior Period}} \times 100$.

Consolidated Results of Operations

	2013	2012	2011
Operating results			
Revenue	\$ 45,358	\$ 42,101	\$ 39,666
Cost of sales	(41,171)	(39,171)	(37,100)
Gross profit	4,187	2,930	2,566
Operating expenses	(4,505)	(3,222)	(2,911)
Goodwill impairment	(350)	222	222
Other operating expenses	—	111	222
Operating income	(668)	111	675
Other income	2,950	111	111
Other expense	31	—	—
Income before income taxes	\$ 2,981	\$ 111	\$ 675
Diluted earnings (loss) per common share			
Income before income taxes	\$ 9.04	\$ 2.22	\$ 2.57
Income tax expense	.09	—	—
Income tax expense	\$ 9.13	\$ 2.22	\$ 2.57

Net Sales

	2013	2012	2011
Net sales			
Revenue	\$35,691	\$31,101	\$28,101
Cost of sales	9,667	8,000	7,000
Net sales	\$45,358	\$39,101	\$35,101

Revenue is derived from the sale of products and services. Revenue is recognized when the product is delivered to the customer and the customer has accepted the product.

(1) The Company's operations are primarily seasonal, with the highest sales volume occurring during the fourth quarter of each year. As a result, the Company's operating results may vary significantly from quarter to quarter.

(2) The Company's operations are primarily seasonal, with the highest sales volume occurring during the fourth quarter of each year. As a result, the Company's operating results may vary significantly from quarter to quarter.

Services Sales

(1) The Company's operations are primarily seasonal, with the highest sales volume occurring during the fourth quarter of each year. As a result, the Company's operating results may vary significantly from quarter to quarter.

(2) The Company's operations are primarily seasonal, with the highest sales volume occurring during the fourth quarter of each year. As a result, the Company's operating results may vary significantly from quarter to quarter.

Cost of Sales

(1) The Company's operations are primarily seasonal, with the highest sales volume occurring during the fourth quarter of each year. As a result, the Company's operating results may vary significantly from quarter to quarter.

	2013	2012	2011
Cost of sales			
Cost of sales	\$31,346	\$22,000	\$16,000
% of sales	87.8%	87.2%	87.2%
Cost of sales	8,588	22,000	16,000
% of sales	88.8%	87.2%	87.2%
Cost of sales	195		
Cost of sales	201		
Cost of sales	841		
Total	\$41,171	\$22,000	\$16,000

(1) The Company's operations are primarily seasonal, with the highest sales volume occurring during the fourth quarter of each year. As a result, the Company's operating results may vary significantly from quarter to quarter.

Cost of Products Sales

e *t _f at\$ *\$ at\$ at\$ \$ _1 0 a % 1 0 - _f at\$ 1 0 01 _f * at\$ at\$ u t _ at\$ f *

Restructuring Charges

2013 Actions

This block contains a large, dense, and mostly illegible table of data for the year 2013. The text is mirrored and appears to be a scan of a document with significant noise or bleed-through. The content is not readable.

2012 and 2011 Actions

This block contains a small, dense, and mostly illegible table of data for the years 2012 and 2011. The text is mirrored and appears to be a scan of a document with significant noise or bleed-through. The content is not readable.

Net earnings from continuing operations for the year ended December 31, 2011, were \$1.1 million, or 0.1% of diluted earnings per share. Net earnings from continuing operations for the year ended December 31, 2010, were \$1.1 million, or 0.1% of diluted earnings per share.

Net Earnings from Continuing Operations

Net earnings from continuing operations for the year ended December 31, 2011, were \$1.1 million, or 0.1% of diluted earnings per share. Net earnings from continuing operations for the year ended December 31, 2010, were \$1.1 million, or 0.1% of diluted earnings per share.

Net Earnings (Loss) from Discontinued Operations

Net earnings (loss) from discontinued operations for the year ended December 31, 2011, were \$0.1 million, or 0.0% of diluted earnings per share. Net earnings (loss) from discontinued operations for the year ended December 31, 2010, were \$0.1 million, or 0.0% of diluted earnings per share.

Business Segment Results of Operations

The following table sets forth the results of operations for each of our business segments for the years ended December 31, 2011 and 2010.

Business Segment	2011	2010
Segment A	\$1.1 million	\$1.1 million
Segment B	\$0.1 million	\$0.1 million
Segment C	\$0.1 million	\$0.1 million
Segment D	\$0.1 million	\$0.1 million
Segment E	\$0.1 million	\$0.1 million
Segment F	\$0.1 million	\$0.1 million
Segment G	\$0.1 million	\$0.1 million
Segment H	\$0.1 million	\$0.1 million
Segment I	\$0.1 million	\$0.1 million
Segment J	\$0.1 million	\$0.1 million
Segment K	\$0.1 million	\$0.1 million
Segment L	\$0.1 million	\$0.1 million
Segment M	\$0.1 million	\$0.1 million
Segment N	\$0.1 million	\$0.1 million
Segment O	\$0.1 million	\$0.1 million
Segment P	\$0.1 million	\$0.1 million
Segment Q	\$0.1 million	\$0.1 million
Segment R	\$0.1 million	\$0.1 million
Segment S	\$0.1 million	\$0.1 million
Segment T	\$0.1 million	\$0.1 million
Segment U	\$0.1 million	\$0.1 million
Segment V	\$0.1 million	\$0.1 million
Segment W	\$0.1 million	\$0.1 million
Segment X	\$0.1 million	\$0.1 million
Segment Y	\$0.1 million	\$0.1 million
Segment Z	\$0.1 million	\$0.1 million

	2013	2012	2011
Net sales			
Net sales	\$14,123	\$12,211	\$12,111
Cost of sales	8,367	7,211	7,111
Depreciation	7,757	7,153	7,153
Amortization	7,153	7,958	7,958
Other			
Operating profit			
Operating profit	\$ 1,612	\$ 1,612	\$ 1,612
Interest expense	759	759	759
Depreciation	1,431	1,431	1,431
Amortization	905	905	905
Other	1,045	1,045	1,045
Income tax expense	5,752	5,752	5,752
Other			
Net income	(1,948)	(1,948)	(1,948)
Other	1,466	1,466	1,466
Other	(482)	(482)	(482)
Other	(195)	(195)	(195)
Other	(201)	(201)	(201)
Other	(189)	(189)	(189)
Other	(180)	(180)	(180)
Other	(1,247)	(1,247)	(1,247)
Other	\$ 4,505	\$ 4,505	\$ 4,505

Aeronautics

	2013	2012	2011
Revenue	\$14,123	\$12,200	\$12,100
Operating expenses	1,612	1,500	1,200
Operating profit	11.4%	11%	10%
Operating assets	28,000	28,000	28,000

2013 compared to 2012

The Aeronautics segment's revenue in 2013 increased by 15% compared to 2012, primarily due to an increase in the number of aircraft delivered. Operating expenses also increased, but at a slower rate than revenue, resulting in an improvement in operating profit. The segment's operating assets remained stable throughout the period.

The Aeronautics segment's revenue in 2012 increased by 10% compared to 2011, primarily due to an increase in the number of aircraft delivered. Operating expenses also increased, but at a slower rate than revenue, resulting in an improvement in operating profit. The segment's operating assets remained stable throughout the period.

11

2012 compared to 2011

The Aeronautics segment's revenue in 2012 increased by 10% compared to 2011, primarily due to an increase in the number of aircraft delivered. Operating expenses also increased, but at a slower rate than revenue, resulting in an improvement in operating profit. The segment's operating assets remained stable throughout the period.

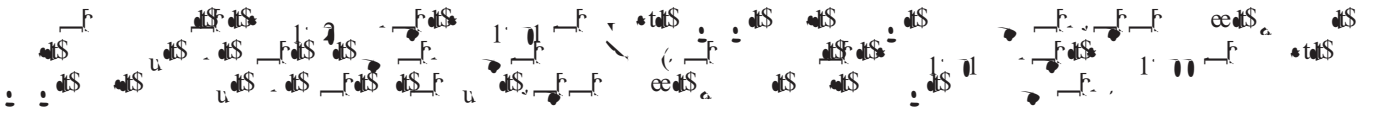
A complex musical score consisting of multiple staves. The notation includes various note values (quarter, eighth, sixteenth notes), rests, and clefs. There are also some symbols that look like dollar signs (\$) interspersed among the notes. The score is dense and appears to be a multi-measure rest or a complex rhythmic exercise.

Backlog

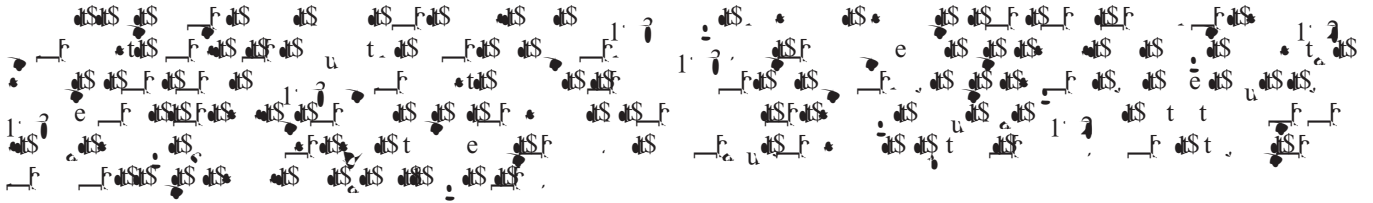
A single line of musical notation. It starts with a clef, followed by several notes and rests. The notation is sparse compared to the main score above.

... e e i e ... % ...
... t ... t ... e e ...
... e ... t ... e ...
... t ... t ... e ...

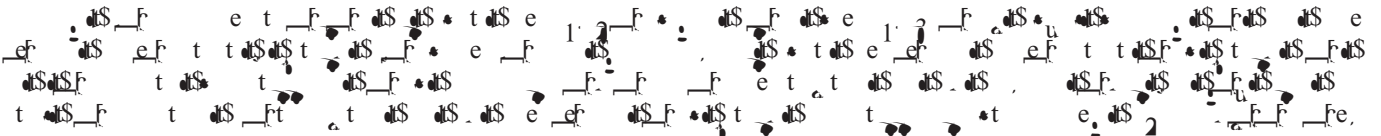
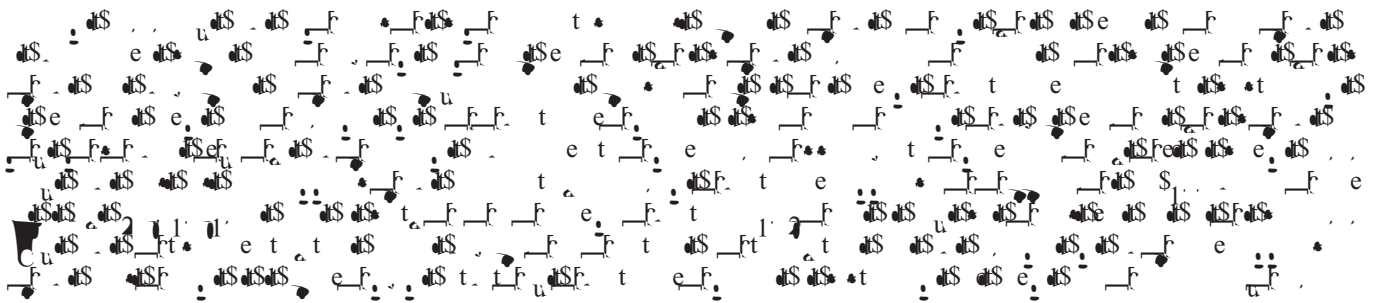
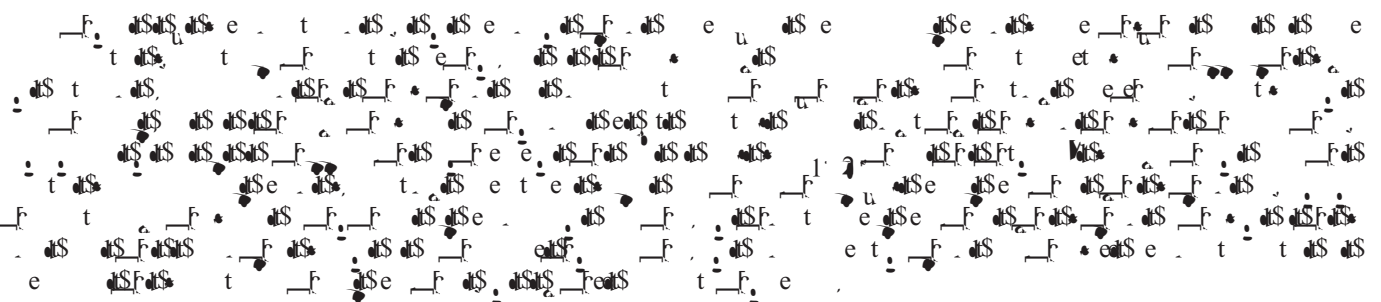
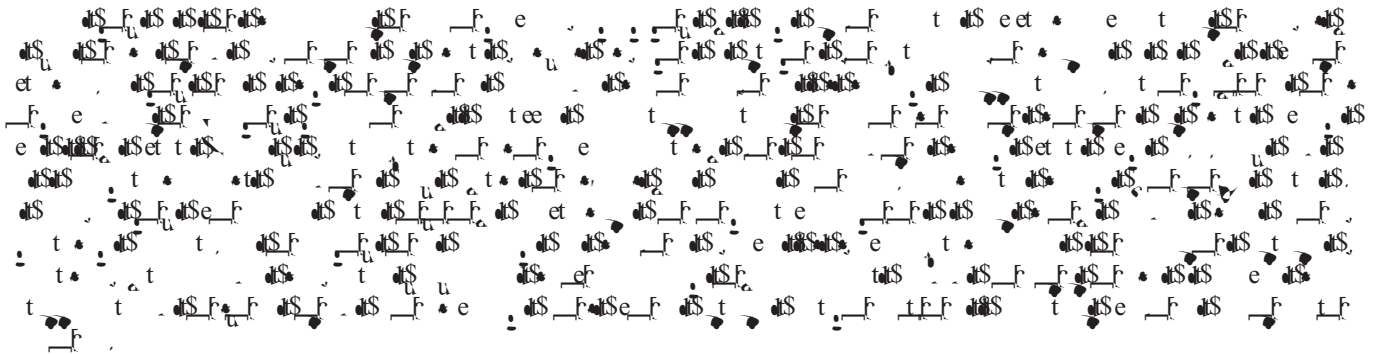
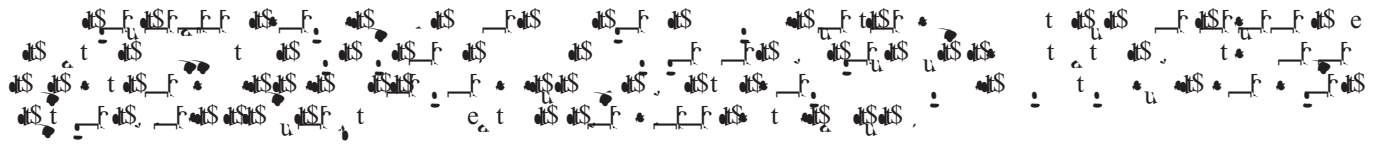
Backlog



Trends



Liquidity and Cash Flows



Financing Activities

Dividends and share activity

	2019	2018
Dividends paid	1,200	1,200
Share repurchases	(1,200)	(1,200)
Share issues	1,200	1,200
Net change in cash	0	0

... f * t ... f t t f - f (... f e

ITEM 8. Financial Statements and Supplementary Data.

*Report of Ernst & Young LLP,
Independent Registered Public Accounting Firm,
on the Audited Consolidated Financial Statements*

Financial statements and supplementary data are included in this report. The financial statements include the consolidated balance sheet as of December 31, 2010 and 2009, the consolidated statement of operations for the years ended December 31, 2010 and 2009, the consolidated statement of cash flows for the years ended December 31, 2010 and 2009, and the consolidated statement of stockholders' equity for the years ended December 31, 2010 and 2009. The supplementary data include the consolidated schedule of assets and liabilities of the registrant as of December 31, 2010 and 2009, and the consolidated schedule of income tax expense for the years ended December 31, 2010 and 2009. The financial statements and supplementary data are prepared in accordance with the accounting principles generally accepted in the United States of America.

Lockheed Martin Corporation
Consolidated Statements of Earnings
(in millions, except per share data)

Years Ended December 31,

	2013	2012	2011
Net sales			
Net sales	\$ 35,691	\$ 35,000	\$ 34,100
Cost of sales	9,667	9,200	8,900
Net sales	45,358	44,200	43,000
Cost of sales			
Cost of sales	(31,346)	(22,000)	(21,000)
Depreciation and amortization	(8,588)	(2,200)	(2,000)
Goodwill impairment	(195)	—	—
Restructuring costs	(201)	—	—
Other non-recurring costs	(841)	—	—
Cost of sales	(41,171)	(24,200)	(23,000)
Operating profit			
Operating profit	4,187	2,200	2,000
Interest expense	318	—	—
Operating profit	4,505	2,200	2,000
Income tax expense	(350)	(200)	(200)
Other non-recurring costs	—	—	—
Net earnings	4,155	2,000	1,800
Net earnings	(1,205)	(200)	(200)
Other non-recurring costs	2,950	1,000	1,000
Other non-recurring costs	31	—	—
Net earnings	\$ 2,981	\$ 1,000	\$ 1,000
Earnings (loss) per common share			
Earnings (loss) per common share	\$ 9.19	\$.20	\$.20
Other non-recurring costs	.10	—	—
Earnings (loss) per common share	\$ 9.29	\$.20	\$.20
Earnings (loss) per common share	\$ 9.04	\$.20	\$.20
Other non-recurring costs	.09	—	—
Earnings (loss) per common share	\$ 9.13	\$.20	\$.20

Lockheed Martin Corporation
Consolidated Statements of Comprehensive Income
(in millions)

	Years Ended December 31,		
	2013	2012	2011
Revenue	\$2,981	\$ 1,700	\$ 1,700
Operating expenses			
Cost of sales	(2,868)	(2,117)	(1,700)
Operating income	1,015	(417)	(0)
Other income	9	(1)	(1)
Income before taxes	3,892	(419)	(1)
Income tax expense	(719)	(10)	(1)
Income from operations	\$3,173	\$ (429)	\$ (2)
Other comprehensive income			
Net income	\$3,173	\$ (429)	\$ (2)

Lockheed Martin Corporation
Consolidated Balance Sheets
(in millions, except par value)

December 31,

2013 2012

Assets

Cash and cash equivalents Accounts receivable, net Inventories Prepaid expenses and other assets Property, plant and equipment, net Intangible assets, net Goodwill Other assets	\$ 2,617 5,834 2,977 1,088 813 <hr/> 13,329 4,706 10,348 2,850 4,955 <hr/> \$36,188	\$ 1,602 2,200 1,200 1,100 <hr/> 2,000 2,000 2,000 2,000 2,000 <hr/> \$2,000
---	---	---

Liabilities and stockholders' equity

Accounts payable and accrued liabilities Long-term debt Deferred income taxes Other liabilities Total liabilities Preferred stock Common stock Retained earnings Accumulated other comprehensive income Total stockholders' equity	\$ 1,397 6,349 1,809 — 1,565 <hr/> 11,120 9,361 902 6,152 3,735 <hr/> 31,270 319 — 14,200 (9,601) <hr/> 4,918 <hr/> \$36,188	\$ 1,200 2,200 1,100 1,000 <hr/> 2,000 2,000 2,000 2,000 2,000 <hr/> 2,000 2,000 2,000 2,000 2,000 <hr/> \$2,000
---	--	--

See notes to consolidated financial statements.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements

Note 1 – Significant Accounting Policies

Organization

The Corporation is organized into three operating divisions: Lockheed Martin Aeronautics Company, Lockheed Martin Space Company and Lockheed Martin Financial Services Company. The Corporation also includes certain non-operating subsidiaries and other entities. The Corporation's operations are primarily in the United States, but it also has operations in other countries.

Basis of presentation

The consolidated financial statements are prepared on the basis of accounting principles generally accepted in the United States. The consolidated financial statements include the accounts of the Corporation and its subsidiaries, and are prepared on the basis of the same accounting principles as those used in the preparation of the financial statements of the individual companies. The consolidated financial statements are prepared on the basis of the same accounting principles as those used in the preparation of the financial statements of the individual companies.

Use of estimates

The preparation of financial statements requires the use of estimates and assumptions. The Corporation uses estimates and assumptions in the preparation of its financial statements. The Corporation uses estimates and assumptions in the preparation of its financial statements. The Corporation uses estimates and assumptions in the preparation of its financial statements.

Sales and earnings

The Corporation's sales and earnings are primarily derived from the sale of aircraft, missiles, and other defense products. The Corporation's sales and earnings are primarily derived from the sale of aircraft, missiles, and other defense products. The Corporation's sales and earnings are primarily derived from the sale of aircraft, missiles, and other defense products.

Percentage-of-Completion Method of Accounting

The Corporation uses the percentage-of-completion method of accounting for long-term contracts. The Corporation uses the percentage-of-completion method of accounting for long-term contracts. The Corporation uses the percentage-of-completion method of accounting for long-term contracts.

... t e ...

... t e ...

Cash and cash equivalents

Receivables

Inventories

roperty,s and equipmens

Investments in marketable securities

Investments in marketable securities

Investments in marketable securities include investments in equity securities of other companies that are readily convertible to cash. These investments are reported at fair value, with changes in value recognized in earnings.

Equity method investments

Equity method investments are investments in equity securities of other companies that are not readily convertible to cash and are held for the long term. These investments are reported at cost, with adjustments for the investor's share of the investee's earnings and dividends. Equity method investments are reported as long-term investments on the balance sheet.

Derivative financial instruments

Derivative financial instruments are contracts whose value is derived from the value of an underlying asset. These instruments include forwards, futures, options, and swaps. Derivative financial instruments are used to hedge risk or speculate on the price of an underlying asset.

Investments in marketable securities are reported at fair value, with changes in value recognized in earnings. Equity method investments are reported at cost, with adjustments for the investor's share of the investee's earnings and dividends. Derivative financial instruments are reported at fair value, with changes in value recognized in earnings.

Note 2 – Restructuring Charges

2013 Actions

The following table provides a summary of the restructuring charges recorded in 2013. The charges are primarily related to the restructuring of the company's operations, including the closure of certain facilities and the reduction of the workforce. The charges are recorded as a component of operating expenses and are expected to be paid over the next several years.

Category	2013
Employee severance	\$1.2 million
Facility closure costs	\$0.8 million
Contract termination	\$0.5 million
Other restructuring costs	\$0.3 million
Total	\$2.8 million

The restructuring charges are expected to be paid over the next several years, with the majority of the charges being paid in 2014 and 2015. The company expects to continue to monitor the restructuring process and may incur additional charges in the future.

Selected Financial Data by Business Segment

Selected Financial Data by Business Segment (continued)

Net Sales by Customer Category

Note 6 – Inventories, net

	2013	2012
Raw materials	\$ 7,073	\$ 6,000
Work in process	(4,834)	2,211
Finished goods	2,239	1,000
Consignee inventory	738	—
Total	\$ 2,977	\$ 9,211

Note 7 – Property, Plant, and Equipment, net

	2013	2012
Land	\$ 99	\$ 100
Buildings	5,602	2,000
Equipment	7,043	5,100
Leasehold improvements	622	—
Total	13,366	7,200
Accumulated depreciation	(8,660)	(2,000)
Total	\$ 4,706	\$ 5,200

Note 8 – Income Taxes

	2013	2012	2011
Current income tax expense	\$1,204	\$ 200	\$ 200
Deferred income tax expense	3	1	1
Total	1,207	201	201
Change in valuation allowance	6	2	2
Change in tax rate	(8)	—	—
Change in tax credits	(2)	—	—
Total	\$1,205	\$ 201	\$ 201

The following table provides a reconciliation of the income tax expense for the periods presented to the amount that would have been the case if the Company had been subject to the U.S. federal income tax rate that applied to the Company's operations in the U.S. for the periods presented. The reconciliation is as follows:

	2013	2012	2011
U.S. federal income tax expense	\$ 1,205	\$ 201	\$ 201
State income tax expense	—	—	—
Foreign income tax expense	—	—	—
Change in valuation allowance	6	2	2
Change in tax rate	(8)	—	—
Change in tax credits	(2)	—	—
Total	\$ 1,205	\$ 201	\$ 201

	2013	2012	2011
Net income	\$1,454	\$1,100	\$1,100
Depreciation and amortization	(100)	100	100
Provision for doubtful accounts	(96)	100	100
Change in accounts receivable	(77)	100	100
Change in inventory	50	100	100
Change in prepaid expenses	—	100	100
Change in accrued liabilities	(26)	100	100
Net change in cash	\$1,205	\$1,205	\$1,205

The following table provides a reconciliation of net income to net cash provided by operating activities for the periods indicated. Net income is the starting point for determining net cash provided by operating activities. Adjustments are made for non-cash items and changes in working capital. Depreciation and amortization are added back to net income because they are non-cash expenses. Changes in accounts receivable, inventory, and prepaid expenses are added back if they represent a decrease in cash (e.g., accounts receivable increasing means cash is tied up in receivables). Changes in accrued liabilities are subtracted if they represent an increase in cash (e.g., accrued liabilities increasing means cash is being used to pay liabilities).

Actuarial Assumptions

	Qualified Defined Benefit Pension Plans			Retiree Medical and Life Insurance Plans		
	2013	2012	2011	2013	2012	2011
Discount rate	4.75%	3.00%	3.00%	4.50%	3.00%	3.00%
Cost of debt	8.00%	3.00%	3.00%	8.00%	3.00%	3.00%
Expected return on plan assets	4.30%	2.20%	2.20%			
Rate of increase in benefits payable				8.75%	6.00%	6.00%
Rate of increase in medical costs				5.00%	3.00%	3.00%
Rate of increase in life insurance costs				2029		

The actuarial assumptions used in the determination of the pension liability are based on the assumptions used in the pension plan's funding study. The assumptions are based on the historical experience of the pension plan and the expected future experience of the pension plan. The assumptions are based on the historical experience of the pension plan and the expected future experience of the pension plan. The assumptions are based on the historical experience of the pension plan and the expected future experience of the pension plan.

Note 14 – Acquisitions and Divestitures

Acquisitions

On December 31, 2013, the Company acquired certain assets and liabilities of a subsidiary of a public company. The acquisition was accounted for as an acquisition of an intangible asset. The fair value of the intangible asset acquired was \$77 million, which was recorded as an intangible asset. The acquisition was completed on December 31, 2013.

The acquisition was accounted for as an acquisition of an intangible asset. The fair value of the intangible asset acquired was \$77 million, which was recorded as an intangible asset. The acquisition was completed on December 31, 2013.

Divestitures

On December 31, 2013, the Company divested certain assets and liabilities of a subsidiary of a public company. The divestiture was accounted for as a divestiture of an intangible asset. The fair value of the intangible asset divested was \$23 million, which was recorded as a divestiture of an intangible asset. The divestiture was completed on December 31, 2013.

The divestiture was accounted for as a divestiture of an intangible asset. The fair value of the intangible asset divested was \$23 million, which was recorded as a divestiture of an intangible asset. The divestiture was completed on December 31, 2013.

Note 15 – Fair Value Measurements

	December 31, 2013			December 31, 2012		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Intangible assets	\$ 77	\$ 77	\$ —	\$ —	\$ —	\$ —
Goodwill	613	613	—	—	—	—
Other intangible assets	238	—	238	13	—	13
Other intangible assets	131	—	131	2	—	2
Other intangible assets	28	—	28	—	—	—
Other intangible assets	23	—	23	—	—	—

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

\$

ITEM 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management has evaluated the effectiveness of the company's disclosure controls and procedures as of the end of the period covered by this report. The company's disclosure controls and procedures are designed to ensure that information required to be disclosed in the company's periodic reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Management believes that the disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the recording, processing, summarizing, and reporting of accounting data in accordance with the company's accounting policies, (2) provide for the prevention and detection of unauthorized acquisition, use, or disposition of the company's assets that could result in a material misstatement of the company's financial statements, and (3) provide for the timely recording of accounting data in accordance with the company's accounting policies.

Management has assessed the effectiveness of the company's internal control over financial reporting as of the end of the period covered by this report. In making this assessment, management used the *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadwell Commission (COSO). Management believes that the internal control over financial reporting was effective as of the end of the period covered by this report.

There were no changes in the company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting during the period covered by this report.

Changes in Internal Control Over Financial Reporting

There were no changes in the company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting during the period covered by this report.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules.

List of financial statements filed as part of this Form 10-K

	<u>Page</u>
Consolidated Balance Sheets as of December 31, 2011 and 2010	1
Consolidated Statements of Operations for the years ended December 31, 2011, 2010, and 2009	2
Consolidated Statements of Comprehensive Income for the years ended December 31, 2011, 2010, and 2009	3
Consolidated Statements of Cash Flows for the years ended December 31, 2011, 2010, and 2009	4
Consolidated Statements of Equity for the years ended December 31, 2011, 2010, and 2009	5
Notes to Consolidated Financial Statements	6
Financial Statement Schedules	10

Handwritten musical notation on ten staves. The notation includes notes, rests, and clefs. The word "tutti" is written in the first staff. The notation is dense and appears to be a score for a musical piece.

122

e f t e f 1 2 t u e f

123

e f t e f 1 2 t u e f

124

e f t e f 1 2 t u e f

125

6

CERTIFICATION OF MARILLYN A. HEWSON PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, the undersigned, certify that I am the Chief Executive Officer of the Company.

I am not aware of any violation of the Sarbanes-Oxley Act of 2002 by the Company.

I am not aware of any false or misleading financial statements or records of the Company.

I am not aware of any other information that makes the financial statements or records of the Company misleading or untrue.

I am not aware of any other information that makes the financial statements or records of the Company misleading or untrue.

CERTIFICATION OF MARILLYN A. HEWSON AND BRUCE L. TANNER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

[Illegible text, likely a certification statement]

Marillyn A. Hewson

[Illegible text]

Bruce L. Tanner

[Illegible text]

[Illegible text]

GENERAL INFORMATION

As of March 31, 2013, there were 33,550 shares of common stock outstanding, of which 320,549,871 shares are held by the company.

TRANSFER AGENT & REGISTRAR

Computershare Trust Company, N.A.
250 West Broadway, Suite 30170
New York, NY 10038
Telephone: 1-877-498-8861
1-800-952-9245
www.computershare.com

DIVIDEND REINVESTMENT PLAN

The Company has a Dividend Reinvestment Plan (DRIP) that allows stockholders to reinvest their dividends in additional shares of common stock. For more information, please contact Computershare at 1-877-498-8861, or visit our website at www.computershare.com.

INDEPENDENT AUDITORS

Ernst & Young
8484 Wilshire Blvd., Suite 2000
Beverly Hills, CA 90212

COMMON STOCK

There are no restrictions on the transfer of the Company's common stock.

2013 FORM 10-K

The Company's 2013 Form 10-K is available on our website at www.computershare.com. In addition, stockholders may obtain a paper copy of any exhibit or a copy of the Form 10-K by writing to:

Computershare Trust Company, N.A.
250 West Broadway, Suite 30170
New York, NY 10038
Telephone: 1-877-498-8861
1-800-952-9245

Computershare Trust Company, N.A.
250 West Broadway, Suite 30170
New York, NY 10038
Telephone: 1-877-498-8861
1-800-952-9245

For more information, please contact Computershare at 1-800-568-9758. A copy of the 2013 Form 10-K is also available on our website at www.computershare.com. For more information, please contact Computershare at 1-877-498-8861.

MARTIN