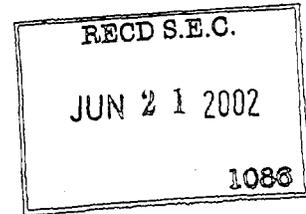




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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



FORM 11-K

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

For the Fiscal Year Ended December 31, 2001 Commission File No. 1-11437

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

LOCKHEED MARTIN CORPORATION
SALARIED SAVINGS PLAN

PROCESSED

JUL 01 2002

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

THOMSON FINANCIAL P

LOCKHEED MARTIN CORPORATION
6801 Rockledge Drive
Bethesda, MD 20817

CRGH

Lockheed Martin Corporation
Salaried Savings Plan (017)

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Audited Financial Statements
and Supplemental Schedule

Year ended December 31, 2001

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Report of Independent Auditors

Plan Administrator
Lockheed Martin Corporation Salaried Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Lockheed Martin Corporation Salaried Savings Plan as of December 31, 2001 and 2000, and the statements of net assets of the Lockheed Martin Corporation Defined Contribution Plans Master Trust as of December 31, 2001 and 2000, and the related statement of changes in net assets available for benefits and the statement of changes in net assets and trust balances for the year ended December 31, 2001, for the Plan and the Master Trust, respectively. These financial statements are the responsibility of the Plan's and the Master Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2001 and 2000, and the changes in its net assets available for benefits for the year ended December 31, 2001, and the net assets of the Master Trust at December 31, 2001 and 2000, and the changes in its net assets and trust balances for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets held (at end of year) as of December 31, 2001 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



June 18, 2002

Lockheed Martin Corporation Salaried Savings Plan (017)

Statement of Net Assets Available for Benefits

December 31, 2001

	Unallocated ESOP Fund	Allocated ESOP Fund	401(h) Trust	Participant- Directed Investments	Total
<i>(In thousands)</i>					
Assets					
Investments:					
Interest in Lockheed Martin Corporation Defined Contribution Plans Master Trust	\$ -	\$1,973,802	\$ -	\$9,560,620	\$11,534,422
Corporate common stock	269,938				269,938
Net assets held in 401(h) account	-	-	248,147	-	248,147
Cash	636	-	-	-	636
Contributions receivable:					
Employees	-	-	-	20,060	20,060
Lockheed Martin Corporation	-	7,142	-	-	7,142
Total assets	270,574	1,980,944	248,147	9,580,680	12,080,345
Liabilities					
Notes payable	131,686	-	-	-	131,686
Interest payable	2,529	-	-	-	2,529
Amounts related to obligation of 401(h) account	-	-	248,147	-	248,147
Total liabilities	134,215	-	248,147	-	382,362
Net assets available for benefits	\$136,359	\$1,980,944	\$ -	\$9,580,680	\$11,697,983

See accompanying Notes to Financial Statements.

Lockheed Martin Corporation Salaried Savings Plan (017)

Statement of Net Assets Available for Benefits

December 31, 2000

	Unallocated ESOP Fund	Allocated ESOP Fund	401(h) Trust	Participant- Directed Investments	Total
<i>(In thousands)</i>					
Assets					
Investments:					
Interest in Lockheed Martin Corporation Defined Contribution Plans Master Trust	\$ -	\$1,344,169	\$ -	\$9,950,962	\$11,295,131
Corporate common stock	274,807	-	-	-	274,807
Net assets held in 401(h) account	-	-	248,066	-	248,066
Contributions receivable:					
Employees	-	-	-	18,062	18,062
Lockheed Martin Corporation	-	6,390	-	-	6,390
Total assets	274,807	1,350,559	248,066	9,969,024	11,842,456
Liabilities					
Notes payable	177,136	-	-	-	177,136
Interest payable	3,342	-	-	-	3,342
Amounts related to obligation of 401(h) account	-	-	248,066	-	248,066
Total liabilities	180,478	-	248,066	-	428,544
Net assets available for benefits	\$ 94,329	\$1,350,559	\$ -	\$9,969,024	\$11,413,912

See accompanying Notes to Financial Statements.

Lockheed Martin Corporation Salaried Savings Plan (017)
Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2001

	Unallocated ESOP Fund	Allocated ESOP Fund	Participant- Directed Investments	Total
	<i>(In thousands)</i>			
Net assets available for benefits at beginning of year	\$ 94,329	\$ 1,350,558	\$ 9,969,025	\$ 11,413,912
Additions to net assets:				
Contributions:				
Employees	-	34,990	490,686	525,676
Lockheed Martin Corporation	55,688	93,891	21	149,600
Total contributions	55,688	128,881	490,707	675,276
Net investment gain (loss) from participation in Lockheed Martin Corporation Defined Contribution Plans Master Trust	-	531,418	(14,378)	517,040
Interest and dividend income	3,817	-	-	3,817
Net realized and unrealized gain (loss)	82,296	-	-	82,296
Allocation of 2,310,495 shares of common stock of Lockheed Martin Corporation, at market	-	87,165	-	87,165
Total additions	141,801	747,464	476,329	1,365,594
Deductions from net assets:				
Distributions and withdrawals	-	99,355	865,281	964,636
Dividends paid	-	17,723	-	17,723
Interest expense	12,606	-	-	12,606
Allocation of 2,310,495 shares of common stock of Lockheed Martin Corporation, at market	87,165	-	-	87,165
Total deductions	99,771	117,078	865,281	1,082,130
Net transfers from other plans	-	-	607	607
Net assets available for benefits at end of year	\$136,359	\$ 1,980,944	\$ 9,580,680	\$ 11,697,983

See accompanying Notes to Financial Statements.

Lockheed Martin Corporation Salaried Savings Plan (017)

Notes to Financial Statements

December 31, 2001

1. Accounting Policies

The financial statements of the Lockheed Martin Corporation Salaried Savings Plan (the Plan) are prepared based on the accrual method of accounting. Benefits are recorded when paid. The assets of the Plan principally are held and invested on a commingled basis in the Lockheed Martin Corporation Defined Contribution Plans Master Trust (the Master Trust) under an agreement between Lockheed Martin Corporation (Lockheed Martin or the Corporation) and State Street Bank and Trust Company (the Trustee). The record-keeper is CitiStreet, LLC.

The Plan's interest in the Master Trust is stated at the fair value of the underlying net assets in the Master Trust. The assets, realized and unrealized gains and losses, and investment income of the Master Trust are allocated among the plans included therein based on the number of participant units outstanding at each month-end during the year, except for participant loans, which are based on actual loan balances of each plan's participants. Direct administrative expenses are paid by the Master Trust and allocated to each of the participating plans on a pro rata basis. Other indirect administrative expenses are paid by the Corporation.

Investments in Lockheed Martin common stock are valued at fair value based on quoted market prices as of the last business day of the Plan's year as reported for New York Stock Exchange Composite Transactions. Investments in cash equivalents are stated at cost, which approximates fair value. The 401(h) account investments are comprised primarily of short-term investments carried at cost, which approximates fair value, and pooled separate accounts, for which the fair values are determined by closing prices on the last business day of the year.

Cash dividends declared on Lockheed Martin common stock allocated to participants' accounts under the Employee Stock Ownership Plan Fund (ESOP Fund) may, at the discretion of the Corporation, (i) be retained in participants' accounts; (ii) be distributed to participants; or (iii) be used to make payments on certain loans incurred by the Trustee in accordance with the terms of the Plan. Effective March 2002, at the discretion of the participant, except to the extent that dividends are used to make payments on certain loans incurred by the Trustee in accordance with the terms of the Plan, dividends may either be reinvested in the participants' accounts or distributed to participants. In order for dividends to be distributed to participants or used to make payments on loans incurred by the Trustee, the Corporation's stock must be held under the ESOP Fund on the record

Lockheed Martin Corporation Salaried Savings Plan (017)

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

date for the dividends. Any distribution of dividends to participants must not occur later than 90 days following the plan year in which the dividends were paid. Any such distribution of cash dividends on Lockheed Martin common stock will be made to the participant to whose account the Corporation's common stock is allocated. If dividends on Lockheed Martin common stock allocated to participants' accounts are applied toward the payment of a loan incurred by the Trustee, the Trustee must allocate additional shares of the Corporation's common stock with a market value equal to the dividends to such participants' accounts.

The Plan also has a separate investment fund, the Lockheed Martin Corporation Common Stock Fund (Lockheed Martin Stock Fund), which invests in the Corporation's common stock. Employees may direct any of their transferable balance into this fund. Dividends on the Lockheed Martin Stock Fund are reinvested. Effective December 19, 2001, at the discretion of the participant, except to the extent that dividends are used to make payments on certain loans incurred by the Trustee in accordance with the terms of the Plan, dividends may either be reinvested in the participants' accounts or distributed to participants. Any distribution of dividends to participants must not occur later than 90 days following the plan year in which the dividends were paid.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions, in particular the determination of fair values of investments for which market values are not readily available. Actual results could differ from those estimates.

2. Description of the Plan

General

The following description of the Plan provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering all salaried employees in groups to which the Plan is extended by the Corporation, including employees employed in the United States and U.S. citizens working abroad.

Effective January 1, 2002, substantially all employees participating in the Lockheed Martin Global Telecommunications Savings Incentive Plan whose employment commenced prior to January 1, 2002 began to participate in the Plan.

Lockheed Martin Corporation Salaried Savings Plan (017)

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

Contributions

Eligible employees may enroll in the Plan on the date of hire. Employees may make before-tax contributions of up to 16% of the employee's base salary or a combination of before-tax and after-tax contributions of up to 17%. Based on the participating units, the Corporation generally contributes an amount equal to 50% of the first 8% of the participant's basic contribution. Some business units do not have any company match. All participants are 100% vested in all employer contributions. Substantially all employer contributions to the Plan consist of the Corporation's common stock invested in the ESOP Fund. Participants may not transfer company-matching contributions out of the ESOP Fund before they reach age 55.

Participants' contributions may be invested in one or more of the available investment funds. Investment elections may be changed on an unlimited basis.

Participant Accounts

Each participant's account is credited with the participant's contribution, the employer's matching contribution and the investment earnings of the individual funds in which the account is invested.

Plan Termination

Although it has not expressed any intent to do so, the Board of Directors of Lockheed Martin has the right to amend, suspend or terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants will receive a payment equal to the total value of their accounts.

ESOP Feature

Assets of the Employee Stock Ownership Plan (ESOP) feature of the Plan are held pursuant to the Trust Agreement effective as of March 27, 1989, between the Corporation and U.S. Trust Company (U.S. Trust), as the Trustee. On April 4, 1989, U.S. Trust purchased 34,599,874 shares of the Corporation's common stock from the Corporation for \$500 million. U.S. Trust borrowed the purchase price for such shares, and will repay the amount borrowed with accrued interest over a period of up to 15 years, during which time the purchased shares will be allocated to the accounts of participants in the Plan

Lockheed Martin Corporation Salaried Savings Plan (017)

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

ESOP Feature (continued)

eligible to participate in the ESOP feature. Until allocated to participants' accounts, the shares will be maintained in the ESOP Fund (Unallocated) as unallocated shares. As of December 31, 2001 and 2000, there were 42,001,187 and 39,264,365 shares, respectively, in the ESOP Fund (Allocated) and 5,783,964 and 8,094,459 shares, respectively, in the ESOP Fund (Unallocated).

Each month, the participant's account under the ESOP feature of the Plan is credited with the number of shares equal to the share value of (i) the total dollar amount of the contribution that the participant has directed to be invested in the ESOP Fund and (ii) the total dollar amount of the employer contribution allocated to such participant's account under the ESOP feature. Cash contributions to the ESOP Fund (Allocated) are used to purchase shares of the Corporation's common stock on the open market.

401(h) Arrangement

The Plan has an arrangement that qualifies under Section 401(h) of the Internal Revenue Code (IRC). The 401(h) arrangement is used by the Corporation to fund in part the Corporation's portion of postretirement medical expenses incurred under various medical plans sponsored by the Corporation for salaried employees who retired on or after January 1, 1993. In accordance with IRC Section 401(h), the Plan's investment in the 401(h) account may not be used for, or diverted to, any purpose other than providing health and welfare benefits for retirees and participants. Plan participants do not contribute to the 401(h) account. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the Corporation.

Lockheed Martin Corporation Salaried Savings Plan (017)

Notes to Financial Statements (continued)

3. Notes Payable

In connection with the ESOP feature, the Plan has the following notes payable:

	December 31	
	2001	2000
	<i>(In thousands)</i>	
8.39% Series A notes payable due 2004 with quarterly installments of principal and interest from 1989 to 2004	\$ 104,327	\$139,946
8.41% Series C notes payable due 2004 with interest only payable quarterly from 1989 to 1999, and quarterly installments thereafter of principal and interest until 2004	27,359	37,190
	<u>\$ 131,686</u>	<u>\$177,136</u>

Notes payable are guaranteed by the Corporation. The Plan stipulates that indebtedness of the Plan may not be repaid with any amounts that have been allocated to the benefit of the participants.

The Corporation contributes to the ESOP Fund (Unallocated) amounts sufficient to pay the quarterly installments of principal and interest due on the notes payable, reduced by the income earned on the unallocated shares of the Corporation's common stock, primarily from dividend income.

The notes payable are due in 2004. The aggregate maturities for the three years following December 31, 2001, are as follows:

2002	\$ 49,050,000
2003	53,926,000
2004	28,710,000
	<u>\$ 131,686,000</u>

Lockheed Martin Corporation Salaried Savings Plan (017)

Notes to Financial Statements (continued)

4. Income Tax Status

The Plan has received a favorable determination letter from the Internal Revenue Service stating that the Plan is qualified under IRC Section 401(a) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Corporation believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

5. Master Trust

The Plan's interest in the Master Trust's net assets as of December 31, 2001 and 2000 was 89.23% and 89.43%, respectively. The audited financial statements of the Master Trust attached to these financial statements contain additional information concerning the Plan's interest in the Master Trust.

6. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31	
	2001	2000
	<i>(In thousands)</i>	
Net assets available for benefits per the financial statements	\$11,697,983	\$11,413,912
Add: net assets held in 401(h) account per Form 5500	248,147	248,066
Net assets available for benefits per the Form 5500	<u>\$11,946,130</u>	<u>\$11,661,978</u>

The net assets of the 401(h) account are reflected as net assets available for benefits on the Form 5500 but can only be used to pay retiree medical benefits.

Lockheed Martin Corporation Salaried Savings Plan (017)

Notes to Financial Statements (continued)

6. Reconciliation to Form 5500 (continued)

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Form 5500:

	Year ended December 31, 2001		
	Amounts per		Amounts
	Financial	401(h)	per
	Statements	Account	Form 5500
	<i>(In thousands)</i>		
Contributions—Lockheed Martin Corporation	\$ 149,600	\$ 14,375	\$ 163,975
Interest and dividend income	3,817	485	4,302
Net realized and unrealized gain (loss)	82,296	(14,778)	67,518

Lockheed Martin Corporation Salaried Savings Plan
Employer Identification Number 52-1893632, Plan Number 017

Schedule H, Line 4i—Schedule of Assets (Held At End of Year)***

December 31, 2001

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
		<i>(In Thousands)</i>	
ESOP Fund (Unallocated):			
Lockheed Martin Corporation common stock*	5,783,964 shares	\$ 83,585	\$ 269,938
401(h) Trust: **			
Morgan Guaranty Trust Fixed Income Mortgage Fund	834,980 units	\$ 12,870	\$ 14,445
Morgan Guaranty Trust Fixed Income Corporate Private Placement Fund	290,562 units	3,179	3,254
Morgan Guaranty EAFE Equity Core Fund	2,740,634 units	34,873	30,969
Morgan Guaranty Trust Disciplined Equity Fund	5,462,056 units	75,948	110,771
Morgan Guaranty Trust Liquidity Fund	27,230,412 units	27,230	27,230
Morgan Guaranty Trust Public Bond Fund	2,796,042 units	38,767	43,898
Morgan Guaranty Trust Strategic Small Company Equity Fund	847,314 units	10,994	15,023
Total 401(h) Trust		\$ 203,861	\$ 245,590

* Party-in-interest

** 401(h) Trust net assets also include a dividend and interest receivable balance of approximately \$57,000 and a contribution receivable of \$2,500,000.

***Schedule excludes assets held in Lockheed Martin Corporation Defined Contribution Plans Master Trust.

Supplemental Schedule

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Statements of Net Assets

	December 31	
	2001	2000
	<i>(In thousands)</i>	
Assets		
Cash	\$ —	\$ 984
Investments at quoted fair value:		
Cash equivalents	545,822	1,088,085
U.S. government securities	—	711,064
Corporate debt securities	304,889	477,322
Common stock—Lockheed Martin Corporation	3,566,788	2,613,082
Common stock—other	—	246,388
Mutual funds	2,631,389	3,122,245
Common/collective trust	1,470,402	1,817,291
Commingled investment fund	2,652,995	1,772,412
Self-managed accounts	92,394	—
Loans secured by residential mortgages	—	1,618
Total investments at quoted fair value	11,264,679	11,849,507
Investments at estimated fair value:		
Common/collective trust—Lockheed Martin		
Short-Term Investment Fund	1,376,360	454,254
Participant loans	257,292	265,519
Total investments at estimated fair value	1,633,652	719,773
Investments at contract value:		
Guaranteed investment contracts	2,218	20,051
Other assets:		
Dividends and interest receivable	10,147	41,824
Due from broker	16,354	—
Total assets	12,927,050	12,632,139
Liabilities		
Administrative expenses payable	644	3,149
Net assets	\$ 12,926,406	\$ 12,628,990

See accompanying Notes to Financial Statements.

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Statement of Changes in Net Assets and Trust Balances

Year ended December 31, 2001
(In thousands)

Net assets at beginning of year	\$ 12,628,990
Additions to net assets:	
Contributions:	
Employees	604,898
Lockheed Martin Corporation	219,860
Total contributions	<u>824,758</u>
Investment income:	
Dividends and interest	241,031
Net realized and unrealized gain	338,315
Total additions	<u>1,404,104</u>
Deductions from net assets:	
Distributions and withdrawals	1,082,695
Administrative expenses	5,135
Distributions of dividends	19,331
Total deductions	<u>1,107,161</u>
Net transfer from other trusts	473
Net assets at end of year	<u><u>\$ 12,926,406</u></u>

See accompanying Notes to Financial Statements.

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Notes to Financial Statements

December 31, 2001

1. Accounting Policies

The financial statements of the Lockheed Martin Corporation Defined Contribution Plans Master Trust (the Master Trust) are prepared based on the accrual method of accounting.

The Master Trust holds the assets of various defined contribution plans of Lockheed Martin Corporation (Lockheed Martin or the Corporation). The trustee of the Master Trust is State Street Bank and Trust Company (the Trustee). The record-keeper is CitiStreet, LLC.

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

Percentage ownership of the Master Trust is as follows:

<u>Name of Plan</u>	<u>Plan Number</u>	<u>Interest in Master Trust as of December 31</u>	
		<u>2001</u>	<u>2000</u>
Lockheed Martin Corporation Salaried Savings Plan EIN #52-1893632	017	89.23%	89.43%
Lockheed Martin Corporation Hourly Employee Savings Plan Plus EIN #52-1893632	018	5.86%	5.89%
Lockheed Martin Corporation Performance Sharing Plan for Bargaining Employees EIN #52-1893632	055	2.54%	2.34%
Lockheed Martin Corporation Operations Support Savings Plan EIN #52-1893632	033	1.24%	1.18%
Lockheed Martin Corporation Basic Benefit Plan for Hourly Employees EIN #52-1893632	021	0.29%	0.33%
Lockheed Martin Corporation Capital Accumulation Plan EIN #52-1893632	019	0.46%	0.46%
Lockheed Martin Corporation Retirement Savings Plan for Salaried Employees EIN #52-1893632	040	0.29%	0.28%
Lockheed Martin Corporation Savings & Investment Plan for Hourly Employees EIN #52-1893632	054	0.03%	0.03%
Lockheed Martin Corporation Capital Accumulation Plan for Hourly Employees EIN #52-1893632	020	0.05%	0.05%
Lockheed Martin Performance Sharing Plan for Puerto Rico Employees EIN #52-1893632	075	0.01%	0.01%
		100.00%	100.00%

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

Plan assets held by the Master Trust are invested in various funds. Fair values of the underlying securities in the S&P 500 Indexed Equity Fund, the Stable Value Fund, the Pyramid Broad Market Bond Index Fund (effective April 1, 2001), the Small/Mid-Cap Indexed Equity Fund (effective April 1, 2001), the Securities Fund (terminated March 31, 2001), the Intermediate U.S. Government Bond Fund (terminated March 31, 2001), the Long-Term Investment Grade Bond Fund (terminated March 31, 2001), the Aggressive Asset Allocation Fund (effective April 1, 2001), the Moderate Asset Allocation Fund (effective April 1, 2001), the Conservative Asset Allocation Fund (effective April 1, 2001), and the Self-Managed Account Option (effective April 2, 2001) are determined by closing prices on the last business day of the year for those securities traded on national exchanges, at the average bid quotations for those securities traded in over-the-counter markets or at fair value as determined by the Trustee for securities for which there is not an established market. Fair values of the Investment Company of America Fund, the New Perspective Fund, the Vanguard Windsor Fund, the American Century Growth Fund, and the Putnam International Growth Fund (effective April 1, 2001) are determined by the closing prices on the last business day of the year. Certain funds also include an investment in the State Street Global Advisors Short-Term Investment Fund, which is stated at cost, which approximates market value. Loans to participants are valued at outstanding balances, which approximate fair market value.

Effective April 2, 2001, the Corporation made available to all Plans, except for the Savings and Investment Plan for Hourly Employees, a Self-Managed Account Option (SMA Option) whereby a participant may elect to invest up to 50% of the participant's transferable account balance in stocks, mutual funds, or bonds at the participant's direction. No investment contribution may be made directly to the SMA Option. A participant's initial spot transfer to the SMA Option must be in the amount of at least \$3,000, and subsequent transfers must be in the amount of at least \$1,000. No distribution, withdrawal, or loan may be made directly from the assets in the SMA Option.

Investments in common stock are valued at fair value based on quoted market prices as of the last business day of the Plan's year as reported for New York Stock Exchange Composite Transactions.

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

Guaranteed investment contracts in the Stable Value Fund are fully benefit responsive, as defined in the American Institute of Certified Public Accountants' Statement of Position 94-4, *Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined Contribution Pension Plans*. A fully benefit responsive investment contract provides a liquidity guarantee, by a financially responsible third party, of principal and previously accrued interest for liquidations, transfers, loans or hardship withdrawals initiated by plan participants exercising their rights to withdraw, borrow or transfer funds under the terms of the plan. Guaranteed investment contracts are unallocated insurance contracts stated at contract value (contributions made under the contract, plus interest at the contract rate, less funds used to pay benefits and administrative expenses), which approximates fair value. Interest on these contracts is compounded and credited daily. Current interest rates are declared on each successive calendar quarter. Current interest rates stay in effect through the end of the following calendar year for contributions received during that calendar quarter. The crediting interest rates for the contracts as of December 31, 2001 and 2000 ranged from 6.72% to 7.19% and 5.90% to 9.81%, respectively. The average yield for 2001 and 2000 was 6.97% and 6.76%, respectively.

Investment transactions are accounted for on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions, in particular the determination of fair values of investments for which market values are not readily available. Actual results could differ from those estimates.

2. Description of Trust

The following description of the Master Trust provides only general information. Plan participants should refer to the Master Trust agreement for a more complete description of the Master Trust's provisions.

Lockheed Martin Corporation
Defined Contribution Plans Master Trust

Notes to Financial Statements (continued)

2. Description of Trust (continued)

Plan assets held by the Master Trust are invested in various funds. Within certain funds, a Short-Term Investment Fund, consisting of U.S. Treasury obligations and commercial paper, is used as a temporary investment to hold contributions from the day the funds are transferred from the Corporation to the Trustee until the day the funds are invested to meet the specific investment objectives of that fund. Occasionally the fund may invest in unleveraged securities, which may be considered derivatives, for liquidity or asset allocation purposes. At December 31, 2001 and 2000, there were no material investments in derivatives. The related earnings from the Short-Term Investment Fund are credited to participants' accounts. Additionally, the Short-Term Investment Fund may hold contributions designated for a longer duration.

Direct administrative expenses are paid by the Master Trust and allocated to the Plans on a pro rata basis. Other indirect administrative expenses are paid by the Corporation.

3. Investments

The net realized and unrealized gain (loss) in fair value of investments is as follows:

	Year ended December 31, 2001 <i>(In thousands)</i>
Investments at quoted fair value:	
U.S. government securities	\$ 8,869
Corporate debt securities	1,690
Common stock—Lockheed Martin Corporation	940,301
Common stock—other	(25,739)
Mutual funds	(444,941)
Common/collective trust	(206,649)
Commingled investment fund	64,761
Loans secured by residential mortgages	23
Net realized and unrealized gain	<u>\$ 338,315</u>

4. Parties-in-Interest Transactions

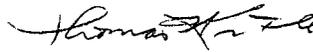
The S&P 500 Indexed Equity Fund and the Small/Mid-Cap Indexed Equity Fund are funds sponsored by the Trustee. Transactions involving these investments are considered to be party-in-interest transactions for which a statutory exemption exists.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Lockheed Martin Corporation, as Plan Administrator, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Lockheed Martin Corporation Salaried
Savings Plan

Date June 21, 2002



Thomas F. Kinstle, Vice President,
Benefit Services

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 33-58097 and Form S-8 No. 333-58069) pertaining to the Lockheed Martin Corporation Salaried Savings Plan of Lockheed Martin Corporation of our report dated June 18, 2002, with respect to the financial statements and schedule of the Lockheed Martin Corporation Salaried Savings Plan and the Lockheed Martin Corporation Defined Contribution Plans Master Trust included in this Annual Report (Form 11-K) for the year ended December 31, 2001.

Ernst & Young LLP

McLean, Virginia
June 18, 2002