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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  
SAVINGS & INVESTMENT PLAN  
FOR HOURLY EMPLOYEES

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

LOCKHEED MARTIN CORPORATION  
6801 Rockledge Drive  
Bethesda, MD 20817

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Lockheed Martin Corporation  
Savings & Investment Plan for Hourly Employees (054)

Lockheed Martin Corporation  
Defined Contribution Plans Master Trust

Audited Financial Statements

Year ended December 31, 2001

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## Report of Independent Auditors

Plan Administrator  
Lockheed Martin Corporation Savings & Investment Plan  
for Hourly Employees

We have audited the accompanying statements of net assets available for benefits of the Lockheed Martin Corporation Savings & Investment Plan for Hourly Employees 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.



June 18, 2002

Lockheed Martin Corporation  
Savings & Investment Plan for Hourly Employees (054)

Statements of Net Assets Available for Benefits

	<b>December 31</b>	
	<b>2001</b>	<b>2000</b>
	<i>(In thousands)</i>	
<b>Assets</b>		
Interest in Lockheed Martin Corporation Defined Contribution Plans Master Trust	<b>\$3,504</b>	\$3,836
Contributions receivable from employees	<b>9</b>	10
Net assets available for benefits	<b><u>\$3,513</u></b>	<b><u>\$3,846</u></b>

*See accompanying Notes to Financial Statements.*

Lockheed Martin Corporation  
Savings & Investment Plan for Hourly Employees (054)

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2001  
*(In thousands)*

Net assets available for benefits at beginning of year	\$ 3,846
Additions to net assets:	
Employee contributions	259
Net investment gain from participation in Lockheed Martin Corporation Defined Contribution Plans Master Trust	319
Total additions	<u>578</u>
Deductions from net assets:	
Distributions and withdrawals	382
Net transfers to other plans	<u>(529)</u>
Net assets available for benefits at end of year	<u><u>\$ 3,513</u></u>

*See accompanying Notes to Financial Statements.*

Lockheed Martin Corporation  
Savings & Investment Plan for Hourly Employees (054)

Notes to Financial Statements

December 31, 2001

**1. Accounting Policies**

The financial statements of the Lockheed Martin Corporation Savings & Investment Plan for Hourly Employees (the Plan) are prepared based on the accrual method of accounting. Benefits are recorded when paid. The assets of the Plan 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.

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 value 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 was established pursuant to labor agreements to provide an opportunity for eligible hourly paid employees of Lockheed Martin to participate in an individual savings and investment program providing tax savings and retirement incentives.

Lockheed Martin Corporation  
Savings & Investment Plan for Hourly Employees (054)

Notes to Financial Statements (continued)

**2. Description of the Plan (continued)**

**General (continued)**

Effective January 1, 2001, employees covered by the plan will no longer include an hourly employee who is represented by International Union, United Automobile, Aerospace and Agriculture Implement Workers of America (UAW) Local 2346.

Effective June 4, 2001, hourly paid employees of Lockheed Martin Space Systems, Astronautics subject to the terms of collective bargaining agreement of International Union, Security, Police, Fire Professionals of America (SPFPA) Local No. 265 were no longer covered by the Plan. The assets related to these participants of approximately \$394,000 were transferred to another Lockheed Martin-sponsored plan where these employees now participate.

Hourly employees covered by the Plan at December 31, 2001 include: hourly employees represented by the UAW and its Local No. 1821 and hourly employees represented by Local No. 602. Other hourly employees of Lockheed Martin and its subsidiaries may be extended Plan coverage through labor negotiations or at the discretion of Lockheed Martin. A covered employee is eligible to enroll in the Plan after 12 months of service.

**Contributions**

Employee participation requires employee before-tax contributions of 1% to 10%. Participants' contributions may be invested in three of the investment funds available in the Master Trust. Investment elections may be changed up to two times per year for prior and future contributions.

**Participants Accounts**

Each participant's account is credited with the participant's contributions and the investment earnings of the individual funds in which the account is invested.

Lockheed Martin Corporation  
Savings & Investment Plan for Hourly Employees (054)

Notes to Financial Statements (continued)

**2. Description of the Plan (continued)**

**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 terms of collective bargaining agreements. In the event of Plan termination, participants will receive a payment equal to the total value of their accounts.

**3. Income Tax Status**

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

**4. Master Trust**

The Plan's interest in the Master Trust's net assets as of December 31, 2001 and 2000 was less than 1%. 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.

Lockheed Martin Corporation  
Defined Contribution Plans Master Trust

Statements of Net Assets

	<b>December 31</b>	
	<b>2001</b>	<b>2000</b>
	<i>(In thousands)</i>	
<b>Assets</b>		
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
<b>Liabilities</b>		
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:

	<b>Year ended</b> <b>December 31, 2001</b> <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	\$ 338,315

**4. Parties-in-Interest Transactions**

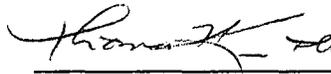
The S&P 500 Indexed Equity Fund and the Small/Mid-Cap Indexed Equity Fund are funds sponsored by the Trustee. Transactions involving these investments are considered to be party-in-interest transactions for which a statutory exemption exists.

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  
Savings & Investment Plan  
for Hourly Employees

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 Statement (Form S-8 No. 33-58085) pertaining to the Lockheed Martin Corporation Savings & Investment Plan for Hourly Employees of Lockheed Martin Corporation of our report dated June 18, 2002, with respect to the financial statements of the Lockheed Martin Corporation Savings & Investment Plan for Hourly Employees 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