

Form **5500**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan
This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6059(a) of the Internal Revenue Code (the Code).

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

Official Use Only
OMB Nos. 1210 - 0110
1210 - 0089

2008

This Form is Open to Public Inspection.

Part I Annual Report Identification Information

For the calendar plan year 2008 or fiscal plan year beginning _____ and ending _____

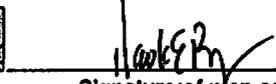
- A** This return/report is for: (1) a multiemployer plan; (3) a multiple-employer plan; or
 (2) a single-employer plan (other than a multiple-employer plan); (4) a DFE (specify) _____
- B** This return/report is: (1) the first return/report filed for the plan; (3) the final return/report filed for the plan;
 (2) an amended return/report; (4) a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here
- D** If filing under an extension of time or the DFVC program, check box and attach required information. (see instructions)

Part II Basic Plan Information — enter all requested information.

1a Name of plan SANDIA CORPORATION PENSION SECURITY PLAN	1b Three-digit plan number (PN) ▶	005
	1c Effective date of plan (mo., day, yr.)	01/01/1982
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) SANDIA CORPORATION P.O. BOX 5800, MAIL STOP 1382 ALBUQUERQUE NM 87185-1382	2b Employer Identification Number (EIN)	85-0097942
	2c Sponsor's telephone number	505-845-8350
	2d Business code (see instructions)	541700
	[REDACTED]	

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

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

 **10/13/09** **MARK E. BIGGS**
 Signature of plan administrator Date Type or print name of individual signing as plan administrator

 **OCT 15 2009** **MATTHEW J. O'BRIEN, CFO**
 Signature of employer/plan sponsor/DFE Date Type or print name of individual signing as employer, plan sponsor or DFE

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

3b Administrator's EIN

3c Administrator's telephone number

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

b EIN

c PN

a Sponsor's name

5 Preparer information (optional) a Name (including firm name, if applicable) and address

b EIN

c Telephone number

6 Total number of participants at the beginning of the plan year 6 2531

7 Number of participants as of the end of the plan year (welfare plans complete only lines 7a, 7b, 7c, and 7d)

a Active participants 7a 928

b Retired or separated participants receiving benefits 7b 961

c Other retired or separated participants entitled to future benefits 7c 290

d Subtotal. Add lines 7a, 7b, and 7c 7d 2179

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits 7e 240

f Total. Add lines 7d and 7e 7f 2419

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) 7g

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested 7h 22

i If any participant(s) separated from service with a deferred vested benefit, enter the number of separated participants required to be reported on a Schedule SSA (Form 5500) 7i 22

8 Benefits provided under the plan (complete 8a and 8b, as applicable)

a [X] Pension benefits (check this box if the plan provides pension benefits and enter the applicable pension feature codes from the List of Plan Characteristics Codes printed in the instructions): 1A 1G 3F 3H

b [] Welfare benefits (check this box if the plan provides welfare benefits and enter the applicable welfare feature codes from the List of Plan Characteristics Codes printed in the instructions):

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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



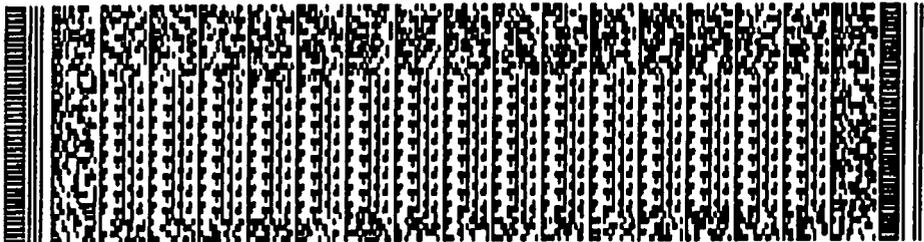
10 Schedules attached (Check all applicable boxes and, where indicated, enter the number attached. See instructions.)

a Pension Benefit Schedules

- (1) R (Retirement Plan Information)
- (2) B (Actuarial Information)
- (3) E (ESOP Annual Information)
- (4) SSA (Separated Vested Participant Information)

b Financial Schedules

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



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**SCHEDULE A
(Form 5500)**

Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Insurance Information

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

▶ File as an attachment to Form 5500.

▶ Insurance companies are required to provide this information pursuant to ERISA section 103(a)(2).

Official Use Only

OMB No. 1210-0110

2008

This Form is Open to Public Inspection.

For calendar plan year 2008 or fiscal plan year beginning _____ and ending _____

A Name of plan SANDIA CORPORATION PENSION SECURITY PLAN	B Three-digit plan number ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number 85-0097942

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions
Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage:

(a) Name of insurance carrier

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
22-1211670	68241	GA-008779	2419	01/01/2008	12/31/2008

2 Insurance fees and commissions paid to agents, brokers and other persons. Enter the total fees and total commissions below and list agents, brokers and other persons individually in descending order of the amount paid in the items on the following page(s) in Part I.

Totals	
Total amount of commissions paid	Total fees paid / amount
0	0

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(a) Name and address of the agents, brokers or other persons to whom commissions or fees were paid

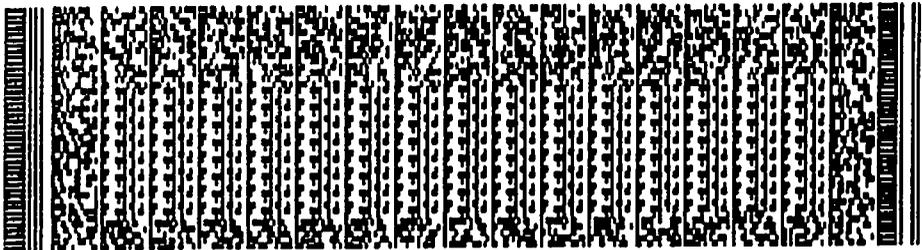
(b) Amount of commissions paid	Fees paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agents, brokers or other persons to whom commissions or fees were paid

(b) Amount of commissions paid	Fees paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agents, brokers or other persons to whom commissions or fees were paid

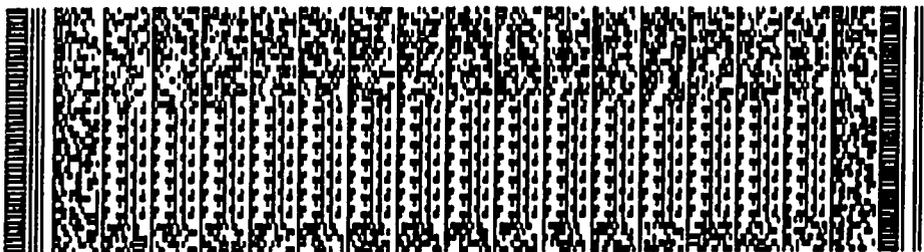
(b) Amount of commissions paid	Fees paid		(e) Organization code
	(c) Amount	(d) Purpose	



Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

3 Current value of plan's interest under this contract in the general account at year end		18425069
4 Current value of plan's interest under this contract in separate accounts at year end		4050467
5 Contracts With Allocated Funds		
a State the basis of premium rates ▶		
b	Premiums paid to carrier	
c	Premiums due but unpaid at the end of the year	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	
Specify nature of costs ▶		
e	Type of contract (1) <input type="checkbox"/> individual policies (2) <input type="checkbox"/> group deferred annuity	
	(3) <input type="checkbox"/> other (specify) ▶	
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here	<input type="checkbox"/>
6 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)		
a	Type of contract (1) <input type="checkbox"/> deposit administration (2) <input checked="" type="checkbox"/> immediate participation guarantee	
	(3) <input type="checkbox"/> guaranteed investment (4) <input type="checkbox"/> other (specify below)	
b	Balance at the end of the previous year	18171045
c Additions: (1) Contributions deposited during the year		
	(2) Dividends and credits	
	(3) Interest credited during the year	1261570
	(4) Transferred from separate account	
	(5) Other (specify below)	
	▶	
(6)	Total additions	1261570
d	Total of balance and additions (add b and c(6))	19432615
e Deductions:		
(1)	Disbursed from fund to pay benefits or purchase annuities during year	948694
(2)	Administration charge made by carrier	58851
(3)	Transferred to separate account	
(4)	Other (specify below)	
	▶	
(5)	Total deductions	1007545
f	Balance at the end of the current year (subtract e(5) from d)	18425070



0 6 0 8 6 0 0 3 0 N

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes on this report.

7 Benefit and contract type (check all applicable boxes)

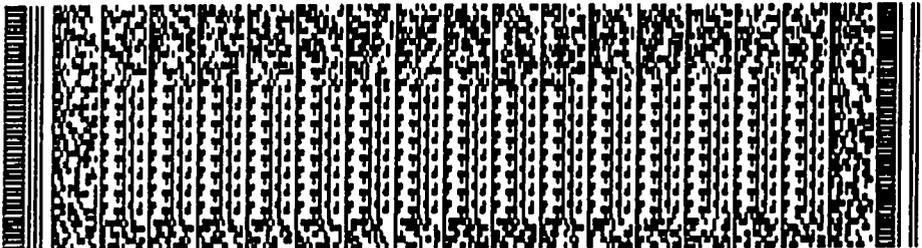
- a Health (other than dental or vision) b Dental c Vision d Life Insurance
e Temporary disability (accident and sickness) f Long-term disability g Supplemental unemployment h Prescription drug
i Stop loss (large deductible) j HMO contract k PPO contract l Indemnity contract
m Other (specify)

8 Experience-rated contracts

Table with 2 columns: Description (a Premiums, b Benefit charges, c Remainder of premium, d Status of policyholder reserves, e Dividends or retroactive rate refunds due) and Amount. Includes sub-items like (1) Amount received, (2) Increase (decrease) in amount due but unpaid, etc.

9 Nonexperience-rated contracts:

- a Total premiums or subscription charges paid to carrier
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount
Specify nature of costs



0 6 0 8 6 0 0 4 0 0
[Barcode]

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

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

▶ Attach to Form 5500 or 5500-EZ if applicable. (See instructions.)

Official Use Only

OMB No. 1210-0110

2008

**This Form is Open to
Public Inspection.**

For calendar plan year 2008 or fiscal plan year beginning _____ and ending _____

▶ Round off amounts to nearest dollar.

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

A Name of plan SANDIA CORPORATION PENSION SECURITY PLAN				B Three-digit plan number (PN) ▶ 005	
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ SANDIA CORPORATION				D Employer Identification Number (EIN) 85-0097942	
E Type of plan:	<input checked="" type="checkbox"/> Single	<input type="checkbox"/> Multiple-A	<input type="checkbox"/> Multiple-B	F Prior year plan size:	<input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2008

2 Assets:				
a Market value		2a		324660476
b Actuarial value		2b		324660476
3 Funding target/participant count breakdown			(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	1211		102726076
b For terminated vested participants	3b	283		6992902
c For active participants:				
(1) Non-vested benefits	3c(1)			10231310
(2) Vested benefits	3c(2)			48051516
(3) Total active	3c(3)	1054		58282826
d Total	3d	2546		168901804
4 If the plan is in at-risk status, check the box and complete lines 4a and 4b <input type="checkbox"/>				
a Funding target disregarding prescribed at-risk assumptions			4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor			4b	
5 Effective interest rate			5	6.20 %
6 Target normal cost			6	3359208

Statement by Enrolled Actuary

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

SIGN HERE Heather E. Redabaugh
Signature of actuary
HEATHER E. REDABAUGH
Type or print name of actuary
TOWERS PERRIN
Firm name
555 17TH STREET, SUITE 2050
DENVER CO 80202-3950
Address of the firm

7/15/2008
Date
08-06963
Most recent enrollment number
303-628-4000
Telephone number (including area code)

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

Part II Beginning of year carryover and prefunding balances (See instructions.)

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	N/A	N/A
8	Portion used to offset prior year's funding requirement (line 35 from prior year)	N/A	N/A
9	Amount remaining (line 7 minus line 8)	N/A	N/A
10	Interest on line 9 using prior year's actual return of <u>N/A</u> %	N/A	N/A
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (line 38 from prior year)		N/A
b	Interest on line 11a using prior year's effective rate of <u>N/A</u> %		N/A
c	Total available at beginning of current plan year to add to prefunding balance		N/A
d	Portion of line 11c to be added to prefunding balance		N/A
12	Reduction in balances due to elections or deemed elections		N/A
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	N/A

Part III Funding percentages

14	Funding target attainment percentage	14	193.25 %
15	Adjusted funding target attainment percentage	15	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to offset current year's funding requirement	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)

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

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

20 Quarterly contributions and liquidity shortfall(s):

a	Did the plan have a "funding shortfall" for the prior year?	Yes	No
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	Yes	No
c	If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:	1st segment:	2nd segment:	3rd segment:	<input type="checkbox"/> N/A, full yield curve used
a Segment rates:	%	%	%	
b Applicable month (enter code)				21b
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions)	Prescribed -- combined	Prescribed -- separate	Substitute	

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes	<input type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes	<input type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes	<input type="checkbox"/> No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachments	27	3

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (line 31 + line 32a + line 32b - line 33)	34	0
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year, adjusted to valuation date (line 19c)	37	
38 Interest-adjusted excess contributions for current year (see instructions)	38	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

**SCHEDULE B
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, except when attached to Form 5500-EZ and, in all cases, under section 6059(a) of the Internal Revenue Code, referred to as the Code.

▶ Attach to Form 5500 or 5500-EZ if applicable.

▶ See separate instructions.

Official Use Only

OMB No. 1210-0110

2007

This Form is Open to Public Inspection (except when attached to Form 5500-EZ).

For calendar plan year 2007 or fiscal plan year beginning _____ and ending _____

▶ Round off amounts to nearest dollar.

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

A Name of plan SANDIA CORPORATION PENSION SECURITY PLAN		B Three-digit plan number . . . ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ SANDIA CORPORATION		D Employer Identification Number 85-0097942	
E Type of plan: (1) <input type="checkbox"/> Multiemployer	(2) <input checked="" type="checkbox"/> Single-employer	(3) <input type="checkbox"/> Multiple-employer	F 100 or fewer participants in prior plan year <input type="checkbox"/>

Part I Basic Information (To be completed by all plans)

1a Enter the actuarial valuation date: Month 01 Day 01 Year 2008

b Assets:

(1) Current value of assets	b(1)	324660476
(2) Actuarial value of assets for funding standard account	b(2)	318154468
c (1) Accrued liability for plans using immediate gain methods	c(1)	148215863
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases	c(2)(a)	
(b) Accrued liability under entry age normal method	c(2)(b)	
(c) Normal cost under entry age normal method	c(2)(c)	

Statement by Enrolled Actuary (see instructions before signing):

To the best of my knowledge, the information supplied in this schedule and on the accompanying schedules, statements, and attachments, if any, is complete and accurate, and in my opinion each assumption, used in combination, represents my best estimate of anticipated experience under the plan. Furthermore, in the case of a plan other than a multi-employer plan, each assumption used (a) is reasonable (taking into account the experience of the plan and reasonable expectations) or (b) would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable; in the case of a multi-employer plan, the assumptions used, in the aggregate, are reasonable (taking into account the experience of the plan and reasonable expectations).

SIGN HERE Heather Redabaugh
Signature of actuary

HEATHER REDABAUGH
Type or print name of actuary

TOWERS PERRIN
Firm name

555 14TH STREET, SUITE 2050
DENVER CO 80202
Address of the firm

7/15/2009
Date

G 05-06963
Most recent enrollment number

303-628-4000
Telephone number (including area code)

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-EZ. v10.1 Schedule B (Form 5500) 2007



1d Information on current liabilities of the plan:

(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	d(1)	0
(2) "RPA '94" information:		
(a) Current liability	d(2)(a)	164525646
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	3384373
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	164525646
(d) Expected release from "RPA '94" current liability for the plan year	d(2)(d)	
(3) Expected plan disbursements for the plan year	d(3)	11714775

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions)	2a	324660476
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b "RPA '94" current liability:

	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	1211	99705659	99705659
(2) For terminated vested participants	283	7005659	7005659
(3) For active participants	1054	47665148	57814191
(4) Total	2548	154376466	164525509

c If the percentage resulting from dividing line 2a by line 2b(4), column (3), is less than 70%, enter such percentage.	2c	%
--	-----------	---

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

(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees
3 Totals ▶			(b)	0	(c) 0

4 Quarterly contributions and liquidity shortfall(s):

a Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions).	4a	172.6 %
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b If line 4a is less than 100%, see instructions, and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th



- 5 Actuarial cost method used as the basis for this plan year's funding standard account computation:**
- a** Attained age normal **b** Entry age normal **c** Accrued benefit (unit credit)
- d** Aggregate **e** Frozen initial liability **f** Individual level premium
- g** Individual aggregate **h** Other (specify) ▶ _____
- i** Has a change been made in funding method for this plan year? Yes No
- j** If line i is "Yes," was the change made pursuant to Revenue Procedure 2000-40? Yes No
- k** If line i is "Yes," and line j is "No" enter the date of the ruling letter (individual or class) approving the change in funding method Month Day Year

6 Checklist of certain actuarial assumptions:

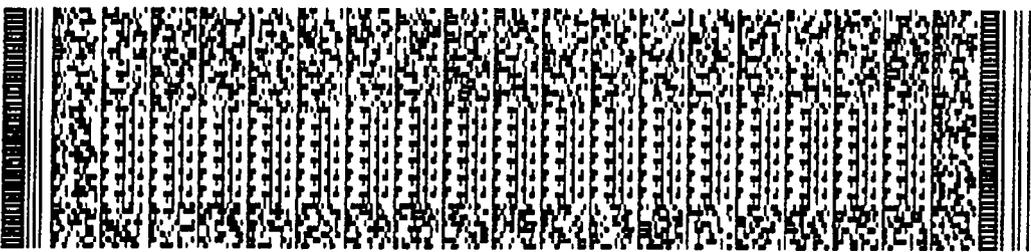
a Interest rate for "RPA '94" current liability	6a	6.43	%	<input type="checkbox"/> N/A				
b Weighted average retirement age	6b	60		<input type="checkbox"/> N/A				
c Rates specified in insurance or annuity contracts . . . <input type="checkbox"/> N/A	6c Pre-retirement		Post-retirement					
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No				
d Mortality table code for valuation purposes:								
	(1) Males	d(1) A	A					
(2) Females	d(2) A	A						
e Valuation liability interest rate <input type="checkbox"/> N/A	6e	8.50	%	8.50	%	<input type="checkbox"/> N/A		
f Expense loading <input type="checkbox"/> N/A	6f	0.0	%	0.0	%	<input type="checkbox"/> N/A		
g Annual withdrawal rates:								
	(1) Age 25	g(1)	C	5.95	%	C	5.95	%
	(2) Age 40	g(2)	C	3.15	%	C	3.15	%
	(3) Age 55	g(3)	C	2.50	%	C	2.50	%
h Salary scale <input checked="" type="checkbox"/> N/A	6h		%		%	<input checked="" type="checkbox"/> N/A		
i Estimated investment return on actuarial value of assets for year ending on the valuation date	6i			12.6	%			
j Estimated investment return on current value of assets for year ending on the valuation date . .	6j			6.9	%			

7 New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

8 Miscellaneous information:

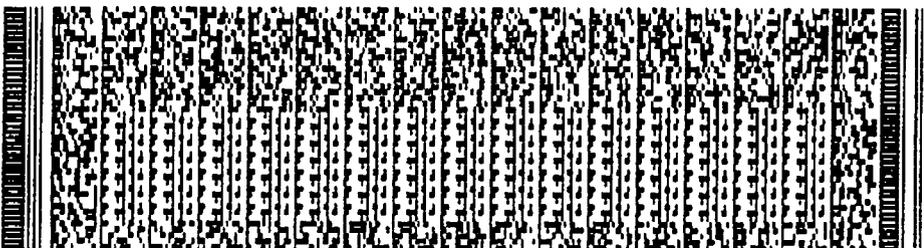
a If a waiver of a funding deficiency or an extension of an amortization period has been approved for this plan year, enter the date of the ruling letter granting the approval Month Day Year



- 8b** If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions _____
- c** Is the plan required to provide a Schedule of Active Participant Data? (see instructions) If "Yes," attach schedule Yes No

9 Funding standard account statement for this plan year:			
Charges to funding standard account:			
a	Prior year funding deficiency, if any	9a	0
b	Employer's normal cost for plan year as of valuation date	9b	1657422
c Amortization charges as of valuation date:		Outstanding Balance	
(1)	All bases except funding waivers	▶ (\$ 0)	c(1) 0
(2)	Funding waivers	▶ (\$ 0)	c(2) 0
d	Interest as applicable on lines 9a, 9b, and 9c	9d	140881
e	Additional interest charge due to late quarterly contributions, if applicable	9e	
f	Adjusted additional funding charge from Part II, line 12q, if applicable <input type="checkbox"/> N/A	9f	0
g	Total charges. Add lines 9a through 9f	9g	1798303
Credits to funding standard account:			
h	Prior year credit balance, if any	9h	35098106
i	Employer contributions Total from column (b) of line 3	9i	0
j Amortization credits as of valuation date		Outstanding Balance	
	▶ (\$ 0)	9j	0
k	Interest as applicable to end of plan year on lines 9h, 9i, and 9j	9k	2983339
l Full funding limitation (FFL) and credits			
(1)	ERISA FFL (accrued liability FFL)	l(1)	0
(2)	"RPA '94" override (90% current liability FFL)	l(2)	0
(3)	FFL credit	l(3)	1798303
m	(1) Waived funding deficiency	m(1)	0
	(2) Other credits	m(2)	0
n	Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2)	9n	38081445
o	Credit balance: If line 9n is greater than line 9g, enter the difference	9o	38081445
p	Funding deficiency: If line 9g is greater than line 9n, enter the difference	9p	0
Reconciliation account:			
q Current year's accumulated reconciliation account:			
(1)	Due to additional funding charges as of the beginning of the plan year	q(1)	0
(2)	Due to additional interest charges as of the beginning of the plan year	q(2)	0
(3) Due to waived funding deficiencies:			
(a)	Reconciliation outstanding balance as of valuation date	q(3)(a)	0
(b)	Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a)	q(3)(b)	0
(4)	Total as of valuation date	▶ q(4)	0
10	Contribution necessary to avoid an accumulated funding deficiency. Enter the amount in line 9p or the amount required under the alternative funding standard account if applicable	10	0

- 11** Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions Yes No



Part II Additional Information for Certain Plans Other Than Multiemployer Plans

Please see **Who Must File** in the Schedule B instructions to determine if you must complete Part II.

12 Additional required funding charge (see instructions):

a Enter "Gateway %." Divide line 1b(2) by line 1d(2)(c) and multiply by 100.

If line 12a is at least 90%, go to line 12q and enter -0-.

If line 12a is less than 80%, go to line 12b.

If line 12a is at least 80% (but less than 90%), see instructions and, if applicable, go to line 12q and enter -0-. Otherwise, go to line 12b.

b "RPA '94" current liability. Enter line 1d(2)(a).

c Adjusted value of assets (see instructions).

d Funded current liability percentage. Divide line 12c by 12b and multiply by 100.

e Unfunded current liability. Subtract line 12c from line 12b.

f Liability attributable to any unpredictable contingent event benefit.

g Outstanding balance of unfunded old liability.

h Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative.

i Unfunded new liability amount (_____ % of line 12h).

j Unfunded old liability amount.

k Deficit reduction contribution. Add lines 12i, 12j, and 1d(2)(b).

l Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero.

m Unpredictable contingent event amount:

(1) Benefits paid during year attributable to unpredictable contingent event ... **m(1)**

(2) Unfunded current liability percentage. Subtract the percentage on line 12d from 100% ... **m(2)** %

(3) Enter the product of lines 12m(1) and 12m(2) ... **m(3)**

(4) Amortization of all unpredictable contingent event liabilities ... **m(4)**

(5) "RPA '94" additional amount (see instructions) ... **m(5)**

(6) Enter the greatest of lines 12m(3), 12m(4), or 12m(5) ... **m(6)**

n Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest.

o Contributions needed to increase current liability percentage to 100% (see instructions).

p Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o.

q Adjusted additional funding charge. (_____ .0 % of line 12p).

12a	193.4	%
12b		
12c		
12d		%
12e		
12f		
12g		
12h		
12i		
12j		
12k		
12l		
m(1)		
m(2)		%
m(3)		
m(4)		
m(5)		
m(6)		
12n		
12o		
12p		
12q		0



Actuarial Assumptions and Methods

Contributions

Economic Assumptions

Discount rate

- ▶ Fixed dollar annuity 8.50%
- ▶ Variable annuity 3.50%

Current liability interest rate:

- ▶ Highest allowable 6.43%
- ▶ Selected 6.43%

Maximum deductible funding interest rate basis

- ▶ Applicable month January 2008
- ▶ Yield curve basis Full yield curve
- ▶ Transition from current liability rates No
- ▶ Effective interest rate 6.20%

Demographic and Other Assumptions

Mortality for contributions: RP2000 Generational Mortality Table. Male ages are set back 4 years and female ages are set forward 2 years.

Mortality for current liability:

- ▶ Healthy Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2022 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2014 using Scale AA).

- ▶ Disabled 1983 Group Annuity Mortality Table.

Termination Rates varying by age.

Representative rates:

<i>Age</i>	<i>Rate</i>
25	5.95%
35	3.85%

**2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Pension Security Plan
EIN: 85-0097942 PN: 005**

Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods

45 2.90%
55 2.50%

An additional turnover of 50% is assumed to occur prospectively in the third year of employment for Limited Term Employees and Post-Docs.

Disability 0.3% of employees with 15 years of service but not yet eligible for normal retirement qualify for disability retirement.

Retirement Rates varying by age.

Representative rates:

<i>Age</i>	<i>Rate</i>
55	10%
62	30%
65	55%
70	100%

Terminated vested participants are assumed to retire at Normal Retirement Age.

Benefit Commencement Date:

- ▶ Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 55.
- ▶ Deferred vested benefit The later of age 65 or termination of employment.
- ▶ Retirement benefit Upon termination of employment.

Form of payment:

- ▶ Married:
 - Male 35% of participants elect a life annuity and 65% elect a 50% joint and survivor annuity.
 - Female 85% of participants elect a life annuity and 15% elect a 50% joint and survivor annuity.
- ▶ Single: All participants elect a life annuity.

Percent married 90% of males; 75% of females

Spouse age Wife three years younger than husband.

Administrative expense Return on asset assumption is net of any expenses paid by the trust.

2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Pension Security Plan
EIN: 85-0097942 PN: 005
Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods

Methods

Valuation date	First day of plan year.
Normal cost and actuarial accrued liability	Entry age normal.
Actuarial value of assets	<p>The actuarial value of assets equals the market value of plan assets with gains and losses (deviations from the expected return on the market value of assets), subtracted/added at the rate described below:</p> <ul style="list-style-type: none">▶ 80% of prior year's gain/loss▶ 60% of second prior year's gain/loss▶ 40% of third prior year's gain/loss▶ 20% of fourth prior year's gain/loss <p>The actuarial value of assets must be within 20% of market value, including contributions receivable.</p>

Benefits Not Valued All benefits described in the summary of plan provisions were valued.

Change in Assumptions and Methods Since Prior Valuation

The selected current liability interest rate was changed from 5.78% to 6.43%. These rates are within the permissible ranges for these calculations.

The required mortality table used to calculate current liability was updated to include an additional year of projected mortality improvements.

Data Sources

Towers Perrin used asset data supplied by the trustee, and Sandia National Laboratories furnished participant data. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Perrin actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Pension Security Plan
EIN: 85-0097942 PN: 005
Schedule B, Line 6 – Summary of Plan Provisions

Plan Provisions

The most recent amendment reflected in the following plan provisions was adopted on June 2, 2006 and was retroactively effective December 31, 2005.

Covered Employees Regular and Limited Term employees in a bargaining unit.

Participation Date Age 21 with one year of service.

Definitions

Service Elapsed time prorated for part-time employees in proportion to a normal full-time employee's hours worked in the same job title.

Normal retirement date (NRD) Age 65 with five years of pension service.

Pension band multiplier Monthly dollar amount determined by pension band number.

Monthly pension benefit Basic monthly pension: (a) pension band multiplier, times (b) service
plus
Supplemental monthly pension: (a) 0.001, times (b) average annual amount of supplemental salary payments made during participants final 36 months of employment

Supplemental salary payments Differentials, wage incentives, and other special payments including but not limited to shift and weekend premiums, extra payments for temporary promotions, and temporary assignment allowances

2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Pension Security Plan
EIN: 85-0097942 PN: 005
Schedule B, Line 6 – Summary of Plan Provisions

Pension band multipliers

<i>Pension Band Number</i>	<i>Pension Band Amount*</i>
101	37.31
103	40.49
105	43.60
106	45.22
107	46.82
108	48.37
109	49.98
110	51.52
112	54.66
113	56.27
114	60.97
116	60.97
119	69.71
122	70.43

* Effective December 31, 2005 for SPA and January 1, 2005 for MIC & OPE.

**2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
 Sandia Corporation Pension Security Plan
 EIN: 85-0097942 PN: 005
 Schedule B, Line 6 – Summary of Plan Provisions**

Eligibility for Benefits

Normal retirement	Retirement on NRD.																		
Early retirement	Eligibility and early retirement reductions are as follows:																		
	<table border="0"> <thead> <tr> <th style="text-align: center;"><i>Age</i></th> <th style="text-align: center;"><i>Service</i></th> <th style="text-align: center;"><i>Reduction</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">65</td> <td style="text-align: center;">10</td> <td style="text-align: center;">None</td> </tr> <tr> <td style="text-align: center;">60</td> <td style="text-align: center;">15</td> <td style="text-align: center;">None</td> </tr> <tr> <td style="text-align: center;">55</td> <td style="text-align: center;">20</td> <td style="text-align: center;">None</td> </tr> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">25</td> <td style="text-align: center;">0.50% per month prior to age 55</td> </tr> <tr> <td style="text-align: center;">–</td> <td style="text-align: center;">30</td> <td style="text-align: center;">None</td> </tr> </tbody> </table>	<i>Age</i>	<i>Service</i>	<i>Reduction</i>	65	10	None	60	15	None	55	20	None	50	25	0.50% per month prior to age 55	–	30	None
<i>Age</i>	<i>Service</i>	<i>Reduction</i>																	
65	10	None																	
60	15	None																	
55	20	None																	
50	25	0.50% per month prior to age 55																	
–	30	None																	
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service.																		
Disability	Permanent and total disability with 15 years of service.																		

Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced in accordance with the schedule shown under "monthly pension benefit" section.
Disability retirement	Monthly pension benefit determined upon disability, without early retirement reductions. Payable for the duration of disability.
Vested termination	Monthly pension benefit determined as of termination date, payable upon the participant's NRD.
Monthly pre-retirement death benefit	<p>Participants with 15 or more years of service or pension eligible: 90% of accrued benefit commencing upon participant's death. The benefit is not reduced for early retirement.</p> <p>Participants with less than 15 years of service or not yet pension eligible: 86% of accrued benefit commencing upon participant's 65th birthday.</p>
Monthly post-retirement death benefit	If the spouse predeceases the retired participant, the Qualified Joint and Survivor optional form reduction factor will be discontinued.

2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Pension Security Plan
EIN: 85-0097942 PN: 005
Schedule B, Line 6 – Summary of Plan Provisions

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been no changes to the benefits valued since the prior valuation.

**2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Pension Security Plan
EIN: 85-0097942 PN: 005
Schedule B, Line 6b – Description of Weighted Average Retirement Age**

Methodology Used to Compute the Weighted Average Retirement Age

The expected retirement age was calculated for all active participants age 70 and younger. It is weighted in proportion to the probability that the individual will remain an active participant to each age and then retire at that age. The plans weighted average retirement age of 60 (rounded to the nearest age) is the arithmetic average of the expected retirement ages of all such participants on January 1, 2008.

2008 Schedule SB, line 27 - Actuarial Information Based on Pre-PPA Funding Rules

Sandia Corporation Pension Security Plan

EIN: 85-0097942 PN: 005

Schedule B, Line 8c - Schedule of Active Participant Data

Age Last Birthday		Completed Years of Service									
		Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	Over 39
Under 25	Number	9	30	3	-	-	-	-	-	-	-
25-29	Number	5	44	33	-	-	-	-	-	-	-
30-34	Number	5	49	27	2	-	-	-	-	-	-
35-39	Number	3	45	37	7	1	-	-	-	-	-
40-44	Number	4	56	40	3	19	-	-	-	-	-
45-49	Number	5	67	40	9	24	25	21	-	-	-
50-54	Number	1	44	21	8	19	30	29	23	1	-
55-59	Number	1	28	39	13	16	16	30	12	7	-
60-64	Number	-	8	19	6	12	8	18	6	-	-
65-69	Number	-	2	2	6	4	3	2	2	1	-
Over 70	Number	-	-	-	2	-	-	-	1	-	1

**2008 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Pension Security Plan
EIN: 85-0097942 PN: 005
Schedule B, Line 11 – Justification of Change in Actuarial Assumptions**

The following actuarial assumptions were changed for the 2008 plan year:

Current Liability Interest Rate

The current liability interest rate changed from 5.78% to 6.43%.
This change was made so that the plan's assumptions continue to comply with the
IRS Code Section 412.

Mortality Rate

The required mortality table used to calculate current liability was updated to
include one additional year of projected mortality improvements.

Assumed Form of Payment

Assumed form of payment elections were revised to reflect anticipated experience.

**SCHEDULE C
(Form 5500)**

Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Service Provider Information

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

► File as an attachment to Form 5500.

Official Use Only

OMB No. 1210-0110

2008

This Form Is Open to Public Inspection.

For calendar plan year 2008 or fiscal plan year beginning		and ending	
A Name of plan SANDIA CORPORATION PENSION SECURITY PLAN		B Three-digit plan number	005
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION		D Employer Identification Number 85-0097942	

Part 4 Service Provider Information (see instructions)

- Enter the total dollar amount of compensation paid by the plan to all persons, other than those listed below, who received compensation during the plan year: 1 0
- On the first item below list the contract administrator, if any, as defined in the instructions. On the other items, list service providers in descending order of the compensation they received for the services rendered during the plan year. List only the top 40. 103-12 IEs should enter N/A in (c) and (d).

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
PRUDENTIAL FINANCIAL	22-1211670	Contract administrator	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		118609	12

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
JACOBS LEVY EQUITY MANAGEMENT	22-2774695	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		122612	21

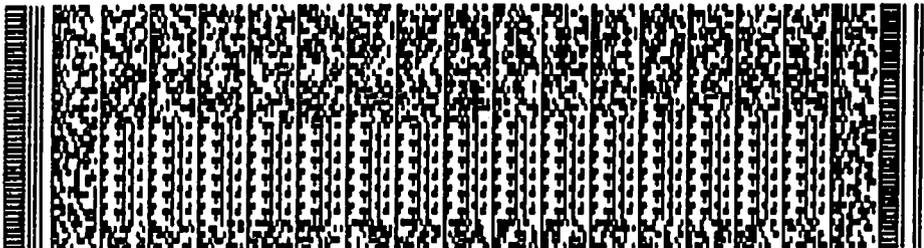
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. v11.3 Schedule C (Form 5500) 2008



(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
SANDIA CORPORATION	85-0097942	EMPLOYER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
EMPLOYER	110587		99

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
THE NORTHERN TRUST COMPANY	36-1561860	TRUSTEE	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		83009	26

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
SILCHESTER INTERNATIONAL INVESTORS	36-7045783	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		75926	21



(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
DIMENSIONAL FUND ADVISORS INC.	22-2370029	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		47029	21

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
MONDRIAN CAPITAL PARTNERS	98-0117968	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		46187	21

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
STEINBERG ASSET MANAGEMENT	13-3138743	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		44952	21



(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
ARONSON + JOHNSON + ORTIZ	23-2312104	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		44365	21

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
BLACKROCK FINANCIAL MANAGEMENT INC.	13-3806691	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		36109	21

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
FRANK RUSSELL TRUST CORPORATION	91-1116938	CONSULTANT	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		33795	17



(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
DODGE & COX, INC.	94-1441976	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		31927	21

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
MONTAG & CALDWELL INC./INV. COUNSEL	58-1022504	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		26694	21

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
NUMERIC INVESTORS LLC	04-3068821	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		22066	21



(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
RAINIER INVESTMENT MANAGEMENT INC.	91-1457076	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		18102	21

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
STATE STREET GLOBAL ADVISORS	04-1867445	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		13265	21

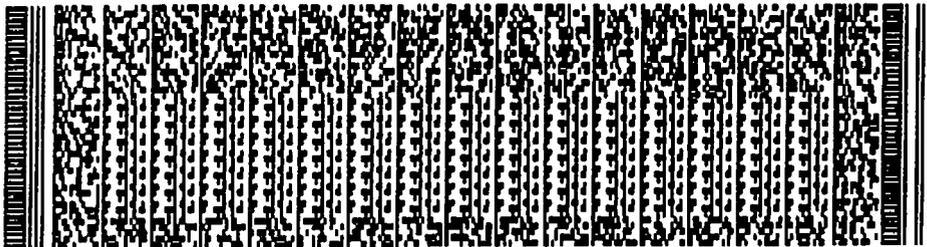
(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
BARCLAYS GLOBAL INVESTORS, N.A.	94-3112180	INVESTMENT MANAGER	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		10530	21



(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
MELLON	91-1934665	CONSULTANT	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		8002	17

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
TOWERS PERRIN	23-1159360	ACTUARY	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
NONE		6605	11

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)



1 0 0 8 6 0 0 2 0 H

Part II Termination Information on Accountants and Enrolled Actuaries (see instructions)

(a) Name _____ (b) EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____

(a) Name _____ (b) EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____

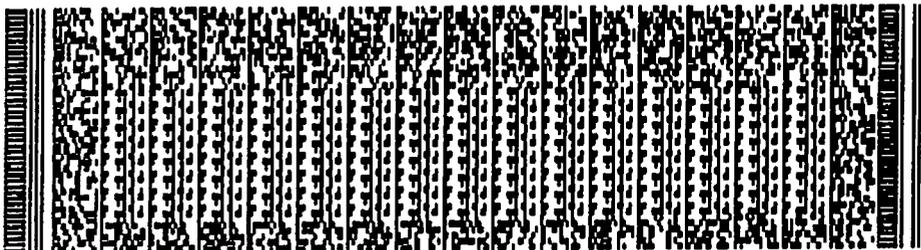
(a) Name _____ (b) EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____



**SCHEDULE D
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

► File as an attachment to Form 5500.

Official Use Only

OMB No. 1210-0110

2008

This Form is Open to
Public Inspection.

For calendar plan year 2008 or fiscal plan year beginning		and ending	
A Name of plan or DFE SANDIA CORPORATION PENSION SECURITY PLAN	B Three-digit plan number ►	005	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number	85-0097942	

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

(a) Name of MTIA, CCT, PSA, or 103-12 IE SANDIA CORP. PENSION PLANS TRUST

(b) Name of sponsor of entity listed in (a) SANDIA CORPORATION

(c) EIN-PN 36-3291356-008 (d) Entity code M (e) Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 208341768

(a) Name of MTIA, CCT, PSA, or 103-12 IE TEMPORARY INVESTMENT ACCOUNT

(b) Name of sponsor of entity listed in (a) PRUDENTIAL FINANCIAL

(c) EIN-PN 22-1211670-044 (d) Entity code P (e) Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1617667

(a) Name of MTIA, CCT, PSA, or 103-12 IE CONSERVATIVE STOCK FUND

(b) Name of sponsor of entity listed in (a) PRUDENTIAL FINANCIAL

(c) EIN-PN 22-1211670-007 (d) Entity code P (e) Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2432800

(a) Name of MTIA, CCT, PSA, or 103-12 IE _____

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

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

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(a) Name of MTIA, CCT, PSA, or 103-12 IE _____

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

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

(a) Name of MTIA, CCT, PSA, or 103-12 IE _____

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

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

(a) Name of MTIA, CCT, PSA, or 103-12 IE _____

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

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

(a) Name of MTIA, CCT, PSA, or 103-12 IE _____

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

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

(a) Name of MTIA, CCT, PSA, or 103-12 IE _____

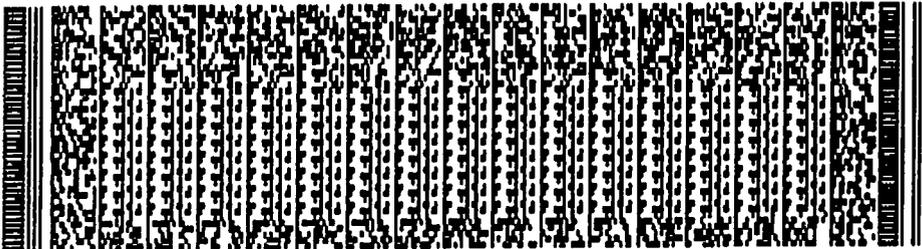
(b) Name of sponsor of entity listed in (a) _____

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

(a) Name of MTIA, CCT, PSA, or 103-12 IE _____

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

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



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

(a) Plan name _____

(b) Name of plan sponsor _____ (c) EIN-PN _____

(a) Plan name _____

(b) Name of plan sponsor _____ (c) EIN-PN _____

(a) Plan name _____

(b) Name of plan sponsor _____ (c) EIN-PN _____

(a) Plan name _____

(b) Name of plan sponsor _____ (c) EIN-PN _____

(a) Plan name _____

(b) Name of plan sponsor _____ (c) EIN-PN _____

(a) Plan name _____

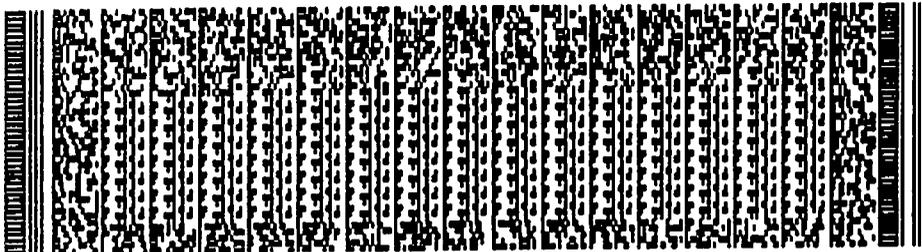
(b) Name of plan sponsor _____ (c) EIN-PN _____

(a) Plan name _____

(b) Name of plan sponsor _____ (c) EIN-PN _____

(a) Plan name _____

(b) Name of plan sponsor _____ (c) EIN-PN _____



**SCHEDULE H
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Financial Information

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

► File as an attachment to Form 5500.

Official Use Only

OMB No. 1210-0110

2008

This Form is Open to
Public Inspection.

For calendar year 2008 or fiscal plan year beginning		and ending	
A Name of plan SANDIA CORPORATION PENSION SECURITY PLAN	B Three-digit plan number ►	005	
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number	85-0097942	

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	b(1)		
(2) Participant contributions	b(2)		
(3) Other	b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	c(1)		
(2) U.S. Government securities	c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	c(3)(A)		
(B) All other	c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	c(4)(A)		
(B) Common	c(4)(B)		
(5) Partnership/joint venture interests	c(5)		
(6) Real estate (other than employer real property)	c(6)		
(7) Loans (other than to participants)	c(7)		
(8) Participant loans	c(8)		
(9) Value of interest in common/collective trusts	c(9)		
(10) Value of interest in pooled separate accounts	c(10)	6004228	4050467
(11) Value of interest in master trust investment accounts	c(11)	300485203	208341768
(12) Value of interest in 103-12 investment entities	c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	c(13)		
(14) Value of funds held in insurance co. general account (unallocated contracts)	c(14)	18171045	18425069
(15) Other	c(15)		

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. v11.3 Schedule H (Form 5500) 2008

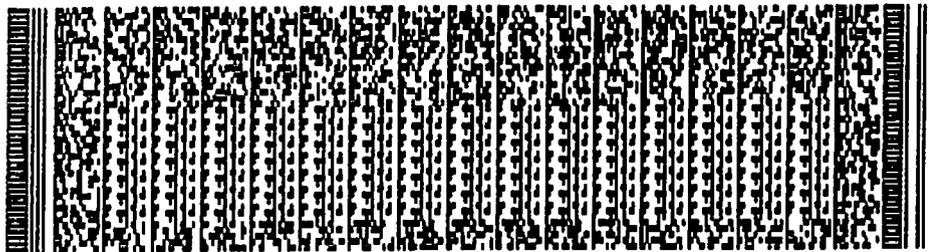


		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
	(1) Employer securities	d(1)	
	(2) Employer real property	d(2)	
e	Buildings and other property used in plan operation	e	
f	Total assets (add all amounts in lines 1a through 1e)	f	324660476 230817304
Liabilities			
g	Benefit claims payable	g	
h	Operating payables	h	
i	Acquisition indebtedness	i	
j	Other liabilities	j	
k	Total liabilities (add all amounts in lines 1g through 1j)	k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	l	324660476 230817304

Part 1 Income and Expense Statement

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

Income		(a) Amount	(b) Total
a	Contributions:		
	(1) Received or receivable in cash from:		
	(A) Employers	a(1)(A)	
	(B) Participants	a(1)(B)	
	(C) Others (including rollovers)	a(1)(C)	
	(2) Noncash contributions	a(2)	
	(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	a(3)	0
b	Earnings on Investments:		
	(1) Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	b(1)(A)	
	(B) U.S. Government securities	b(1)(B)	
	(C) Corporate debt instruments	b(1)(C)	
	(D) Loans (other than to participants)	b(1)(D)	
	(E) Participant loans	b(1)(E)	
	(F) Other	b(1)(F)	1347681
	(G) Total interest. Add lines 2b(1)(A) through (F)	b(1)(G)	1347681
	(2) Dividends:		
	(A) Preferred stock	b(2)(A)	
	(B) Common stock	b(2)(B)	
	(C) Total dividends. Add lines 2b(2)(A) and (B)	b(2)(C)	0
	(3) Rents	b(3)	
	(4) Net gain (loss) on sale of assets:		
	(A) Aggregate proceeds ..	b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result ..	b(4)(C)	0



	(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	b(5)(A)	
(B) Other	b(5)(B)	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	b(5)(C)	0
(6) Net investment gain (loss) from common/collective trusts.	b(6)	
(7) Net investment gain (loss) from pooled separate accounts.	b(7)	-1841541
(8) Net investment gain (loss) from master trust investment accounts	b(8)	-79782514
(9) Net investment gain (loss) from 103-12 investment entities	b(9)	
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	b(10)	
c Other income	c	13829
d Total income. Add all income amounts in column (b) and enter total	d	-80262545
Expenses		
e Benefit payment and payments to provide benefits:		
(1) Directly to participants or beneficiaries, including direct rollovers	e(1)	11887262
(2) To insurance carriers for the provision of benefits.	e(2)	
(3) Other	e(3)	
(4) Total benefit payments. Add lines 2e(1) through (3)	e(4)	11887262
f Corrective distributions (see instructions)	f	
g Certain deemed distributions of participant loans (see instructions)	g	
h Interest expense	h	
i Administrative expenses: (1) Professional fees	i(1)	6605
(2) Contract administrator fees.	i(2)	118609
(3) Investment advisory and management fees	i(3)	631557
(4) Other	i(4)	229557
(5) Total administrative expenses. Add lines 2i(1) through (4)	i(5)	986328
j Total expenses. Add all expense amounts in column (b) and enter total	j	12873590
Net Income and Reconciliation		
k Net income (loss) (subtract line 2j from line 2d)	k	-93136135
l Transfers of assets		
(1) To this plan.	l(1)	
(2) From this plan.	l(2)	707037

Part III Accountant's Opinion

- 3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500.
Complete line 3d if an opinion is not attached.
- a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):
 (1) Unqualified (2) Qualified (3) Disclaimer (4) Adverse
- b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? Yes No
- c** Enter the name and EIN of the accountant (or accounting firm) ▶ 13-2781641
 MITCHELL & TITUS, LLP
- d** The opinion of an independent qualified public accountant is not attached because:
 (1) this form is filed for a CCT, PSA or MTIA. (2) it will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.



Part IV Transactions During Plan Year

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

	Yes	No	Amount
During the plan year:			
a Did the employer fail to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year. Yes No Amount _____

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
SANDIA CORP. RETIREMENT INCOME PLAN	85-0097942	006



**SCHEDULE R
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

► File as an Attachment to Form 5500.

Official Use Only

OMB No. 1210-0110

2008

This Form is Open to
Public Inspection.

For calendar year 2008 or fiscal plan year beginning and ending

A Name of plan SANDIA CORPORATION PENSION SECURITY PLAN	B Three-digit plan number ► 005
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number 85-0097942

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1 \$ 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the plan year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits). 22-1211670	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 7.

5 If a waiver of the minimum funding standard for a prior plan year is being amortized in this plan year, see instructions, and enter the date of the ruling letter granting the waiver ► Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6a Enter the minimum required contribution for this plan year	6a \$
b Enter the amount contributed by the employer to the plan for this plan year	6b \$
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c \$

If you completed line 6c, skip lines 7 and 8 and complete line 9.

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

Part III Amendments

8 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. (See instructions.) Increase Decrease No

Part IV Coverage (See Instructions.)

9 Check the box for the test this plan used to satisfy the coverage requirements ratio percentage test average benefit test

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. v11.3 Schedule R (Form 5500) 2008



Attachment to Form 5500
2008 Schedule R, Distribution of Assets Information

Plan Name SANDIA CORPORATION PENSION SECURITY PLAN **EIN:** 85-0097942
Plan Sponsor's Name SANDIA CORPORATION **PN:** 005

1 Show the beginning-of-year distribution of assets for the following categories:

Stocks:	<u>70.60 %</u>
Investment-grade debt instruments:	<u>27.40 %</u>
High-yield debt instruments:	<u>1.50 %</u>
Real estate:	<u>0.00 %</u>
Other asset classes:	<u>0.50 %</u>

2 Indicate the average duration of the plan's debt portfolio by using one of the following categories. If the average duration falls exactly on the boundary of two categories, report the category with the lower duration.

- 0 - 3 years
- 3 - 6 years
- 6 - 9 years
- 9 - 12 years
- 12 - 15 years
- 15 - 18 years
- 18 - 21 years
- 21 years or more.

3 Report the duration measure used:

- Effective duration
- Macaulay duration
- Modified duration
- Other (specify): _____

2008 Schedule 5558 Attachment
Sandia Corporation
85-0097942

Plan Name	Plan Type	Plan Number
Sandia Corporation Savings & Security Plan	Pension	007
Sandia Corporation Savings & Income Plan	Pension	008
Sandia Corporation Basic Group Term Life Insurance Plan	Welfare	506
Sandia Corporation Basic Supplemental Group Term Life Insurance Plan	Welfare	507
Sandia Corporation Job Incurred Accidental Death Insurance Plan	Welfare	508
Sandia Corporation Special Risk Accident Insurance Plan	Welfare	509
Sandia Corporation Non Occupation Illness/Injury While on Travel Status Plan	Welfare	514
Sandia Corporation Health & Work/Family Benefit Plans	Welfare/Fringe	519
Sandia Corporation Primary Group Term Life Insurance Plan	Welfare	520
Sandia Corporation Employee Voluntary Separation Incentive Plan	Welfare	525
Sandia Corporation High Risk Foreign Travel Plan	Welfare	530

SANDIA CORPORATION PENSION SECURITY PLAN

**Financial Statements and Supplemental Schedule
For the Years Ended December 31, 2008 and 2007
With Report of Independent Auditors**

SANDIA CORPORATION PENSION SECURITY PLAN
December 31, 2008 and 2007

TABLE OF CONTENTS

	<u>Page(s)</u>
REPORT OF INDEPENDENT AUDITORS	1
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4
SUPPLEMENTAL SCHEDULE	
Schedule H, Line 4i—Schedule of Assets (Held at End of Year)	19

Note: Other supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT AUDITORS

Sandia Corporation Investment Committee and
Plan Participants of the Sandia Corporation Pension Security Plan

We have audited the accompanying statements of net assets available for benefits of the Sandia Corporation Pension Security Plan (the "Plan") as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan'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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting, as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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, information regarding the net assets available for benefits of the Plan at December 31, 2008, and the changes in its net assets available for benefits for the year then ended, and the financial status of the Plan at December 31, 2007, and the changes in its financial status for the year then ended, 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, 2008, 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 audits 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.

Mitchell & Titus, LLP

September 17, 2009

SANDIA CORPORATION PENSION SECURITY PLAN
Statements of Net Assets Available for Benefits
As of December 31, 2008 and 2007

	2008	2007
ASSETS		
<i>Assets Held in Insurance Company Pooled Separate Accounts, at Fair Value:</i>		
Short Term Fund	\$ 1,617,667	\$ 1,750,316
Conservative Stock Fund	2,432,800	4,253,912
	4,050,467	6,004,228
Assets held in unallocated insurance contract, at contract value	18,425,069	18,171,045
Plan's interest in master trust held by the Northern Trust Company, at fair value	208,341,768	300,485,203
Net assets available for benefits	\$ 230,817,304	\$ 324,660,476

The accompanying notes are an integral part of these financial statements.

SANDIA CORPORATION PENSION SECURITY PLAN
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2008 and 2007

	2008	2007
ADDITIONS		
<i>Investment Income (loss):</i>		
Interest and dividend income	\$ 1,347,681	\$ 1,391,025
Plan's interest in net investment gain (loss) of master trust	(79,782,514)	20,871,796
Net (depreciation) appreciation in fair value of pooled separate accounts	(1,841,541)	204,301
Miscellaneous	13,829	-
Total additions (net of investment losses)	(80,262,545)	22,467,122
DEDUCTIONS		
Transfers to Retirement Income Plan, net	707,037	6,969,838
Benefit payments	11,887,262	11,538,288
Administrative expenses	986,328	954,443
Total deductions	13,580,627	19,462,569
Net increase (decrease)	(93,843,172)	3,004,553
Net assets available for benefits:		
Beginning of year	324,660,476	321,655,923
End of year	\$ 230,817,304	\$ 324,660,476

The accompanying notes are an integral part of these financial statements.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 DESCRIPTION OF THE PLAN

General

The Sandia Corporation Pension Security Plan (the "Plan") is a noncontributory, defined benefit pension plan covering employees who have one year of service, are at least age 21 and are (a) in a bargaining unit represented by a union, or (b) retired and terminated vested employees in equivalent job categories. Sandia Corporation (the "Company") is a wholly owned subsidiary of Lockheed Martin Corporation (Lockheed Martin or the "Corporation"). A complete description of the Plan is contained in the Summary Plan Description, which is provided to all participants.

Funding Policy

The Company makes annual contributions to the Plan in amounts equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") as determined by the Plan's actuary, sufficient to fund the Plan's current service cost on a current basis and to fund the unfunded accrued liability plus interest thereon over a period of 30 years. No contributions were required for 2008 and 2007. Participant contributions were required prior to July 1, 1975. The participants' accumulated contributions pertaining to years prior to 1975, including interest credited at an annually compounded rate of 4.31% and 5.51% in 2008 and 2007, respectively, were \$163,792 and \$218,338 at January 1, 2008 and 2007, respectively.

Benefit Payments

Based on plan provisions, the Plan provides for monthly pension payments to participating employees upon their attaining the minimum age and service requirements specified in the Plan. The amount of such payments is dependent upon length of service and pension band amounts that are a function of job title and classification. Participants become fully vested after five years of credited service.

As changes in employee job categories result in changes in eligibility between the Plan and the Sandia Corporation Retirement Income Plan ("RIP"), actuarially determined amounts of assets are transferred between the plans. These transfers are shown as transfers from/to Retirement Income Plan in the statements of changes in net assets available for benefits.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 DESCRIPTION OF THE PLAN (continued)

Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue contributions, if any, at any time and to terminate the Plan subject to provisions set forth in ERISA. Upon any termination of the Plan, the assets will be allocated first, to participants' contributions; second, to benefits payable as an annuity; third, to other nonforfeitable benefits; fourth, to all other benefits; and fifth, in the event there is any remaining balance and to the extent permitted by law, to the Department of Energy.

Certain benefits under the Plan are secured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain survivors' pensions. However, the PBGC does not guarantee all benefits under the Plan and the amount of benefit protection is subject to certain limitations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Contracts

Under the terms of the contract between the Prudential Insurance Company of America ("Prudential") and the Plan, Prudential manages funds on behalf of the Plan. Prudential has been granted discretionary authority concerning purchases and sales of investments in the funds within the separate accounts. The investments in the pooled separate accounts represent ownership of units of

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

participation in various commingled funds rather than ownership of specific assets. The investments in the pooled separate accounts are stated at fair value.

The Plan's assets held in an unallocated insurance contract are valued at contract value as certified by Prudential. Contract value represents contributions made under the contract, plus interest and less funds used to pay retirement benefits and administrative expenses. These investments are carried at contract value, which approximates fair value.

A minimum balance requirement that is determined annually by Prudential exists under the contract for the conservative stock fund pooled separate account and the unallocated insurance contract.

Master Trust Investments

Under the terms of a trust agreement between the Northern Trust Company (the "Master Trustee") and the Plan, the Master Trustee holds funds on behalf of the Plan, which are combined with funds of the RIP in one master trust. The Master Trustee maintains records that reflect the net assets in the master trust and details of changes therein for each plan. Assets held by the Master Trustee are segregated into investment manager accounts and a cash account. The investment managers have investment authority over assets in their accounts and the Master Trustee has authority over the cash account. The realized and unrealized gains and losses, and investment income of the master trust are allocated to the Plan based on the number of units outstanding at each month-end during the year.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 6 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

Derivative Instruments

The master trust invests in futures contracts and interest rate swaps in order to increase or decrease the duration of the investment portfolio, to minimize foreign currency and interest rate exposure, and to equitize cash positions. Derivative instruments are carried at fair value and are marked to market through net investment income.

SANDIA CORPORATION PENSION SECURITY PLAN

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign Currency Forward Contracts

To help reduce the risk of foreign currency exchange rate losses related to international equity securities held by the master trust, the master trust holds foreign currency forward contracts which represent commitments either to purchase or sell foreign currencies at a specified future date and at a specific price. Such contracts are recorded at fair value as a receivable or payable for foreign currency forward contracts in the net assets of the master trust. Realized and unrealized gains and losses on the forward contracts, resulting from the settlement of contracts and changes in the exchange rates, are reflected in net investment income.

Risks and Uncertainties

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

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the term would be material to the financial statements.

Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated December 8, 2008, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") 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. Management of the Company 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.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recent Accounting Pronouncements

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activity, applies to all derivative instruments and related hedged items accounted for under SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, and requires entities to provide greater transparency, SFAS No. 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008. Sandia's management does not believe that the adoption of FAS 161 will have a material impact on the Plan's financial statements.

NOTE 3 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service rendered by employees from the date of eligibility to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's enrolled actuary and is the amount that results from applying the actuarial assumptions (shown below) to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The latest actuarial valuation for the Plan was made by Towers Perrin as of January 1, 2008 and 2007. Actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. Significant assumptions underlying the actuarial computations included (a) discount rates of 6.43% and 5.78% at January 1, 2008 and 2007, respectively, and (b) assumed mortality (RP-2000 Mortality Table for 2008 and 2007), retirement ages, disability, and turnover rates based upon published statistical data and Plan experience. The interest rate assumptions used to calculate the actuarial present value of accumulated plan benefits are adjusted annually to reflect current, rather than long-term, shifts in the economy. This can result in significant year-to-year fluctuations in the value of the accumulated plan benefits.

SANDIA CORPORATION PENSION SECURITY PLAN

Notes to Financial Statements

December 31, 2008 and 2007

NOTE 3 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS
(continued)

The actuarial present value of accumulated plan benefit information as of the two most recent valuation dates (at January 1) was as follows:

	<u>2008</u>	<u>2007</u>
Vested benefits of participants currently receiving payments	\$ 103,735,103	\$ 105,455,108
Other vested benefits	56,634,381	62,889,582
Nonvested benefits	<u>10,401,586</u>	<u>11,912,465</u>
	<u>\$ 170,771,070</u>	<u>\$ 180,257,155</u>

The net increase in the actuarial present value of accumulated plan benefits is the result of the following, for the year ended January 1, 2008:

Change in actuarial assumptions and methods	(11,433,391)
Interest due to a decrease in discount rate	10,090,091
Benefits accumulated net of benefits paid (including transfers to Retirement Income Plan)	<u>(8,142,785)</u>
Net increase	(9,486,085)
Actuarial present value of accumulated plan benefits:	
Beginning of period	<u>180,257,155</u>
End of period	<u>\$ 170,771,070</u>

Consistent with prior-year activity, changes in employee job categories of active participants result in changes in eligibility between the Plan and the RIP. During 2008 and 2007, the impact of the active participant transfers between the Plan and the RIP was not material to the Plan.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 4 MASTER TRUST

The Plan's interest in the master trust's net assets as of December 31, 2008 and 2007, was approximately 7.9% and 8.0%, respectively. The Plan's interest in the master trust represents more than 5% of the Plan's net assets.

The master trust participates in a securities lending program under which securities of the Trust are loaned to selected security brokerage firms. The master trust transfers title of the loaned securities, but retains the right to redeem securities on short notice, and is entitled to all distributions made by the issuer of the securities during the term of the loan. All such loans require collateralization by US government securities, cash, or letters of credit that at all times equal at least 100% of the loaned security market value plus accrued interest. Cash collateral received on loaned securities as of December 31, 2008 and 2007, was invested in a commingled fixed income fund. There are also limitations on the aggregate market value of securities that may be loaned to any one broker and to all brokers as a group. At December 31, 2008 and 2007, securities with a market value of \$298,331,136 and \$197,942,004, respectively, were on loan.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 4 MASTER TRUST (continued)

The following table presents the fair value, as of December 31, of investments in the master trust:

	2008	2007
Common and Preferred Stock	\$ 732,830,482	\$ 1,221,711,727
Government Debt Securities	244,367,915	36,090,174
Corporate Debt Securities	243,893,474	132,204,516
Mortgage and Asset-Backed Securities	256,100,661	324,072,685
Other Fixed Income Securities	197,052	193,412
Common Collective Trusts	1,035,168,702	1,424,460,851
103-12 Entities	105,215,293	626,684,549
Accrued income	10,026,731	5,606,592
Cash and cash equivalents	52,182,853	22,063,411
Investments held as collateral on securities loaned	305,434,852	204,098,155
Due from brokers for sale of securities	118,269,495	92,303,223
Receivable for foreign currency forward contracts	4,770,949	13,895,591
Payable for foreign currency forward contracts	(4,689,658)	(13,634,242)
Due to brokers for purchase of securities	(171,663,850)	(116,129,964)
Obligation to return collateral on securities loaned	(307,941,151)	(204,098,155)
Total net assets	2,624,163,800	3,769,522,525
Amount attributable to the RIP	(2,415,822,032)	(3,469,037,322)
Amount attributable to the Plan	\$ 208,341,768	\$ 300,485,203

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 4 MASTER TRUST (continued)

Investment income for the master trust for the years ended December 31, 2008 and 2007, was as follows:

	2008	2007
Investment income:		
<i>Net Appreciation (Depreciation) in the Fair Value of Investments:</i>		
Common and preferred stock	\$ (510,482,417)	\$ 78,285,331
Corporate debt	45,331,281	(3,535,368)
103-12 Entities	(68,469,223)	22,681,009
Common Collective Trusts	(528,473,339)	110,277,880
Other fixed income obligations	4,208,915	4,385,001
	(1,057,884,783)	212,093,853
Dividend income	24,427,796	21,895,348
Interest income	29,038,448	27,464,691
Other investment income	1,987,804	1,142,607
Net investment gain/(loss)	(1,002,430,735)	262,596,499
Net investment gain/(loss) attributable to the RIP	(922,648,221)	(241,724,702)
Net investment gain/(loss) attributable to the Plan	\$ (79,782,514)	\$ 20,871,797

NOTE 5 POOLED SEPARATE ACCOUNTS

During 2008 and 2007, the Plan's investments in pooled separate accounts held by Prudential appreciated in value as follows:

	2008	2007
Conservative stock fund	\$ (1,841,541)	\$ 204,301

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 6 FAIR VALUE MEASUREMENT

The following table sets forth by level, within the fair value hierarchy, the Master Pension Plans Trust's (the "Master Trust") assets at fair value as of December 31, 2008:

The Master Trust adopted Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FAS 157), as of January 1, 2008. FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The impact of the adoption of FAS 157 was not material to the Master Trust's financial statements.

The fair-value hierarchy established in FAS 157 prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1: Observable inputs—quoted prices in active markets for identical assets and liabilities
- Level 2: Observable inputs other than the quoted prices in active markets for identical assets and liabilities—includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets
- Level 3: Unobservable inputs—includes amounts derived from valuation models where one or more significant inputs are unobservable and require us to develop relevant assumptions

The following is a description of the valuation methodologies used to measure fair value for master trust assets:

Common stocks and preferred stocks: Common stocks appear in all three valuation levels, while preferred are categorized only as Level 1 and Level 3. Common stocks and preferred stocks categorized as Level 1 are valued based on quoted market prices. Common stocks categorized as Level 2 are valued based on quoted prices for similar securities or quoted prices for identical or similar securities in inactive markets. There is one preferred stock categorized as Level 3, since it is a private placement security and is traded "over the counter" ("OTC") with no primary exchange. This security has been valued through the use of the Bloomberg terminal. In addition, there is one common stock categorized as Level 3. This security is not actively traded, and is valued at a nominal amount.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

Government and Corporate Debt Securities categorized as Level 2 are valued based on inputs other than quoted prices that are observable for the asset (e.g., interest rates and yield curves observable at commonly quoted intervals). Those securities categorized as Level 3 are foreign bonds which are not traded on an exchange and the pricing has been provided by a broker.

Mortgage and Asset Backed Securities categorized as Level 2 are valued based on inputs other than quoted prices that are observable for the asset (e.g., interest rates and yield curves observable at commonly quoted intervals). Fixed income securities categorized as Level 3 are valued based on evaluated prices using unobservable inputs such as prepayment speed assumptions and liquidity and any conflicts in the initial pricing of the investment by the Trustee based on their pricing model.

Common /collective trusts and 103-12 investment entities value is based on the net asset values (NAV's) of the shares held by the Trust at year end. The value of the NAV is based on closing market prices of the underlying securities in the trust's portfolio. The NAV per share is the total value of the trust divided by the number of shares outstanding. The NAV is corroborated by observable market data (e.g., purchases or sales activity). Accordingly, these investments are categorized as a Level 2. There is also a special case of a common collective trust valued as a Level 1. This is the collective short term interest fund ("STIF") held at Northern Trust. Even though this is a common collective trust, it is essentially a cash vehicle and it is being categorized as a Level 1.

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

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 6 FAIR VALUE MEASUREMENT (continued)

Master Trust Assets at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
Common Stock and Preferred Stock	\$728,963,657	\$ 2,055,322	\$ 1,811,503	\$ 732,830,482
Government Debt Securities	-	240,600,723	3,767,192	244,367,915
Corporate Debt Securities	-	221,107,822	22,785,652	243,893,474
Mortgage and Asset-Backed Securities	-	247,864,093	8,236,568	256,100,661
Other Fixed Income	-	\$197,052	-	197,052
Common Collective Trusts	8,509,331	1,026,659,371	-	1,035,168,702
103-12 Entities	-	105,215,293	-	105,215,293
Total	\$737,472,988	\$1,843,699,676	\$36,600,915	\$2,617,773,579

Investments held as cash collateral on securities loaned at December 31, 2008 totaled \$305,434,852. These funds were invested in a commingled fixed income fund that was valued at the net asset value (NAV) of the shares held at year end. Such investments were considered Level 2 investments.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

The table below sets forth a summary of changes in the fair value of the Master Trust Level 3 assets for the year ending December 31, 2008.

Master Trust Level 3 Asset Reconciliation
Year Ended December 31, 2008

Balance, beginning of year	\$ 28,001,859
Realized gains/(losses)	(205,417)
Unrealized gains/(losses) relating to instruments still held at the reporting date	(6,446,247)
Purchases, sales, issuances, and settlements (net)	15,250,720
	<hr/>
Balance, end of year	<u>\$ 36,600,915</u>

SANDIA CORPORATION PENSION SECURITY PLAN

Notes to Financial Statements

December 31, 2008 and 2007

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

The following table sets forth by level, within the fair value hierarchy, the Pension Security Plan's assets held at Prudential at fair value as of December 31, 2008.

**Other Investments (managed by Prudential) at Fair Value
as of December 31, 2008**

	Level 1	Level 2	Level 3	Total
Unallocated insurance contract	\$ -	-	\$18,425,069	\$18,425,069
Conservative Stock Fund	-	2,432,800	-	2,432,800
Short Term Fund	-	1,617,667	-	1,617,667
Total	<u>\$ -</u>	<u>\$4,050,467</u>	<u>\$18,425,069</u>	<u>\$22,475,536</u>

The following is a description of the valuation methodologies used for measuring other assets (managed by Prudential) at fair value:

The Conservative Stock Fund and Short Term Fund are held in pooled separate accounts, which are valued based on the net asset value (NAV) of the shares held by the plan at year end. The NAV per share is the total value of the funds divided by the number of shares outstanding. The values of the investments in the funds are based on the closing quoted market prices of the underlying securities in the funds. The NAV is corroborated by observable market data (*e.g.*, purchases or sales activity). Accordingly, these investments are categorized as Level 2.

SANDIA CORPORATION PENSION SECURITY PLAN
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

The table below sets forth a summary of changes in the fair value of the Level 3 investments managed by Prudential for the year ended December 31, 2008.

Other Investments Level 3 Reconciliation
Year Ended December 31, 2008

Balance, beginning of year	\$18,171,045
Purchases, sales, issuances, and settlements (net)	254,024
	<hr/>
Balance, end of year	<u>\$18,425,069</u>

SUPPLEMENTAL SCHEDULE

SANDIA CORPORATION PENSION SECURITY PLAN
Employer Identification Number 85-0097942, Plan Number 005
Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
As of December 31, 2008

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
*Pooled separate accounts with the Prudential Insurance Company of America:			
Short Term Fund	Interest-bearing cash account, variable interest, 120,919 units at 12/31/08	\$ 1,617,667	\$ 1,617,667
Conservative Stock Fund	Common stock account, 56,588 units at 12/31/08	932,087	2,432,800
*Unallocated insurance contract with the Prudential Insurance Company of America			
	Variable rate, 6.60% at 12/31/08	<u>18,425,069</u>	<u>18,425,069</u>
		<u>\$ 20,974,823</u>	<u>\$ 22,475,536</u>

***Party-in-interest**