

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 6058(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 SAVINGS AND SECURITY PLAN	1b Three-digit plan number (PN) ▶	007
	1c Effective date of plan (mo., day, yr.)	06/01/1993
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) SANDIA CORPORATION PO 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

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.

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

SIGN HERE  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	1560
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	1288
b Retired or separated participants receiving benefits	7b	49
c Other retired or separated participants entitled to future benefits	7c	144
d Subtotal. Add lines 7a, 7b, and 7c	7d	1481
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	7e	2
f Total. Add lines 7d and 7e	7f	1483
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	7g	1045
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	7h	
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	19

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

- a 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): 2E 2F 2G 2J 2K 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) Insurance
- (2) Code section 412(e)(3) insurance contracts
- (3) Trust
- (4) General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

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



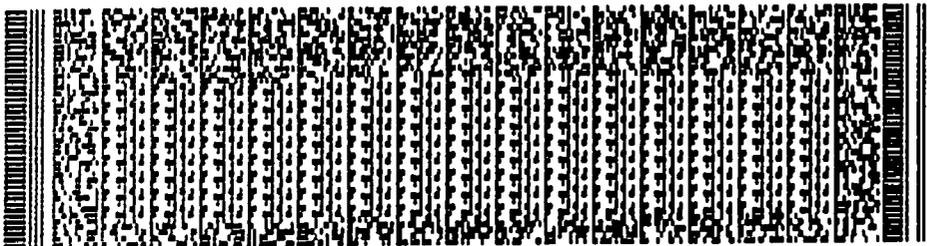
10 Schedules attached (Check all applicable boxes and, where indicated, enter the number attached. See instructions.)

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) A (Insurance Information)
- (4) C (Service Provider Information)
- (5) D (DFE/Participating Plan Information)
- (6) G (Financial Transaction Schedules)



**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 SAVINGS AND SECURITY PLAN	B Three-digit plan number ► 007
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number 85-0097942

Part I Service Provider Information (see instructions)

- 1** 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
- 2** 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	(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)
		Contract administrator				
						12

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(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)

(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)

(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)



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: _____

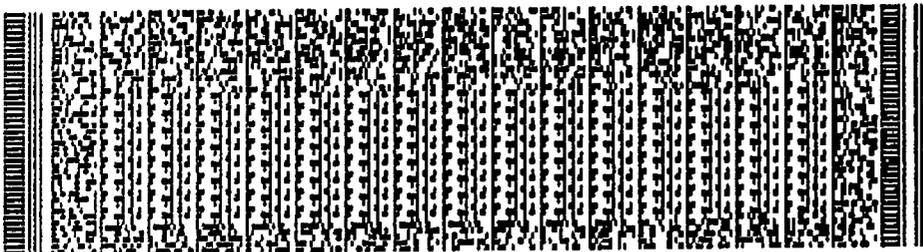
(a) Name _____ (b) EIN _____

(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 SAVINGS AND SECURITY PLAN	B Three-digit plan number ► 007
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. MASTER SAVINGS PLAN TR

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

(c) EIN-PN 04-3241850-008 (d) Entity code M (e) Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 47591080

(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) _____

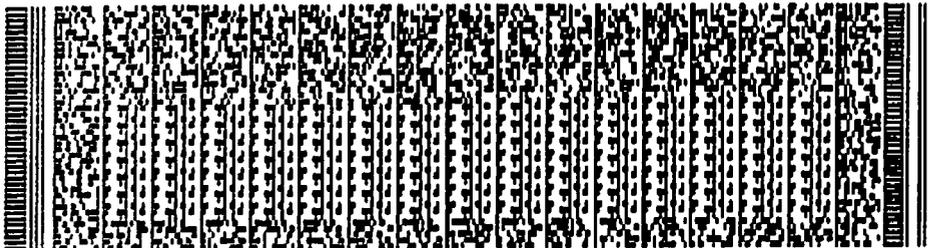
(c) EIN-PN _____ (d) Entity code _____ (e) Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) _____

(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) _____

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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 _____

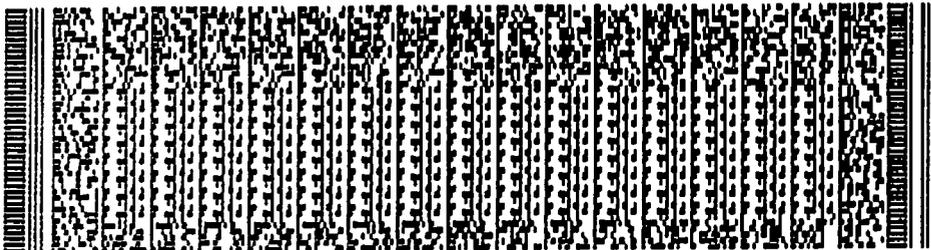
(b) Name of sponsor of entity listed in (a) _____

(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 II Information on Participating Plans (to be completed by DFEs)

(a) Plan name SANDIA CORP SAVINGS & SECURITY PLAN

(b) Name of plan sponsor SANDIA CORPORATION (c) EIN-PN 85-0097942 007

(a) Plan name SANDIA CORP SAVINGS & INCOME PLAN

(b) Name of plan sponsor SANDIA CORPORATION (c) EIN-PN 85-0097942 008

(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 _____

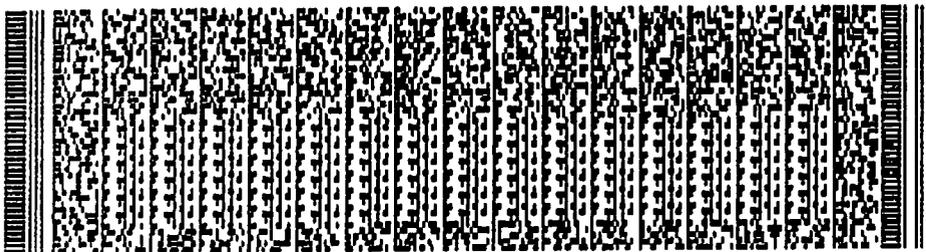
(b) Name of plan sponsor _____ (c) EIN-PN _____

(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

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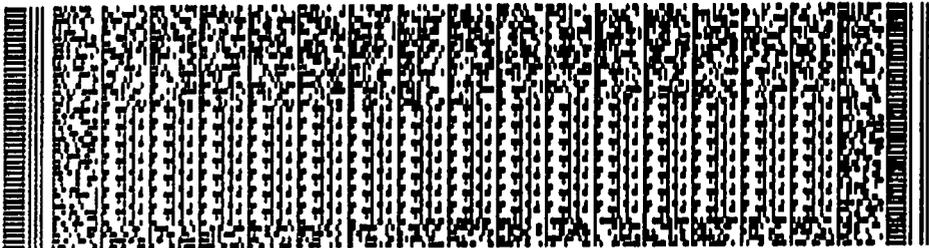
For calendar year 2008 or fiscal plan year beginning _____ and ending _____	
A Name of plan SANDIA CORPORATION SAVINGS AND SECURITY PLAN	B Three-digit plan number ► 007
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number 85-0097942

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. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	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)	
(11) Value of interest in master trust investment accounts	c(11)	47591080
(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)	
(15) Other	c(15)	

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	(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 62827021	47591080
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 62827021	47591080

Part II: Income and Expense Statement

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

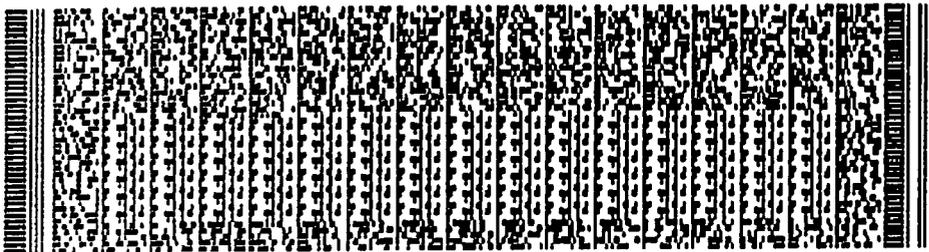
	(a) Amount	(b) Total
Income		
a Contributions:		
(1) Received or receivable in cash from: (A) Employers	a(1)(A) 1353840	
(B) Participants	a(1)(B) 3395279	
(C) Others (including rollovers)	a(1)(C) 236318	
(2) Noncash contributions	a(2) 0	4985437
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	a(3)	
b Earnings on investments:		
(1) Interest:		
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	b(1)(A) 0	
(B) U.S. Government securities	b(1)(B) 0	
(C) Corporate debt instruments	b(1)(C) 0	
(D) Loans (other than to participants)	b(1)(D) 0	
(E) Participant loans	b(1)(E) 142733	
(F) Other	b(1)(F)	
(2) Total interest. Add lines 2b(1)(A) through (F)	b(1)(G)	142733
(3) Dividends: (A) Preferred stock	b(2)(A) 0	
(B) Common stock	b(2)(B) 0	
(4) Total dividends. Add lines 2b(2)(A) and (B)	b(2)(C)	
(5) Rents	b(3)	
(6) Net gain (loss) on sale of assets: (A) Aggregate proceeds . .	b(4)(A) 0	
(B) Aggregate carrying amount (see instructions)	b(4)(B) 0	
(7) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result . .	b(4)(C)	



	(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	b(5)(A) 0	
(B) Other	b(5)(B) 0	
(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)	0
(7) Net investment gain (loss) from pooled separate accounts	b(7)	0
(8) Net investment gain (loss) from master trust investment accounts	b(8)	-12082015
(9) Net investment gain (loss) from 103-12 investment entities	b(9)	0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	b(10)	0
c Other income	c	
d Total income. Add all income amounts in column (b) and enter total	d	-6953845
Expenses		
e Benefit payment and payments to provide benefits:		
(1) Directly to participants or beneficiaries, including direct rollovers	e(1) 7315488	
(2) To insurance carriers for the provision of benefits	e(2) 0	
(3) Other	e(3) 0	
(4) Total benefit payments. Add lines 2e(1) through (3)	e(4)	7315488
f Corrective distributions (see instructions)	f	0
g Certain deemed distributions of participant loans (see instructions)	g	3697
h Interest expense	h	0
i Administrative expenses: (1) Professional fees	i(1) 0	
(2) Contract administrator fees	i(2) 0	
(3) Investment advisory and management fees	i(3) 0	
(4) Other	i(4) 15640	
(5) Total administrative expenses. Add lines 2i(1) through (4)	i(5)	15640
j Total expenses. Add all expense amounts in column (b) and enter total	j	7334825
Net Income and Reconciliation		
k Net income (loss) (subtract line 2j from line 2d)	k	-14288670
l Transfers of assets		
(1) To this plan	l(1)	163602
(2) From this plan	l(2)	1110873

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.

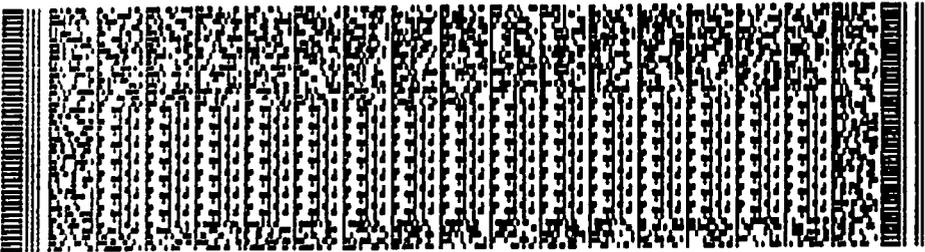
- During the plan year:
- a Did the employer fail to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program.)
 - b Were any loans by the plan or fixed income obligations due the plan 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.)
 - 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.)
 - 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.)
 - e Was this plan covered by a fidelity bond?
 - f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?
 - 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?
 - 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?
 - i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)
 - 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.)
 - k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?

	Yes	No	Amount
a		X	
b		X	
c		X	
d		X	
e	X		500000
f		X	
g		X	
h		X	
i	X		
j		X	
k		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 SAVINGS & INCOME PLAN	85-0097942	008



Sandia Corporation Savings and Security Plan
 Schedule H, line 4i Schedule of Assets Held for Investment Purposes at End of Year
 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
Fidelity Management Trust Company:			
INTEREST INCOME FUND	Guaranteed investment contracts	21,808,898	21,808,898
F.R. TRUST CO SM CAP	Registered investment company shares	-	-
CS MID CAP CORE COM	Registered investment company shares	-	-
TEMPLETON FOREIGN A	Registered investment company shares	-	-
DFA US SMALL CAP	Registered investment company shares	706,547	448,470
JANUS WORLDWIDE	Registered investment company shares	-	-
NB GUARDIAN TRUST	Registered investment company shares	-	-
LIFEPATH RET M	Registered investment company shares	214,159	200,860
LIFEPATH RET 2010 M	Registered investment company shares	223,211	190,966
LIFEPATH RET 2015 M	Registered investment company shares	854,146	694,450
LIFEPATH RET 2020 M	Registered investment company shares	1,251,005	984,127
LIFEPATH RET 2025 M	Registered investment company shares	605,580	451,320
LIFEPATH RET 2030 M	Registered investment company shares	258,753	185,895
LIFEPATH RET 2035 M	Registered investment company shares	564,171	383,368
LIFEPATH RET 2040 M	Registered investment company shares	151,287	102,599
LIFEPATH RET 2045 M	Registered investment company shares	312,120	199,543
SSGA BOND MKT SL L	Bank Commingled Fund	184,263	194,160
FRANK RUSS SM CP H	Registered investment company shares	247,421	159,412
NB GUARDIAN INVT	Registered investment company shares	443,991	260,022
TEMPLETON FOREIGN AD	Registered investment company shares	1,270,645	600,030
COMPANY COMMON STOCK	Lockheed Martin	2,400,758	2,773,548

Sandia Corporation Savings and Security Plan
 Schedule H, line 4i Schedule of Assets Held for Investment Purposes at End of Year
 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
	Common Stock		
MODERATE LS	Registered investment company shares	-	-
CONSERVATIVE LS	Registered investment company shares	-	-
BGI ACWI XUS INDEX	Registered investment company shares	48,727	50,615
FID CONTRAFUND	Registered investment company shares	-	-
FID GROWTH COMPANY	Registered investment company shares	-	-
FID GROWTH & INCOME	Registered investment company shares	-	-
FID INTERMED BOND	Registered investment company shares	1,147,769	1,025,048
FID BALANCED	Registered investment company shares	-	-
FID FOUR IN ONE IDX	Registered investment company shares	-	-
SPARTAN INTL INDEX	Registered investment company shares	993,515	659,448
FID INST SH INT GOVT	Registered investment company shares	-	-
FID US EQ INDX POOL	Registered investment company shares	-	-
FID BALANCED K	Registered investment company shares	2,794,295	2,784,730
FID CONTRAFUND K	Registered investment company shares	6,387,222	6,313,796
FID GROWTH CO K	Registered investment company shares	1,882,987	1,859,447
FID US EQ INDX CL 2	Common/Collective trust fund	4,377,596	3,226,157
Participant loans	Prime Rate, maturity <5yrs.		2,034,171
		<u>49,129,066</u>	<u>47,591,080</u>

**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 SAVINGS AND SECURITY PLAN	B Three-digit plan number ► 007
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 \$
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). Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3

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

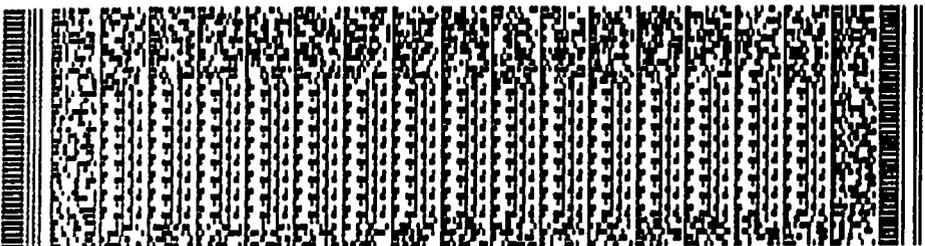
Part III Amendments

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



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

**FINANCIAL STATEMENTS AND SUPPLEMENTAL
SCHEDULE**

Sandia Corporation Savings and Security Plan
*As of December 31, 2008 and 2007, and for the year ended
December 31, 2008*

With Report of Independent Auditors

Sandia Corporation Savings and Security Plan
Financial Statements and Supplemental Schedule

As of December 31, 2008 and 2007,
And for the year ended December 31, 2008

Contents

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Schedule H, Line 4i – Schedule of Assets (Held At End of Year).....	13

Report of Independent Auditors

Plan Administrator of the Sandia Corporation
 Savings and Security Plan and the Sandia
 Corporation Investment Committee

We have audited the accompanying statements of net assets available for benefits of the Sandia Corporation Savings and Security Plan (the "Plan") as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. 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 purposes 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, the net assets available for benefits of the Plan at December 31, 2008 and 2007 and the changes in its net assets available for benefits for the year ended December 31, 2008, 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. The 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

June 22, 2009

Sandia Corporation Savings and Security Plan
 Statements of Net Assets Available for Benefits

	December 31,	
	2008	2007
Assets		
Interest in Master Trust	\$ 45,635,612	\$ 61,097,805
Participant loans	2,034,171	1,915,614
Net assets available for benefits at fair value	47,669,783	63,013,419
Adjustment from fair value to contract value for Interest in Master Trust relating to fully benefit- Responsive investment contracts	(78,703)	(186,398)
Net assets available for benefits	\$ 47,591,080	\$ 62,827,021

See accompanying notes to the financial statements.

Sandia Corporation Savings and Security Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2008

Additions:	
Employer Contributions	\$ 1,353,840
Participants Contributions	3,395,279
Rollover Contributions	<u>236,318</u>
Total additions	<u>4,985,437</u>
Deductions:	
Net investment loss from participation in Master Trust	11,939,282
Benefit payments	7,319,185
Transfers (net) to Sandia Corporation Savings and Income Plan	947,271
Administrative expenses	<u>15,640</u>
Total deductions	<u>20,221,378</u>
Net decrease	(15,235,941)
Net assets available for benefits at beginning of year	<u>62,827,021</u>
Net assets available for benefits at end of year	<u><u>\$ 47,591,080</u></u>

See accompanying notes to the financial statements.

Sandia Corporation Savings and Security Plan

Notes to Financial Statements

December 31, 2008

I. Description of Plan

General

The Sandia Corporation Savings and Security Plan (the Plan) was adopted June 1, 1993, as a defined contribution plan offered to all employees in a bargaining unit represented by a union of Sandia Corporation (the Corporation) who are eligible for the Sandia Corporation Pension Security Plan. The Corporation is a wholly owned subsidiary of Lockheed Martin Corporation (Lockheed Martin). A complete description of the Plan is contained in the Summary Plan Description that is provided to all participants. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan generally transfers assets to the Sandia Corporation Savings and Income Plan as employees in a bargaining unit represented by a union transfer into a regular nonunion employment position with Sandia Corporation. Transfers of assets also occur from the Sandia Corporation Savings and Income Plan when an employee in a nonunion employment position transfers to a union position.

Contributions

Annually participants may contribute from 2% to 18% of their eligible earnings, as defined in the Plan Document, in 1% increments, on a pre-tax and after-tax basis. The total allotment of pre-tax and after-tax basic and supplemental contributions can not exceed the maximum amount permitted under the Internal Revenue Code.

In addition, the Corporation, each payroll, contributes 66 2/3% of the sum of each participant's pretax and after-tax basic contribution up to the first 6% of eligible earnings. The Plan allows for catch-up contributions for participants age 50 or older as permitted by the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001.

Benefit Payments

The Plan provides for the payment of benefits upon termination, death, disability, or retirement based on the balance in the participant's vested account. Lump-sum or annual payment elections may be made as provided for in the Plan Document. Hardship and in-service withdrawals are also permitted, if certain conditions are met, as outlined in the Summary Plan Description.

Vesting

All participants are immediately vested in their contributions, the Corporation match and actual earnings thereon.

Sandia Corporation Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

1. Description of Plan (continued)

Investment Elections

The assets of the Plan are held in the Sandia Corporation Master Savings Plan Trust ("Master Trust" or "Trust") along with the assets of the Sandia Corporation Savings and Income Plan. Participants may elect to have their contributions and the Corporation matching contributions invested in any of the current 23 available funds including 8 mutual funds, 12 commingled funds, a common/collective trust, an Interest Income Fund and the Company Common Stock Fund. The Company Common Stock Fund consists primarily of Lockheed Martin common stock.

Primarily as a result of the Master Trust's participation in certain commingled funds, Plan assets may be invested from time to time in derivative financial instruments. These financial instruments are generally used for liquidity purposes. The Master Trust's exposure to such securities is limited to its proportional interest in these commingled funds. At December 31, 2008 and 2007, the financial exposure related to derivative financial instruments of the Master Trust was not material.

Participant Loans

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 less the highest loan balance in the past 12 months or 50% of their vested account balance. Loan terms range from one year to 56 months. The loans are secured by the balance in the participant's account and bear interest at the prime rate at the date of the loan. Principal and interest are paid ratably through payroll deductions. A maximum of two loans are permitted at one time.

Administrative Expenses

The Plan is administered by the Corporation. Fidelity Management Trust Company (Fidelity) serves as trustee, and Fidelity Investments Institutional Operations Company, Inc. serves as record-keeper.

The Corporation pays substantially all administrative expenses of the Plan, except for investment-related expenses, which are paid by the Plan.

Plan Termination

While it has not expressed any intent to do so, the Corporation may terminate the Plan at any time upon submission of written notice to the investment custodian, subject to the provisions of ERISA and any applicable collective bargaining agreements. In the event of the Plan's termination, participants will receive a payment equal to the total value of their accounts.

Sandia Corporation Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

2. Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Benefit payments are recorded when paid.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the Master Trust. The Statements of Net Assets Available for Benefits present the fair value of the interest in the Master Trust relating to fully benefit-responsive investment contracts as well as the adjustment of the interest in the Master Trust relating to fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan's interest in the Master Trust is stated at the fair value of the underlying net assets of the Master Trust, except for the Interest Income Fund (as described below). Investments by the Master Trust in shares of mutual funds, commingled funds, and common/collective trusts are stated at fair value. Investments in the Company Common Stock Fund are determined by the combined value of the underlying common stock and short-term cash position. The fair value of the common stock portion of the fund is based on the closing price of the common stock on its primary exchange. Participant loans are valued at their amortized cost, which approximate fair value. The short-term cash portion of the Company Common Stock Fund is recorded at cost, which approximates fair value.

Sandia Corporation Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

2. Significant Accounting Policies (continued)

The Master Trust is invested in certain synthetic guaranteed investment contracts (GICs) with insurance companies and other third parties through the Interest Income Fund. The investment manager of these investment contracts is Fidelity. Since the synthetic GICs are fully benefit-responsive, contract value is the most relevant measurement attribute for that portion of net assets available for benefits attributable to synthetic GICs. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against the contract value for credit risk of the contract issuer or otherwise.

A synthetic GIC is a wrap contract paired with an underlying investment or investments, usually a portfolio, owned by the Master Trust, of high-quality, intermediate term fixed income securities. The Master Trust purchases wrapper contracts from certain financial services institutions. A synthetic GIC credits a stated interest rate for a specified period of time. Investment gains and losses are amortized over the expected duration through the calculation of the interest rate applicable to the Master Trust on a prospective basis. Synthetic GICs provide for a variable crediting rate and the issuer of the wrap contract provides assurance that future adjustments to the crediting rate can not result in a crediting rate less than zero. The crediting rate is primarily based on the current yield-to-maturity of the covered investments, plus or minus amortization of the difference between the market value and contract value of the covered investments over the duration of the covered investments at the time of computation. The crediting rate is most impacted by the change in the annual effective yield to maturity of the underlying securities, but is also affected by the differential between the contract value and the market value of the covered investments. This difference is amortized over the duration of the covered investments. Depending on the change in duration from reset period to reset period, the magnitude of the impact to the crediting rate of the contract to market difference is heightened or lessened. The crediting rate can be adjusted periodically and is usually adjusted quarterly.

Certain events limit the ability of the Plan to transact at contract value. Upon the occurrence of certain events, such as the Plan's failure to maintain its tax qualified status, market value of the investment in the GICs (if lower than its book value) may be repaid. No such events are currently known to have occurred, nor are any such events contemplated as probable by management of the Plan.

Under certain circumstances investment contracts may be terminated. Settlement upon termination will be at contract value unless the terms of the contract were not met or other events as described above trigger payment at market value.

Sandia Corporation Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

2. Significant Accounting Policies (continued)

The Master Trust owns the assets underlying the synthetic GICs, which consist primarily of U.S. government securities, corporate debt obligations, and mortgage-backed and other asset-backed securities. For purposes of calculating the fair value of the synthetic GICs, fair value is determined considering the fair value, representative of quoted market prices, of the underlying assets of the synthetic investment contract. The value of the wrapper contract was not deemed material. The average yield earned on the synthetic GIC's was approximately 4.49% and 4.68% for the years ended December 31, 2008 and 2007, respectively. The average yield credited to participants' accounts was approximately 3.75% and 4.71% for the years ended December 31, 2008 and 2007, respectively.

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

Purchases and shares of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

3. Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated April 7, 2009, 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. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. The Corporation believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. Management has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified tax status.

Sandia Corporation Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

4. Master Trust

The assets of the Plan are held in a Master Trust along with the assets of the Sandia Corporation Savings and Income Plan. The Plan's interest in the Master Trust's net assets is adjusted for certain plan-specific transactions, including contributions and benefit payments. The assets, realized and unrealized gains and losses, and investment income of the Master Trust are allocated to each plan based on the number of participant units outstanding at each month-end during the year for the Interest Income Fund and the Company Common Stock Fund, and on a pro rata basis for all other funds. The Plan's interest in the Master Trust's net assets as of December 31, 2008 and 2007 was approximately 2.8% and 2.9%, respectively.

The following table presents the fair value of investments of the Master Trust as of December 31, 2008 and 2007:

	2008	2007
Investments at fair value:		
Company Common Stock Fund	\$ 55,022,577	\$ 64,766,910
Mutual funds	713,193,452	1,197,550,427
Common/collective trusts	243,865,251	297,876,978
Commingled funds	110,967,834	149,198,788
Guaranteed investment contracts	480,054,047	482,747,328
Net assets at fair value	1,603,103,161	2,192,140,431
Adjustment from fair value to contract value relating to fully benefit-responsive investment contracts	(1,959,613)	(4,617,239)
Net assets	\$ 1,601,143,548	\$ 2,187,523,192

The investment loss of the Master Trust for the year ended December 31, 2008, was as follows:

Net depreciation in fair value:	
Company Common Stock Fund	\$ (12,893,027)
Mutual funds	(456,349,147)
Common/collective trusts	(100,721,271)
Commingled funds	(30,173,025)
	(600,136,470)
Interest and dividend income	55,429,456
Total investment loss	\$ (544,707,014)

Sandia Corporation Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

5. Fair Value Measurements

The Plan 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 Plan'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; and

Level 3 – Unobservable inputs – includes amounts derived from valuation models where one or more significant inputs are unobservable and require use to develop relevant assumptions.

At December 31, 2008, the Master Trust had no financial assets or liabilities that are categorized as Level 3. During 2008, the Master Trust had no financial assets or liabilities that were transferred in or out of the Level 3 category.

The following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Master Trust at year end reported on the active market on which the individual securities are traded.

Common collective and commingled funds: Valued at the net asset value of units/shares held by the Master Trust as the end of the year.

Guaranteed investment contract: Individual assets of the synthetic GIC are valued at representative quoted market prices.

Sandia Corporation Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

5. Fair Value Measurements (continued)

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

	Level 1	Level 2	Total
Mutual Funds	\$ 713,193,452	-	\$ 713,193,452
Common/collective Trusts	-	243,865,251	243,865,251
Commingled Funds	-	110,967,834	110,967,834
Guaranteed Investment Contracts	-	480,054,047	480,054,047
Company Common Stock Fund	55,022,577	-	55,022,577
Total investment assets at fair value	\$ 768,216,029	\$ 834,887,132	\$ 1,603,103,161

Participant loans represent an asset of the Plan and, therefore, are not included in the above summary of investment assets of the Master Trust. Participant loans of \$2,034,171 as of December 31, 2008, are considered to be Level 3 within the fair value hierarchy.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2008

Level 3 Assets	
Year ended December 31, 2008	
Participant Loans	
Balance, beginning of year	\$ 1,915,614
Realized gains/(losses)	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	-
Purchases, sales, issuances and settlements (net)	<u>118,557</u>
Balance, end of year	<u>\$ 2,034,171</u>

The valuation methods described in above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 Savings and Security Plan

Notes to Financial Statements (continued)

December 31, 2008

6. Parties-in-Interest Transactions

The transactions between the following parties are considered to be party-in-interest transactions for which a statutory exemption from the prohibited transaction regulations exist:

The Master Trust invests in common stock of Lockheed Martin, which owes the Corporation. The Master Trust held 646,782 and 619,221 shares of Lockheed Martin common stock as of December 31, 2008 and 2007, respectively. Dividends earned by the Master Trust on Lockheed Martin common stock were \$1,144,487 for the year ended December 31, 2008.

The Recordkeeper, Fidelity Investments Institutional Operations Company, Inc., and the Trustee are related parties in which a statutory exemption exists. The total dollar amount of transactions paid from the Plan to the Trustee was \$15,640 for the year ended December 31, 2008.

In addition, participant loans are considered to be party-in-interest transactions for which a statutory exemption from the prohibited transaction regulation exists.

Supplemental Schedule

Sandia Corporation Savings and Security Plan

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

EIN: 85-0097942

Plan #: 007

December 31, 2008

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Participant loans	Interest rates ranging from 4.00% to 8.25%; varying maturities	**	\$ 2,034,171

*Indicates party-in-interest to the Plan.

**Investments are participant-directed; thus cost information is not applicable.