Lockheed Martin CEO's Pay Falls In 'Demanding' Year

BETHESDA, Md. (AP) — The CEO of defense contractor Lockheed Martin Corp. received 2010 compensation worth $19.1 million, 7 percent less than in 2009, according to an Associated Press analysis of a regulatory filing by the company.

Robert J. Stevens got a bigger annual bonus, and his stock awards grew slightly. But other parts of his compensation package fell in value, including stock options and a separate performance-related bonus. The performance incentive, which is based on the company's performance over three years, fell 12 percent.

The Chairman and CEO's compensation was detailed in a filing the company made Friday with the Securities and Exchange Commission.

In the filing, Lockheed's board said the company met or beat its financial goals for 2010 even though the defense industry was a target of calls to cut government spending.

Lockheed earned $2.93 billion last year, down from $3 billion in 2009, despite a 4.1 percent increase in revenue. Stevens said Lockheed turned in solid results in "a very demanding year." The company has predicted a smaller profit in 2011 as the Pentagon comes under pressure to control spending.

Shares in the Bethesda, Md., company fell 7 percent in value during 2010.

For 2010, Stevens received a salary of $1.8 million, an annual bonus of more than $4 million and a performance-related bonus of $4.6 million.

The value of Stevens' stock awards and options combined fell to $7 million from more than $9.1 million.

Stevens received $1.6 million in other compensation, which included $1.3 million for security and $206,317 for tax gross-ups, which are extra amounts companies pay to cover the taxes executives must pay on the perks they receive.

The Associated Press formula is designed to isolate the value the company's board placed on the executive's total compensation package during the last fiscal year. It includes salary, bonus, performance-related bonus, perks, above-market returns on deferred compensation and the estimated value of stock options and awards granted during the year.

The calculations exclude changes in the present value of pension benefits, and they sometimes differ from totals that companies list in the summary compensation

table of proxy statements filed with the SEC.

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