

SCHOTTLAENDER COLIN
Form 4
March 20, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHOTTLAENDER COLIN

(Last) (First) (Middle)
870 WINTER STREET
(Street)

WALTHAM, MA 02451

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
RAYTHEON CO/ [RTN]

3. Date of Earliest Transaction (Month/Day/Year)
03/16/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/16/2007		M		8,249	A	\$ 19.375
Common Stock	03/16/2007		M		6,806	A	\$ 29.685
Common Stock	03/16/2007		M		2,272	A	\$ 44.45
Common Stock	03/16/2007		M		3,180	A	\$ 31.445
Common Stock	03/16/2007		F		7,651	D	\$ 52.66

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Common Stock	03/16/2007	S	8,249	D	\$ 52.7659	83,469	D	
Common Stock	03/16/2007	S	29,649	D	\$ 52.8109	53,820	D	
Common Stock						3,258 ⁽¹⁾	I	401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
Employee Stock Option	\$ 19.375	03/16/2007		M	1,249	02/25/2001 02/25/2010	Common Stock 1,249
Employee Stock Option	\$ 29.685	03/16/2007		M	6,806	05/23/2004 ⁽²⁾ 05/22/2011	Common Stock 6,806
Employee Stock Option	\$ 44.45	03/16/2007		M	2,272	05/13/2005 ⁽³⁾ 05/12/2012	Common Stock 2,272
Employee Stock Option	\$ 31.445	03/16/2007		M	3,180	05/14/2006 05/13/2013	Common Stock 3,180
Performance Stock Option	\$ 19.375	03/16/2007		M	7,000	02/22/2002 ⁽⁴⁾ 02/25/2010	Common Stock 7,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHOTTLAENDER COLIN 870 WINTER STREET			Vice President	

WALTHAM, MA 02451

Signatures

Colin
Schottlaender 03/20/2007

__Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
The Reporting Person indirectly beneficially owns 3,258 shares of the Issuer's Common Stock based on funds in the Reporting Person's
- (1) Savings and Investment Plan/Excess Savings Plan Account divided by \$53.04, the closing price of the Issuer's Common Stock on March 16, 2007.
 - (2) The options became exercisable in three annual installments beginning on May 23, 2002.
 - (3) The options became exercisable in two annual installments beginning on May 13, 2004.
The options became exercisable in three equal installments. The first installment became exercisable on August 25, 2000, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$23.27 per share; the
 - (4) second installment became exercisable on October 30, 2000, upon the Issuer's Common Stock sustaining a market price of at least \$27.91 per share; and the third installment became exercisable on February 22, 2002, upon the Issuer's Common Stock sustaining a market price of at least \$33.49 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.