

RAYTHEON CO/  
Form 4  
March 21, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
SWANSON WILLIAM H

(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)  
03/19/2007

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)  
Chairman and CEO

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	03/19/2007		M		223,800	A	\$ 19.375
					695,021		
Common Stock	03/19/2007		S		223,800	D	\$ 53.3427
					471,221		

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 Underlying Security (Instr. 3 and 4)
Employee Stock Option	\$ 19.375	03/19/2007		M	10,322	02/25/2003 <sup>(1)</sup> 02/24/2010	Common Stock
Employee Stock Option	\$ 19.375	03/19/2007		M	177,178	02/25/2003 <sup>(2)</sup> 02/25/2010	Common Stock
Performance Stock Option	\$ 19.375	03/19/2007		M	36,300	02/22/2002 <sup>(3)</sup> 02/25/2010	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SWANSON WILLIAM H 870 WINTER STREET WALTHAM, MA 02451	X		Chairman and CEO	

## Signatures

William H.  
Swanson 03/21/2007

\*\*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).

(1) The options became exercisable in two annual installments beginning on February 25, 2002.

(2) The options became exercisable in three annual installments beginning on February 25, 2001.

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

(3) 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.

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