

RAYTHEON CO/  
Form 4  
September 06, 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 \*  
SMITH DANIEL L

(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)  
09/04/2007

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)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	09/04/2007		M	500 <sup>(1)</sup>	A	\$ 55.9063	72,489	D
Common Stock	09/04/2007		M	9,000 <sup>(1)</sup>	A	\$ 31.815	81,489	D
Common Stock	09/04/2007		M	2,000 <sup>(1)</sup>	A	\$ 32.315	83,489	D
Common Stock	09/04/2007		M	3,180 <sup>(1)</sup>	A	\$ 31.445	86,669	D
Common Stock	09/04/2007		S	14,680 <sup>(1)</sup>	D	\$ 60.9909	71,989	D

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Common Stock	09/04/2007	M	11,820 (1)	A	\$ 31.445	83,809	D	
Common Stock	09/04/2007	F	7,830 (1)	D	\$ 61.145	75,979	D	
Common Stock						4,693 (2)	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	\$ 55.9063	09/04/2007		M	500	06/24/2000 06/23/2008	Common Stock
Employee Stock Option	\$ 31.445	09/04/2007		M	3,180	05/14/2006 05/13/2013	Common Stock
Employee Stock Option	\$ 31.445	09/04/2007		M	11,820	05/14/2006 <sup>(3)</sup> 05/14/2013	Common Stock
Performance Stock Option	\$ 31.815	09/04/2007		M	9,000	10/27/2006 <sup>(4)</sup> 01/24/2011	Common Stock
Performance Stock Option	\$ 32.315	09/04/2007		M	2,000	01/03/2007 <sup>(5)</sup> 01/23/2012	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH DANIEL L 870 WINTER STREET WALTHAM, MA 02451			Vice President	

## Signatures

Dana Ng,  
Attorney-in-fact

09/06/2007

\_\_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 stock option exercises and sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on August 3, 2007.

The Reporting Person indirectly beneficially owns 4,693 shares of the Issuer's Common Stock based on funds in the Reporting Person's Savings and Investment Plan/Excess Savings Plan Account divided by \$60.33, the closing price of the Issuer's Common Stock on September 4, 2007.

- (3) The options became exercisable in three annual installments beginning on May 14, 2004.

The options became exercisable in three equal installments. The first installment became exercisable on February 28, 2002, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$36.59 per share; the second installment became exercisable on May 29, 2002 upon the Issuer's Common Stock sustaining a market price of at least \$42.08 per share; and the third installment became exercisable on October 27, 2006 upon the Issuer's Common Stock sustaining a market price of at least \$48.39 per share.

- (5) The options became exercisable in three equal installments. The first installment became exercisable on May 16, 2002, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$39.10 per share; the second installment became exercisable on May 17, 2006, upon the Issuer's Common Stock sustaining a market price of at least \$44.965 per share; and the third installment became exercisable on January 3, 2007, upon the Issuer's Common Stock sustaining a market price of at least \$51.71 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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