

RAYTHEON CO/
Form 4
March 19, 2007

FORM 4

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

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

OMB APPROVAL

OMB
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(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)
03/15/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)

Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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	03/15/2007		M		13,000	A	\$ 29.685	90,665 D
Common Stock	03/15/2007		M		11,466	A	\$ 29.48	102,131 D
Common Stock	03/15/2007		S		24,466	D	\$ 52.0796	77,665 D
Common Stock								4,655 ⁽¹⁾ I 401(k)

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

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)	8. Price or Range of Prices (Instr. 3)	9. An or Nu of
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option	\$ 29.685	03/15/2007		M	9,423	05/23/2004 ⁽²⁾	05/23/2011	Common Stock	9
Employee Stock Option	\$ 29.685	03/15/2007		M	3,577	05/23/2004 ⁽²⁾	05/22/2011	Common Stock	3
Performance Stock Option	\$ 29.48	03/15/2007		M	11,466	09/13/2006 ⁽³⁾	01/22/2013	Common Stock	11

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

Jay B. Stephens,
Attorney-in fact

03/19/2007

**Signature of Reporting Person

Date

- * 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 4,655 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 \$52.64, the closing price of the Issuer's Common Stock on March 15, 2007.
- (2) The options became exercisable in three annual installments beginning on May 23, 2002.
- (3)

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The options become exercisable in three equal installments. The first installment became exercisable on December 2, 2004, upon the Issuer's Common Stock sustaining (for a period of twenty (20) trading days) a market price of at least \$36.85 per share; the second installment became exercisable on September 13, 2006, upon the Issuer's Common Stock sustaining a market price of at least \$46.063 per share; and the third installment becomes exercisable upon the date that the Issuer's Common Stock sustains a market price of at least \$57.578 per share. Notwithstanding the foregoing vesting schedule, all shares under option shall become exercisable upon the sixth anniversary of the grant date.

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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