



AIR  
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**Raytheon**

# INVESTOR FACTSHEET

NYSE: RTN

## Company Profile

Raytheon is a technology and innovation leader specializing in defense, homeland security and other government markets throughout the world. With a history of innovation spanning 90 years, Raytheon provides state-of-the-art electronics, mission systems integration and other capabilities in the areas of sensing; effects; and command, control, communications and intelligence systems, as well as a broad range of mission support services.

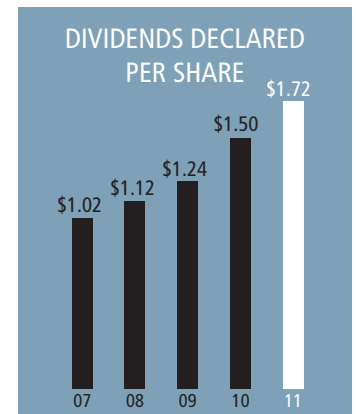
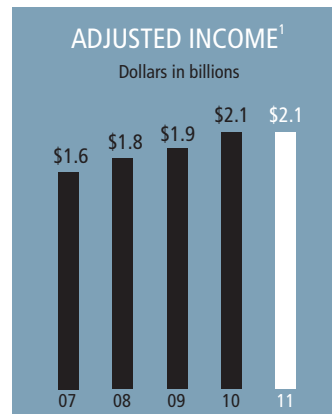
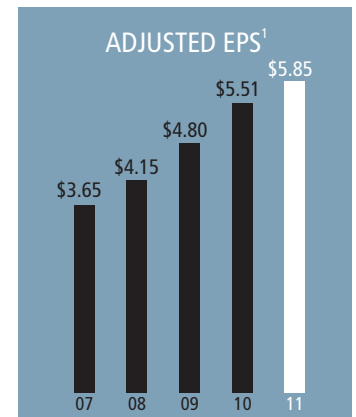
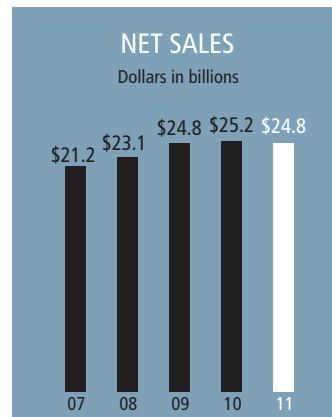
## Innovative Solutions

Raytheon's domain knowledge and technological leadership have created expanding opportunities in our four core defense markets, as well as in growth focus areas:

- **Sensing:** technologies that acquire precise situational data across air, space, ground and underwater domains and then generate the information needed for effective battlespace decisions. Our sensing technologies span the full electromagnetic spectrum, from traditional radio frequency (RF) and electro-optical (EO) to wideband, hyperspectral and acoustic sensors.
- **Effects:** technologies that achieve specific military actions or outcomes, from striking targets or disabling hostile information systems to using directed energy in peacekeeping missions. We are focused on moving beyond kinetic energy weapons to provide a broader range of systems that generate desired effects on an enemy, including using the missile as a node in the network, directed energy, lethal and non-lethal applications and cyber operations.
- **C3I (Command, Control, Communication and Intelligence):** systems that provide integrated real-time support to decision-makers on and off the battlefield, transforming raw data into actionable intelligence. Capabilities include situational awareness, persistent surveillance, communications, mission planning, battle management command and control, intelligence and analysis, and integrated ground solutions.
- **Mission Support:** enabling customer success through total life-cycle support that predicts customer needs, senses potential problems and proactively responds with the most appropriate solutions. Capabilities include technical services, system engineering, logistics, training, operations and maintenance.
- **Homeland Security:** continue to grow our presence in the domestic and international homeland security markets, focusing on transportation security, immigration control/identity management, critical infrastructure protection, energy security, intelligence program support, law enforcement solutions and emergency preparedness and response.
- **Cybersecurity:** continue to enhance our capabilities in the cybersecurity market. We are focused on providing cyber capabilities to the Intelligence, DoD and DHS markets as well as embedding cybersecurity in our products and in our own IT infrastructure.

## Financial Highlights

Using technology leadership to drive growth



Years ended December 31,	2009	2010	2011
In millions, except per share amounts and percentages			
Net Sales	\$24,843	\$25,150	24,791
Operating Income	3,055	2,613	2,830
Adjusted Income <sup>1</sup>	1,898	2,078	2,067
Adjusted EPS <sup>1</sup>	4.80	5.51	5.85
Operating Cash Flow from Continuing Operations	2,699	1,892	2,102
Dividends Declared per Share	1.24	1.50	1.72

<sup>1</sup> Adjusted EPS and Adjusted Income are EPS and Income from continuing operations attributable to Raytheon Company common stockholders excluding the after-tax impact of the FAS/CAS adjustment and, from time to time, certain other previously disclosed items. Adjusted EPS and Adjusted Income are non-GAAP financial measures. Please see the next page for a reconciliation of these measures to our results as reported under GAAP.

## Raytheon Businesses

Raytheon's six businesses are the link between core capabilities and delivering world-class products, systems and support for customers and partners:



**Integrated Defense Systems (IDS)**, headquartered in Tewksbury, Mass., is a leader in integrated air and missile defense, radar solutions and naval combat and ship electronic systems. IDS delivers combat-proven performance against the complete spectrum of airborne and ballistic missile threats and is a world leader in large scale radar development, technology and production. Some key programs within IDS' portfolio include: Patriot Air and Missile Defense System and Terminal High Altitude Area Defense (THAAD).



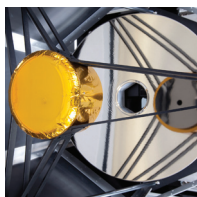
**Intelligence and Information Systems (IIS)**, headquartered in Garland, Texas, is a provider of systems, subsystems and software engineering services for national and tactical intelligence systems, as well as for homeland security and IT solutions. Some key programs within IIS' portfolio include: Global Positioning System Next Generation Operational Control System (GPS OCX) and Joint Polar Satellite System (JPSS).



**Missile Systems (MS)**, headquartered in Tucson, Ariz., designs, develops and produces missile systems for critical requirements, including air-to-air, strike, naval weapons systems, land combat, guided projectiles, exoatmospheric kill vehicles, directed energy weapons and advanced programs. Some key programs within MS' portfolio include: Advanced Medium-Range Air-to-Air Missile (AMRAAM), Phalanx, Standard Missile-3 (SM-3), and Tomahawk.



**Network Centric Systems (NCS)**, headquartered in McKinney, Texas, develops and produces mission solutions for networking, command and control, battlespace awareness, and air traffic management. Programs include civilian applications, command and control systems, integrated communications systems, and netted sensor systems. NCS serves all branches of the United States military, the National Guard, the Department of Homeland Security, the Federal Aviation Administration, and other U.S. national security agencies, as well as international customers.



**Space and Airborne Systems (SAS)**, headquartered in El Segundo, Calif., is a supplier of integrated sensing solutions for advanced applications in aviation and a leader in space-based sensors. Some key programs within SAS' portfolio include: Active Electronically Scanned Array (AESA) radar, multi-spectral targeting systems, and space-based sensors.



**Technical Services (TS)**, headquartered in Dulles, Va., provides technical, scientific and professional services for defense, federal and commercial customers worldwide. TS specializes in Mission Support, training, counter-proliferation, counter-terrorism, range operations, and customized engineering services. Some key programs within TS' portfolio include: Warfighter Field Operations Customer Support (FOCUS), and Air Traffic Control Optimum Training Solutions (ATCOTS).

## Financials

### Net Sales

(In millions)	2009	2010	2011
Integrated Defense Systems	\$5,525	\$5,470	\$4,958
Intelligence and Information Systems	3,204	2,757	3,015
Missile Systems	5,561	5,732	5,590
Network Centric Systems	4,822	4,918	4,497
Space and Airborne Systems	4,582	4,830	5,255
Technical Services	3,161	3,472	3,353
Corporate and Eliminations	(2,012)	(2,029)	(1,877)
<b>Total</b>	<b>\$24,843</b>	<b>\$25,150</b>	<b>\$24,791</b>

### Adjusted Income Reconciliation

(In millions)	2007	2008	2009	2010	2011
Income from continuing operations attributable to Raytheon Company common stockholders	\$1,688	\$1,683	\$1,940	\$1,805	\$1,848
FAS/CAS Adjustment, after-tax <sup>1</sup>	131	42	(52)	122	219
UKBA program adjustment, after-tax <sup>2</sup>	-	-	-	284	-
UKBA LOC Adjustment <sup>3</sup>	-	-	-	-	60
Tax settlements	(219)	-	-	(170)	(60)
Early debt retirement make whole provision, after-tax <sup>1</sup>	38	-	14	47	-
Acceleration of deferred gains on terminated interest rate swaps on retired debt, after-tax <sup>1</sup>	-	-	(4)	(10)	-
Unfavorable impact of pension returns on existing contracts, after-tax <sup>1</sup>	-	45	-	-	-
<b>Adjusted Income</b>	<b>\$1,638</b>	<b>\$1,770</b>	<b>\$1,898</b>	<b>\$2,078</b>	<b>\$2,067</b>

<sup>1</sup> Tax affected at 35% federal statutory tax rate.

<sup>2</sup> Tax affected at approximately 28% 2010 U.K. statutory tax rate.

<sup>3</sup> Tax affected at approximately 25% 2011 U.K. statutory tax rate.

We define Adjusted Income as income from continuing operations attributable to Raytheon Company common stockholders excluding the after-tax impact of the FAS/CAS Adjustment and, from time to time, certain other previously disclosed items as set forth above in the reconciliation. Amounts may not recalculate due to rounding.

### Adjusted Earning Per Share (EPS) Reconciliation

	2007	2008	2009	2010	2011
Diluted EPS from continuing operations	\$3.76	\$3.95	\$4.91	\$4.79	\$5.22
FAS/CAS Adjustment, after-tax <sup>1</sup>	0.29	0.10	(0.13)	0.32	0.62
UKBA program adjustment, after-tax <sup>2</sup>	-	-	-	0.75	-
UKBA LOC Adjustment <sup>3</sup>	-	-	-	-	0.17
Tax settlements	(0.49)	-	-	(0.45)	(0.17)
Early debt retirement make whole provision, after-tax <sup>1</sup>	0.08	-	0.04	0.13	-
Acceleration of deferred gains on terminated interest rate swaps on retired debt, after-tax <sup>1</sup>	-	-	(0.01)	(0.03)	-
Unfavorable impact of pension returns on existing contracts, after-tax <sup>1</sup>	-	0.11	-	-	-
<b>Adjusted EPS</b>	<b>\$3.65</b>	<b>\$4.15</b>	<b>\$4.80</b>	<b>\$5.51</b>	<b>\$5.85</b>

<sup>1</sup> Tax affected at 35% federal statutory tax rate.

<sup>2</sup> Tax affected at approximately 28% 2010 U.K. statutory tax rate.

<sup>3</sup> Tax affected at approximately 25% 2011 U.K. statutory tax rate.

We define Adjusted EPS as diluted EPS from continuing operations attributable to Raytheon Company common stockholders excluding the after-tax EPS impact of the FAS/CAS Adjustment and, from time to time, certain other previously disclosed items as set forth above in the reconciliation. Amounts may not recalculate due to rounding.

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