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Third Quarter 2015 Conference Call

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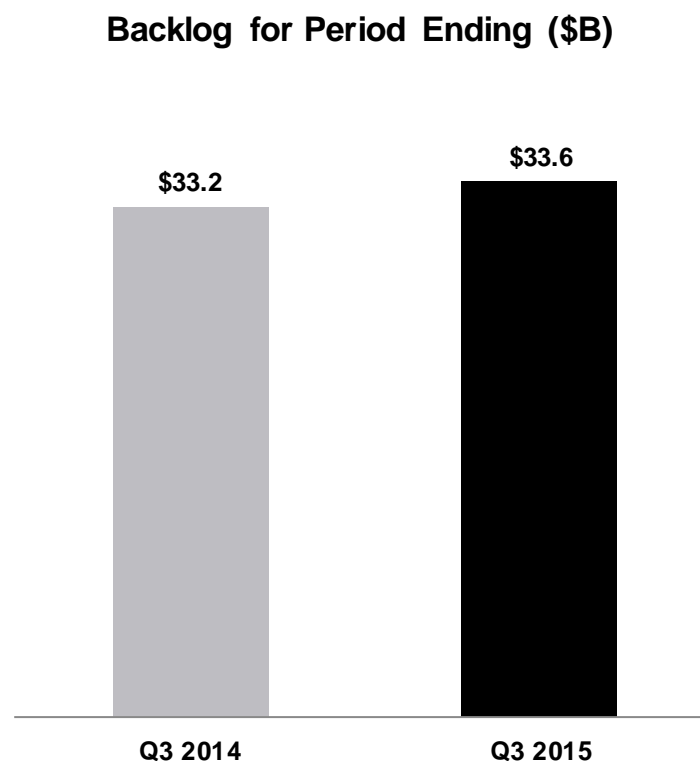
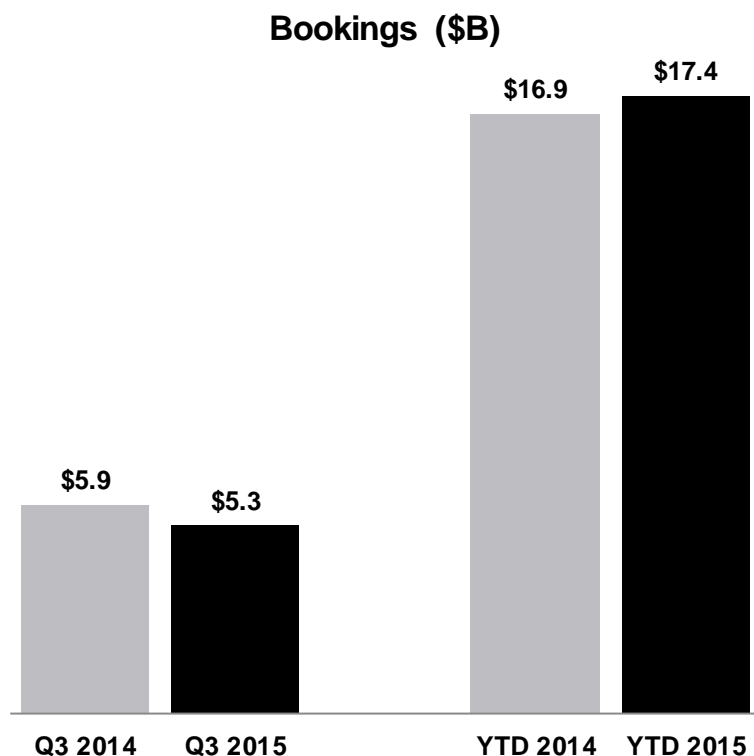
Forward-Looking Statements

This presentation contains forward-looking statements, including information regarding the Company's financial outlook, future plans, objectives, business prospects and anticipated financial performance. These forward-looking statements are not statements of historical facts and represent only the Company's current expectations regarding such matters. These statements inherently involve a wide range of known and unknown risks and uncertainties. The Company's actual actions and results could differ materially from what is expressed or implied by these statements. Specific factors that could cause such a difference include, but are not limited to: the Company's dependence on the U.S. Government for a significant portion of its business and the risks associated with U.S. Government sales, including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration under the amended Budget Control Act of 2011, a government shutdown, or otherwise, uncertain funding of programs, potential termination of contracts, and difficulties in contract performance; the resolution of program terminations; the ability to procure new contracts; the risks of conducting business in foreign countries; the unpredictability of timing of international bookings; the ability to comply with extensive governmental regulation and obtain approvals, including import and export policies, the Foreign Corrupt Practices Act, the International Traffic in Arms Regulations, industrial cooperation agreement obligations, and procurement and other regulations; the impact of competition; the ability to develop products and technologies; the impact of changes in the financial markets and global economic conditions; the risk that actual pension returns, discount rates or other actuarial assumptions are significantly different than the Company's assumptions; the risk of cost overruns, particularly for the Company's fixed-price contracts; dependence on component availability, subcontractor and partner performance and key suppliers; risks of a negative government audit; the use of accounting estimates in the Company's financial statements; risks associated with acquisitions, dispositions, joint ventures and other business arrangements; risks of an impairment of goodwill or other intangible assets; the outcome of contingencies and litigation matters, including government investigations; the ability to recruit and retain qualified personnel; the impact of potential security and cyber threats, and other disruptions; and other factors as may be detailed from time to time in the Company's public announcements and Securities and Exchange Commission filings. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this presentation or to update them to reflect events or circumstances occurring after the date of this presentation, including any acquisitions, dispositions or other business arrangements that may be announced or closed after such date. This presentation may also contain non-GAAP financial measures.

Third Quarter 2015 Highlights

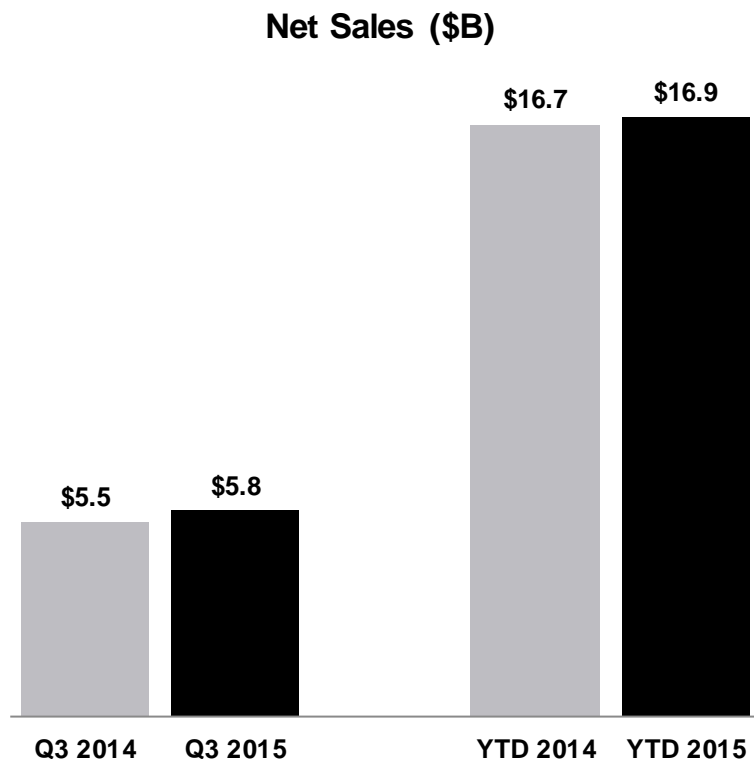
- Solid bookings of \$5.3 billion
- Net sales of \$5.8 billion, up 6 percent
- EPS from continuing operations of \$1.47
- Strong operating cash flow from continuing operations of \$1.1 billion

Total Company Bookings and Backlog



Book-to-bill ratio of 1.03 year-to-date 2015 and 1.06 on a trailing four quarter basis

Total Company Net Sales



Net Sales (\$M)

	Q3 2014	Q3 2015	% Change
IDS	\$1,428	\$1,533	7%
IIS	1,450	1,438	-1%
MS	1,477	1,645	11%
SAS	1,509	1,446	-4%
RW	30	114	NM
Eliminations	(420)	(366)	NM
Total Business Segment	5,474	5,810	6%
RW Deferred Revenue Adjustment ⁽¹⁾	-	(27)	NM
Total	\$5,474	\$5,783	6%

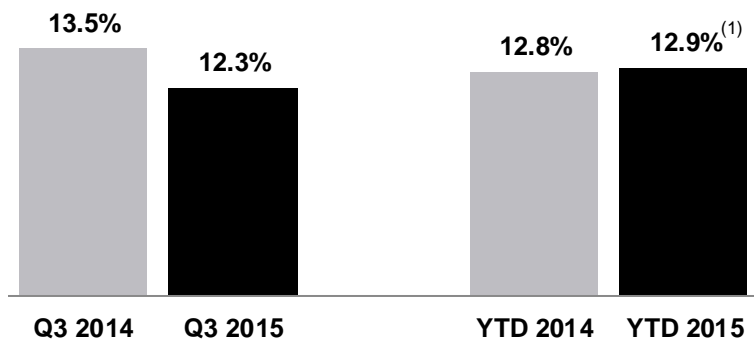
NM = Not Meaningful

(1) RW Deferred Revenue Adjustment represents the unfavorable impact of the acquisition accounting adjustments to record acquired deferred revenue at fair value related to Raytheon|Websense, including historical Raytheon Cyber Products acquisitions.

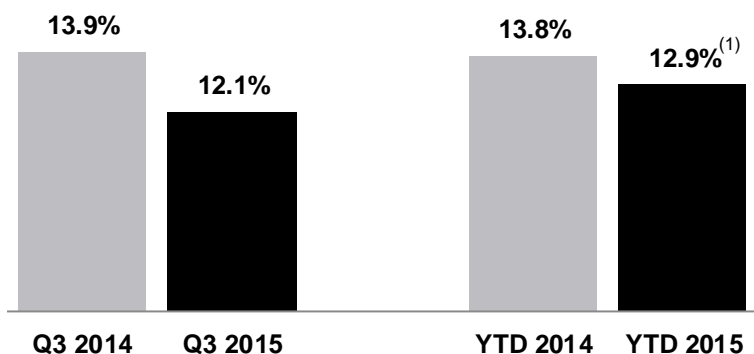
Q3 2015 sales increased by 6 percent

Total Company Operating Margins

Total Business Segment Operating Margin



Total Operating Margin



	Q3 2014	Q3 2015	Change
IDS	16.1%	13.8%	(230) bps
IIS	8.1%	7.5%	(60) bps
MS	12.9%	13.3%	40 bps
SAS	15.7%	14.1%	(160) bps
RW	16.7%	17.5%	80 bps
Eliminations	(\$43M)	(\$49M)	(\$6M)
Total Business Segment Operating Margin	13.5%	12.3%	(120) bps
RW Deferred Revenue Adjustment ⁽²⁾	-	(\$27M)	(\$27M)
RW Amortization of Intangibles ⁽²⁾	(\$1M)	(\$24M)	(\$23M)
FAS/CAS Adjustment	\$42M	\$43M	\$1M
Corporate ⁽³⁾	(\$15M)	(\$9M)	\$6M
Total Operating Margin	13.9%	12.1%	(180) bps

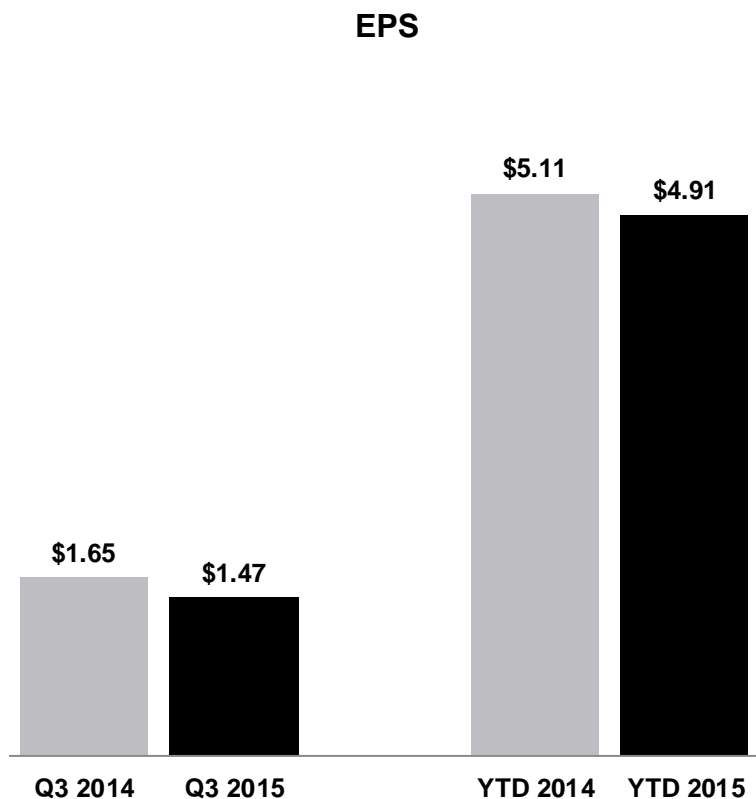
NM = Not Meaningful

(1) YTD 2015 operating margin includes the favorable \$181 million impact of the first quarter 2015 eBorders settlement.

(2) RW Deferred Revenue Adjustment and RW Amortization of Intangibles represent the unfavorable impact of the acquisition accounting adjustments to record acquired deferred revenue at fair value and the amortization of acquired intangible assets, respectively, related to Raytheon|Websense, including historical Raytheon Cyber Products acquisitions.

(3) Third quarter 2015 includes the unfavorable \$1 million impact of Websense acquisition related costs.

Earnings Per Share from Continuing Operations



EPS (\$)	
Third Quarter 2014	\$1.65
Operations	(0.04)
Reduced share count	0.03
RW Deferred Revenue Adjustment ⁽¹⁾	(0.05)
RW Amortization of Intangibles ⁽¹⁾	(0.04)
Tax-related	(0.08)
Third Quarter 2015	\$1.47

(1) RW Deferred Revenue Adjustment and RW Amortization of Intangibles represent the unfavorable impact of the acquisition accounting adjustments to record acquired deferred revenue at fair value and the amortization of acquired intangible assets, respectively, related to Raytheon|Websense, including historical Raytheon Cyber Products acquisitions.

2015 Financial Outlook

	Current	Prior*
Net Sales (\$B)	23.0 - 23.3**	22.7 - 23.2
RW Deferred Revenue Adjustment (\$M) ⁽¹⁾	(61)	(61)
RW Amortization of Intangibles (\$M) ⁽¹⁾	(58)	(58)
FAS/CAS Adjustment (\$M)	185**	197
Interest Expense, Net (\$M)	(225) - (235)	(225) - (235)
Diluted Shares (M)	Approx. 305**	305 - 306
Effective Tax Rate	Approx. 27.0%	Approx. 27.0%
EPS from Continuing Operations	\$6.47 - \$6.62	\$6.47 - \$6.62
Operating Cash Flow from Cont. Ops. (\$B)	2.5 - 2.7	2.5 - 2.7

* As of July 23, 2015

** Denotes changes from prior guidance

(1) RW Deferred Revenue Adjustment and RW Amortization of Intangibles represent the unfavorable impact of the acquisition accounting adjustments to record acquired deferred revenue at fair value and the amortization of acquired intangible assets, respectively, related to Raytheon|Websense, including historical Raytheon Cyber Products acquisitions.

2015 Financial Outlook: By Business

	Current Net Sales (\$B)	Prior* Net Sales (\$B)	Current Operating Margins (%)	Prior* Operating Margins (%)
IDS	6.3 - 6.4**	6.1 - 6.3	14.6 - 14.8%**	15.1 - 15.3%
IIS	5.7 - 5.8**	5.7 - 5.9	10.4 - 10.6% ⁽¹⁾	10.4 - 10.6% ⁽¹⁾
MS	6.6 - 6.7**	6.4 - 6.6	12.9 - 13.1%**	12.8 - 13.0%
SAS	5.7 - 5.8**	5.6 - 5.8	13.2 - 13.4%**	13.1 - 13.3%
RW	0.3	0.3	9.0 - 10.0%	9.0 - 10.0%
Eliminations	(1.5) - (1.6)	(1.5) - (1.6)	(\$155M) - (\$160M)	(\$155M) - (\$160M)
Total business segment	\$23.1 - \$23.4**	\$22.8 - \$23.3	13.1 - 13.3%**	13.2 - 13.4%
RW Deferred Revenue Adjustment ⁽²⁾	(0.1)	(0.1)	(61M)	(61M)
RW Amortization of Intangibles ⁽²⁾	-	-	(58M)	(58M)
FAS/CAS Adjustment	-	-	185**	197
Corporate ⁽³⁾	-	-	(\$95M) - (\$100M)	(\$95M) - (\$100M)
Total	\$23.0 - \$23.3**	\$22.7 - \$23.2	13.0 - 13.2%**	13.1 - 13.3%

* As of July 23, 2015

** Change from prior guidance

(1) Includes the favorable \$181 million adjustment to operating income for the first quarter 2015 eBorders settlement.

(2) RW Deferred Revenue Adjustment and RW Amortization of Intangibles represent the unfavorable impact of the acquisition accounting adjustments to record acquired deferred revenue at fair value and the amortization of acquired intangible assets, respectively, related to Raytheon|Websense, including historical Raytheon Cyber Products acquisitions, and are excluded from RW.

(3) Includes \$30 million impact of Websense acquisition related costs of which \$26 million has been incurred YTD Q3 2015.

2016 FAS/CAS Pension Adjustment (\$M)

2016 Global FAS / CAS Pension Income / (Expense) (\$M)									
Actual 2015 Asset Return	12/31/15 Discount Rate								
	3.50%	3.75%	4.00%	4.25%	4.50%	4.75%	5.00%	5.25%	5.50%
-10.00%	(44)	29	101	170	238	306	372	438	502
-5.00%	30	104	175	244	313	380	447	512	577
0.00%	119	192	263	333	401	469	535	601	665
5.00%	210	283	355	424	492	560	626	692	756
8.00%	265	338	410	479	548	615	681	747	811
10.00%	303	376	447	517	585	652	719	784	849

The FAS/CAS pension adjustment represents the difference between the pension costs required to be recognized under Financial Accounting Standards under U.S. GAAP (FAS) and the pension cost recorded under U.S. Government Cost Accounting Standards (CAS). This chart indicates the range of possible outcomes for the 2016 FAS/CAS pension adjustment, based upon different discount rates and 2015 asset return rates that will be determined at 12/31/15.

Actual 2016 results are not necessarily limited to the above scenarios nor the above factors of discount rate and actual asset return (e.g. results will also reflect any potential changes in census data, etc.). The range of outcomes above is also based on our current, long-term return on asset (ROA) assumption of 8.00%. As noted above, 2016 pension expense will be determined at 12/31/15 using assumptions and based on market conditions in place at that time.

Appendix

Workdays in Fiscal Reporting Calendar

	Q1	Q2	Q3	Q4
2015	61	64	63	61
2014	62	64	63	60
Increase / (decrease)	(1)	0	0	1

	Q1	Q2	Q3	Q4
2014	62	64	63	60
2013	63	64	63	59
Increase / (decrease)	(1)	0	0	1