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First Quarter Earnings

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This presentation contains forward-looking statements, including information regarding the Company's 2010 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, uncertain funding of programs, potential termination of contracts, and difficulties in contract performance; the ability to procure new contracts; the risks of conducting business in foreign countries; the ability to comply with extensive governmental regulation, including import and export policies, the Foreign Corrupt Practices Act, the International Traffic in Arms Regulations, 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 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 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 also contains non-GAAP financial measures. A GAAP reconciliation and a discussion of the Company's use of these measures are included in this presentation.

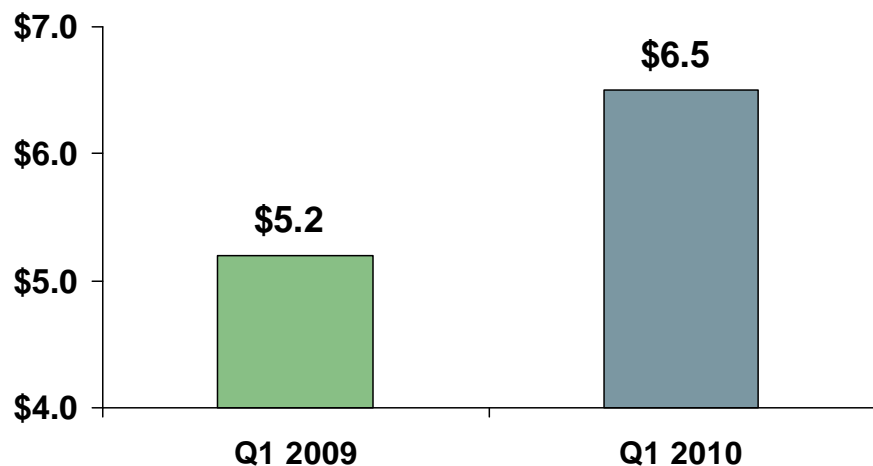
First Quarter 2010 Highlights

- Strong bookings of \$6.5 billion; net sales of \$6.1 billion
- EPS from continuing operations of \$1.18; FAS/CAS Adjusted EPS⁽¹⁾ of \$1.27, up 17 percent
- Solid operating cash flow from continuing operations of \$257 million
- As previously announced, increased annual dividend rate by 21 percent to \$1.50 per share and authorized new \$2.0 billion share repurchase program

⁽¹⁾ FAS/CAS Adjusted EPS is defined as EPS from continuing operations attributable to Raytheon Company common stockholders excluding the earnings per share impact of the FAS/CAS pension adjustment. FAS/CAS Adjusted EPS is a non-GAAP financial measure. See page 14 for a reconciliation of FAS/CAS Adjusted EPS to EPS from continuing operations attributable to Raytheon Company common stockholders and a discussion of why the Company is presenting this information.

Total Company Bookings and Backlog

Bookings (\$B)



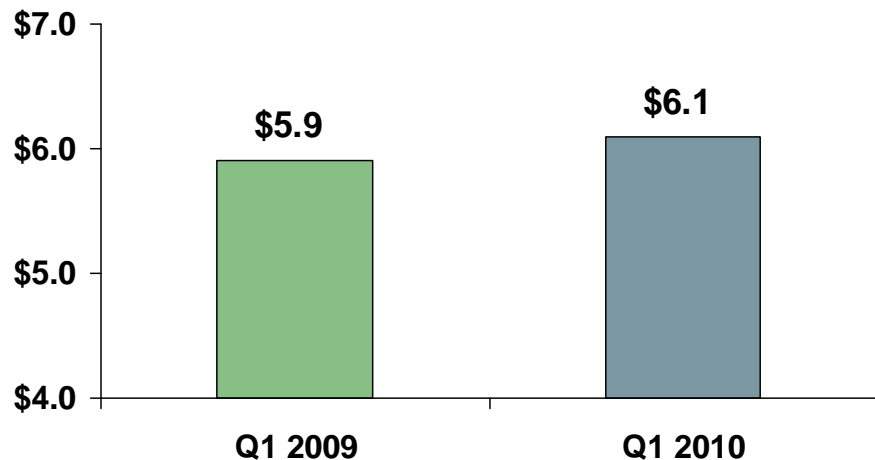
Backlog (\$B)



Strong bookings and solid backlog

Total Company Net Sales

Net Sales (\$B)

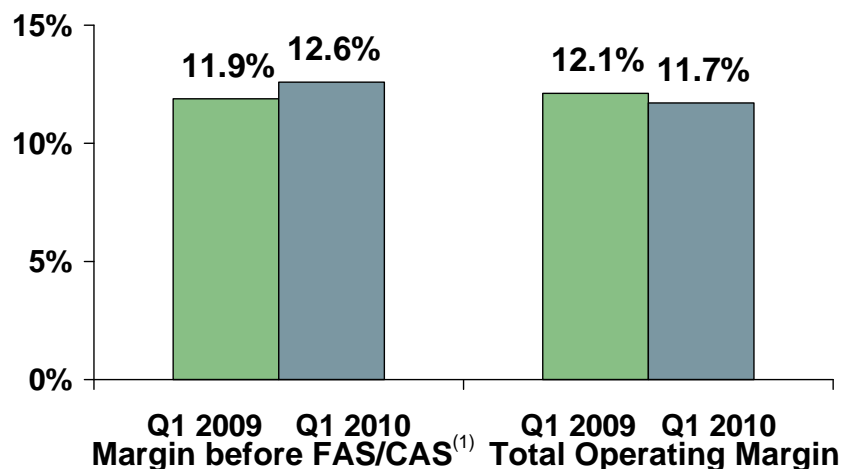


First Quarter Net Sales (\$M)

	<u>Q1 2009</u>	<u>Q1 2010</u>	<u>% Change</u>
IDS	\$1,262	\$1,336	6%
IIS	784	730	-7%
MS	1,368	1,361	-1%
NCS	1,154	1,176	2%
SAS	1,046	1,095	5%
TS	696	801	15%
Corp/Elims	(426)	(446)	NM
Total	\$5,884	\$6,053	3%
Workdays	61	60	

Diverse portfolio driving continued growth

Total Company Operating Margins

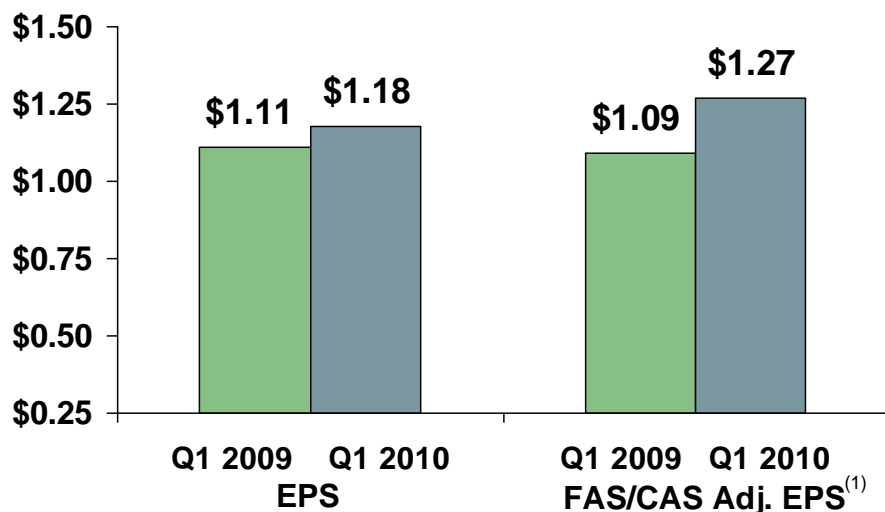


	Q1 2009	Q1 2010	Net Change
IDS	14.9%	15.7%	80 bps
IIS	7.8%	6.8%	(100) bps
MS	11.5%	11.6%	10 bps
NCS	14.1%	14.0%	(10) bps
SAS	13.3%	14.5%	120 bps
TS	6.3%	8.4%	210 bps
Corp and Elims	-\$52M	-\$47M	\$5M
Margin before FAS/CAS⁽¹⁾	11.9%	12.6%	70 bps
FAS/CAS Pension Adjustment	0.2%	-0.9%	(110) bps
Total Operating Margin	12.1%	11.7%	(40) bps

(1) Margin before FAS/CAS is defined as total operating margin excluding the margin impact of the FAS/CAS pension adjustment. Margin before FAS/CAS is a non-GAAP financial measure and may not be defined and calculated by other companies in the same manner. See page 14 for a reconciliation of Margin before FAS/CAS to total operating margin and a discussion of why the Company is presenting this information.

Strong operational performance

Earnings Per Share from Continuing Operations



EPS (\$)

First Quarter 2009	\$1.11
Operational improvements	0.10
Reduced share count	0.06
FAS/CAS pension adjustment	(0.11)
Other items, net	<u>0.02</u>
First Quarter 2010	\$1.18

FAS/CAS Adjusted EPS (\$)⁽¹⁾

First Quarter 2009	\$1.09
Operational improvements	0.10
Reduced share count	0.06
Other items, net	<u>0.02</u>
First Quarter 2010	\$1.27

(1) See page 14 for a reconciliation of FAS/CAS Adjusted EPS to EPS from continuing operations attributable to Raytheon Company common stockholders.

FAS/CAS Adjusted EPS increased by 17 percent in Q1 2010

2010 Financial Outlook

	<u>2009 Actual</u>	<u>2010 Outlook</u>
Net Sales (\$B)	24.9	25.9 - 26.4
FAS/CAS Pension Inc./ (Exp.) (\$M)	27	(220)
Interest Expense, Net (\$M)	(109)	(95) - (110)
Diluted Shares (M)	395.7	377 - 382
Effective Tax Rate	32.5%	~31.5%
EPS from Continuing Operations	\$4.89	\$4.75 - \$4.90
FAS/CAS Adjusted EPS ⁽¹⁾	\$4.85	\$5.13 - \$5.28
Operating Cash Flow from Cont. Ops. (\$B)	2.7	2.0 - 2.2
ROIC (%) ⁽¹⁾	12.2	12.2 - 12.6

(1) See page 14 for a reconciliation of FAS/CAS Adjusted EPS to EPS from continuing operations attributable to Raytheon Company common stockholders and page 13 for a calculation of ROIC.

**Continued solid growth in sales
and FAS/CAS Adjusted EPS**

2010 Financial Outlook: By Business

	<u>Net Sales (\$B)</u>	<u>Operating Margins (%)</u>
IDS	5.7 - 5.9	15.5 - 15.7%
IIS	3.2 - 3.4	8.5 - 8.7%
MS	5.6 - 5.8	10.8 - 11.0%
NCS	5.1 - 5.3	13.0 - 13.2%
SAS	4.6 - 4.8	13.8 - 14.0%
TS	3.3 - 3.5	6.7 - 6.9%
Corp. and Elims.	(1.9) - (2.0)	(\$250M)-(\$275M)
Subtotal	<u>\$25.9 - \$26.4</u>	<u>11.8 - 12.0%</u>
FAS/CAS Expense	-	-0.9%
Total Cont. Ops.	<u>\$25.9 - \$26.4</u>	<u>10.9 - 11.1%</u>

Strong and diverse portfolio driving continued sales growth and solid margins

2010 Financial Outlook: By Quarter

	2010 Estimates			
	Q2	Q3	Q4	Total
Sales	~24%	~24.5%	~28.5%	\$25.9B - \$26.4B
EPS	~23%	~24%	~29%	\$4.75 - \$4.90
Operating Cash Flow from Cont. Ops. (\$M)	200 - 250	300 - 350	1,250 - 1,350	\$2.0B - \$2.2B

Appendix

Workdays in Fiscal Reporting Calendar

	Q1	Q2	Q3	Q4
2010	60	64	63	62
2009	<u>61</u>	<u>64</u>	<u>63</u>	<u>61</u>
Increase / (decrease)	(1)	0	0	1

Return on Invested Capital (ROIC) Calculation

\$ millions

	2009	Outlook 2010E
Income from cont. ops.	\$1,977	} Combined
FAS/CAS pension adjustment, after-tax*	(18)	
Net interest expense, after-tax*	71	
Lease expense, after-tax*	66	
Return	\$2,096	\$2,155-2,200
Net debt**	(132)	} Combined
Equity less investment in disc. ops.	9,560	
Lease exp. X 8, plus fin. guarantees	2,815	
Minimum pension liability/ASC 715	5,007	
Invested capital from cont. ops.***	\$17,250	\$17,700-17,500
ROIC	12.2%	12.2-12.6%

* Calculated utilizing the federal statutory rate of 35%

** Net debt is defined as total debt less cash and cash equivalents and is calculated using a 2-point average

*** Calculated using a 2 point average

The Company defines Return on Invested Capital (ROIC) as income from continuing operations excluding the after-tax effect of the FAS/CAS pension adjustment plus after-tax net interest expense plus one-third of operating lease expense after-tax (estimate of interest portion of operating lease expense) divided by average invested capital after capitalizing operating leases (operating lease expense times a multiplier of 8), adding financial guarantees less net investment in Discontinued Operations, and adding back the impact of the accounting standard for employers' accounting for defined benefit pension and other postretirement plans. ROIC is not a measure of financial performance under generally accepted accounting principles (GAAP) and may not be defined and calculated by other companies in the same manner. ROIC should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. The Company uses ROIC as a measure of efficiency and effectiveness of its use of capital and as an element of management compensation.

Reconciliation of Non-GAAP Measures in Statement of Operations Information

(In millions, except per share amounts)

	First Quarter		2010 Guidance	
	2010	2009	Low end of range	High end of range
Diluted earnings per share from continuing operations attributable to Raytheon Company common stockholders	\$ 1.18	\$ 1.11	\$ 4.75	\$ 4.90
Less: Per share impact of the FAS/CAS Pension Adjustment*	(0.09)	0.02	(0.38)	(0.38)
FAS/CAS Adjusted EPS **	\$ 1.27	\$ 1.09	\$ 5.13	\$ 5.28
* FAS/CAS Pension Adjustment	\$ (53)	\$ 11	\$ (220)	\$ (220)
Tax effect (at 35% federal statutory rate)	19	(4)	77	77
After-tax FAS/CAS Pension Adjustment	(34)	7	(143)	(143)
Diluted Shares	384.4	404.0	382.0	377.0
Per share impact of the FAS/CAS Pension Adjustment	\$ (0.09)	\$ 0.02	\$ (0.38)	\$ (0.38)

FAS/CAS Adjusted Income from Continuing Operations attributable to Raytheon Company common stockholders Non-GAAP Reconciliation

	First Quarter	
	2010	2009
Income from Continuing Operations attributable to Raytheon Company common stockholders	\$ 453	\$ 449
FAS/CAS Pension Adjustment (Tax effected at 35% federal statutory rate)	34	(7)
FAS/CAS Adjusted Income from Continuing Operations attributable to Raytheon Company common stockholders**	\$ 487	\$ 442

** These amounts are not measures of financial performance under U.S. generally accepted accounting principles (GAAP). They should be considered supplemental to and not a substitute for financial performance in accordance with GAAP and may not be defined and calculated by other companies in the same manner. FAS/CAS Adjusted EPS is defined as diluted EPS from continuing operations attributable to Raytheon Company common stockholders excluding the earnings per share impact of the FAS/CAS pension adjustment. FAS/CAS Adjusted Income from Continuing Operations attributable to Raytheon Company common stockholders is defined as income from continuing operations attributable to Raytheon Company common stockholders excluding the after-tax impact of the FAS/CAS pension adjustment. We are providing these measures, which exclude the impact of the FAS/CAS pension adjustment, because management uses them for the purposes of evaluating and forecasting the Company's financial performance and we believe it allows investors to benefit from being able to assess our operating performance in the context of how our principal customer, the U.S. Government, allows us to recover pension costs and to better compare our operating performance to others in the industry on that same basis.