
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): July 27, 2006

RAYTHEON COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

1-13699
(Commission File Number)

95-1778500
(IRS Employer Identification Number)

870 Winter Street, Waltham, Massachusetts 02451
(Address of Principal Executive Offices) (Zip Code)

(781) 522-3000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02. Results of Operations and Financial Condition

On July 27, 2006, Raytheon Company issued a press release announcing financial results for the fiscal quarter ended June 25, 2006. A copy of the press release is furnished with this report as Exhibit 99.1. The information in this report, including Exhibit 99.1, is furnished in accordance with SEC Release No. 33-8216 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits

(d) *Exhibits*

99.1 Press Release issued by Raytheon Company dated July 27, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RAYTHEON COMPANY

Date: July 27, 2006

By: /s/ David C. Wajsgras
David C. Wajsgras
Senior Vice President and Chief Financial Officer

**FOR IMMEDIATE RELEASE**

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Raytheon Reports Strong Second Quarter 2006 Results and Increases Full-year Guidance**Highlights**

- **EPS from continuing operations of \$0.69, up 35 percent**
- **Strong operating cash flow; net debt at \$3.1 billion, lowest in over 10 years**
- **Strong bookings of \$5.5 billion; sales of \$5.7 billion, up 6 percent**
- **Increases full-year guidance for EPS, operating cash flow, and ROIC**
- **Announces decision to explore strategic alternatives for Raytheon Aircraft Company**

WALTHAM, Mass., (July 27, 2006) – Raytheon Company (NYSE: RTN) reported second quarter 2006 income from continuing operations of \$311 million or \$0.69 per diluted share compared to \$233 million or \$0.51 per diluted share in the second quarter 2005. Second quarter 2006 income from continuing operations was higher primarily due to improved operating results at the Company’s Government and Defense businesses. The second quarter 2006 income from continuing operations included a \$34 million or \$0.05 per diluted share favorable adjustment related to the final valuation of warrants issued in the quarter in connection with the 2004 settlement of a class action shareholder lawsuit and a \$7 million or \$0.01 per diluted share charge related to the tentative settlement of ERISA litigation filed in 2003.

“We continue to be pleased with our operating performance and our positive outlook for the remainder of 2006,” said William H. Swanson, Raytheon’s Chairman and CEO. “The team remains focused on providing our customers with the best-in-class solutions and enhancing shareholder value.”

Second quarter 2006 net income was \$310 million or \$0.69 per diluted share compared to \$201 million or \$0.44 per diluted share in the second quarter 2005. Net income for the second quarter of 2005 included a \$32 million after-tax loss in discontinued operations or \$0.07 per diluted share primarily attributable to foreign tax related matters.

Net sales for the second quarter 2006 were \$5.7 billion, up 6 percent from \$5.4 billion in the second quarter 2005. Government and Defense sales for the quarter (after the elimination of intercompany sales) increased 5 percent to \$4.8 billion from \$4.5 billion in the second quarter 2005. Raytheon Aircraft Company (RAC) sales for the quarter increased 8 percent to \$745 million from \$687 million in the second quarter 2005.

Operating cash flow from continuing operations for the second quarter 2006 was \$439 million versus \$820 million for the second quarter 2005, a decrease primarily due to higher collections in the prior year's same period that resulted from a financial system implementation in the first quarter 2005. Year-to-date operating cash flow from continuing operations was \$444 million versus \$546 million for the comparable period in 2005, a decrease primarily due to higher 2006 cash tax payments.

Net debt was \$3.1 billion at the end of the second quarter 2006 compared with \$3.3 billion at the end of 2005 and \$4.6 billion at the end of the second quarter 2005. Net debt is defined as total debt less cash and cash equivalents. During the second quarter 2006, the Company retired \$408 million of subordinated notes payable.

The Company is also announcing that it intends to explore strategic alternatives for Raytheon Aircraft Company, which may include among others, a potential sale of the business, an initial public offering or spin-off to shareholders or some combination thereof. There can be no assurance that a transaction involving RAC will occur. The Company currently anticipates that any such transaction will not involve Flight Options LLC or Raytheon Airline Aviation Services LLC, the Company's commuter aircraft business. The Company has retained Credit Suisse to serve as its financial advisor and assist it in this process. As a matter of policy, the Company will not comment upon any proposals received or any rumors relating to any of the foregoing.

| Summary Financial Results (in millions, except per share data) | 2nd Quarter | | % | Six Months | | % |
|---|-------------|----------|-----|------------|-----------|-----|
| | 2006 | 2005 | | Change | 2006 | |
| Net Sales | \$ 5,711 | \$ 5,409 | 6% | \$ 10,863 | \$ 10,353 | 5% |
| Total Operating Expenses | 5,199 | 4,982 | | 9,897 | 9,549 | |
| Operating Income | 512 | 427 | 20% | 966 | 804 | 20% |
| Non-operating Expenses | 40 | 70 | | 57 | 151 | |
| Income from Cont. Ops. before Taxes | \$ 472 | \$ 357 | 32% | \$ 909 | \$ 653 | 39% |
| Income from Continuing Operations | \$ 311 | \$ 233 | 33% | \$ 600 | \$ 429 | 40% |
| Net Income | \$ 310 | \$ 201 | 54% | \$ 597 | \$ 367 | 63% |
| Diluted EPS from Continuing Operations | \$ 0.69 | \$ 0.51 | 35% | \$ 1.33 | \$ 0.94 | 41% |
| Diluted EPS | \$ 0.69 | \$ 0.44 | 57% | \$ 1.33 | \$ 0.81 | 64% |
| Cash Flow from Continuing Operations | \$ 439 | \$ 820 | | \$ 444 | \$ 546 | |

Bookings and Backlog

| Bookings (in millions) | 2nd Quarter | | Six Months | |
|---------------------------|---------------|----------|------------|-----------|
| | 2006 | 2005 | 2006 | 2005 |
| Bookings | | | | |
| Government and Defense | \$ 4,637 | \$ 7,283 | \$ 9,418 | \$ 11,895 |
| Commercial | 817 | 787 | 1,503 | 1,450 |
| Total Bookings | \$ 5,454 | \$ 8,070 | \$ 10,921 | \$ 13,345 |
| Backlog (in millions) | Period ending | | | |
| Backlog | 06/25/06 | 12/31/05 | | |
| Funded Backlog | \$34,269 | \$34,419 | | |
| | \$19,189 | \$17,580 | | |

The Government and Defense businesses reported second quarter 2006 bookings of \$4.6 billion compared to \$7.3 billion in the second quarter 2005. Bookings in the second quarter 2005 included \$1.7 billion related to DDG 1000, \$631 million for a Taiwan Early Warning Surveillance Radar System, and \$586 million for APG-79 Active Electronically Scanned Array (AESA) radars. RAC reported second quarter 2006 bookings of \$617 million compared to \$602 million in the second quarter 2005.

The Government and Defense businesses ended the second quarter 2006 with a backlog of \$31.3 billion compared to \$31.2 billion at the end of 2005. The Company ended the quarter with a backlog of \$34.3 billion compared to \$34.4 billion at the end of 2005.

Outlook

| 2006 Financial Outlook | Current | Prior * |
|-------------------------------|-----------------|-----------------|
| Bookings (\$B) | 22.0 - 23.0 | 22.0 - 23.0 |
| Net Sales (\$B) | 23.1 - 23.6 | 23.1 - 23.6 |
| FAS/CAS Pension Expense (\$M) | 378 | 360 |
| Interest Expense, net (\$M) | 220 - 230 | 220 - 230 |
| Diluted Shares | 449 - 451 | 449 - 451 |
| EPS from Cont. Ops. | \$2.60 - \$2.70 | \$2.55 - \$2.65 |
| Net Debt (\$B) | 2.3 - 2.5 | 2.4 - 2.6 |
| Operating Cash Flow (\$B) | 2.0 - 2.2 | 1.9 - 2.1 |
| ROIC (%) | 8.2 - 8.6 | 8.0 - 8.4 |

* As of April 27, 2006

The Company has increased full-year 2006 guidance for earnings per share from continuing operations, operating cash flow, and Return on Invested Capital (ROIC). In addition, the Company has updated guidance for the 2006 FAS/CAS pension expense and net debt. Charts containing additional information on the Company's 2006 guidance are available on the Company's website at www.raytheon.com. See attachment F for the Company's calculation and use of ROIC, a non-GAAP financial measure.

Segment Results

Integrated Defense Systems

| (in millions, except margin percent) | 2nd Quarter | | % | Six Months | | % |
|--------------------------------------|-------------|--------|--------|------------|---------|--------|
| | 2006 | 2005 | Change | 2006 | 2005 | Change |
| Net Sales | \$1,038 | \$ 940 | 10% | \$2,001 | \$1,846 | 8% |
| Operating Income | \$ 177 | \$ 139 | 27% | \$ 335 | \$ 260 | 29% |
| Operating Margin | 17.1% | 14.8% | | 16.7% | 14.1% | |

Integrated Defense Systems (IDS) had second quarter 2006 net sales of \$1,038 million, up 10 percent compared to \$940 million in the second quarter 2005, primarily due to growth in DDG 1000 and international programs. IDS recorded \$177 million of operating income compared to \$139 million in the second quarter 2005. Operating income was higher primarily due to higher volume and program performance improvements on domestic and international programs.

During the quarter, IDS booked \$126 million to provide electronic systems and integration for the U.S. Navy for the next three LPD 17 ships.

Intelligence and Information Systems

| (in millions, except margin percent) | 2nd Quarter | | % | Six Months | | % |
|--------------------------------------|-------------|-------|--------|------------|---------|--------|
| | 2006 | 2005 | Change | 2006 | 2005 | Change |
| Net Sales | \$633 | \$630 | NM | \$1,244 | \$1,172 | 6% |
| Operating Income | \$ 58 | \$ 59 | -2% | \$ 113 | \$ 109 | 4% |
| Operating Margin | 9.2% | 9.4% | | 9.1% | 9.3% | |

Intelligence and Information Systems (IIS) had second quarter 2006 net sales of \$633 million compared to \$630 million in the second quarter 2005. IIS recorded \$58 million of operating income compared to \$59 million in the second quarter 2005.

During the quarter, IIS booked \$521 million on a number of classified contracts, including \$276 million on a major classified contract.

Missile Systems

| (in millions, except margin percent) | 2nd Quarter | | % Change | Six Months | | % Change |
|--------------------------------------|-------------|---------|-------------|------------|---------|-------------|
| | 2006 | 2005 | | 2006 | 2005 | |
| Net Sales | \$1,117 | \$1,007 | 11% | \$2,106 | \$1,997 | 5% |
| Operating Income | \$ 122 | \$ 104 | 17% | \$ 232 | \$ 209 | 11% |
| Operating Margin | 10.9% | 10.3% | | 11.0% | 10.5% | |

Missile Systems (MS) had second quarter 2006 net sales of \$1,117 million, up 11 percent compared to \$1,007 million in the second quarter 2005, primarily due to a ramp up on Standard Missile and several development programs. MS recorded \$122 million of operating income compared to \$104 million in the second quarter 2005. Operating income in 2006 included an award fee resulting from a successful Standard Missile-3 (SM-3) flight test.

During the quarter, MS booked \$208 million on a major classified contract. MS also booked \$144 million on Small Diameter Bomb (SDB) II for the U.S. Air Force, \$107 million for additional development on SM-3 for the U.S. Navy, and \$101 million for additional development effort on the Exoatmospheric Kill Vehicle (EKV) program.

Network Centric Systems

| (in millions, except margin percent) | 2nd Quarter | | % Change | Six Months | | % Change |
|--------------------------------------|-------------|-------|-------------|------------|---------|-------------|
| | 2006 | 2005 | | 2006 | 2005 | |
| Net Sales | \$ 880 | \$804 | 9% | \$1,671 | \$1,566 | 7% |
| Operating Income | \$ 91 | \$ 78 | 17% | \$ 175 | \$ 157 | 11% |
| Operating Margin | 10.3% | 9.7% | | 10.5% | 10.0% | |

Network Centric Systems (NCS) had second quarter 2006 net sales of \$880 million, up 9 percent compared to \$804 million in the second quarter 2005, primarily due to growth in the Combat Systems business. NCS recorded operating income of \$91 million compared to \$78 million in the second quarter 2005. Operating income was higher primarily due to volume and continued program performance improvements.

During the quarter, NCS booked \$129 million on a number of awards in the Combat Systems business.

Space and Airborne Systems

| (in millions, except margin percent) | 2nd Quarter | | % Change | Six Months | | % Change |
|--------------------------------------|-------------|---------|-------------|------------|---------|-------------|
| | 2006 | 2005 | | 2006 | 2005 | |
| Net Sales | \$1,057 | \$1,060 | NM | \$2,075 | \$2,017 | 3% |
| Operating Income | \$ 152 | \$ 146 | 4% | \$ 297 | \$ 301 | -1% |
| Operating Margin | 14.4% | 13.8% | | 14.3% | 14.9% | |

Space and Airborne Systems (SAS) had second quarter 2006 net sales of \$1,057 million compared to \$1,060 million in the second quarter 2005. SAS recorded \$152 million of operating income compared to \$146 million in the second quarter 2005. Operating margin was higher primarily due to program performance improvements in the quarter.

During the quarter, SAS booked \$377 million on a number of classified contracts.

Technical Services

| (in millions, except margin percent) | 2nd Quarter | | % Change | Six Months | | % Change |
|--------------------------------------|-------------|-------|-------------|------------|-------|-------------|
| | 2006 | 2005 | | 2006 | 2005 | |
| Net Sales | \$476 | \$509 | -6% | \$936 | \$976 | -4% |
| Operating Income | \$ 32 | \$ 38 | -16% | \$ 64 | \$ 69 | -7% |
| Operating Margin | 6.7% | 7.5% | | 6.8% | 7.1% | |

Technical Services (TS) had second quarter 2006 net sales of \$476 million compared to \$509 million in the second quarter 2005. The decrease in sales is primarily due to the completion, as planned, of several large programs. TS recorded operating income of \$32 million in the second quarter of 2006 compared to \$38 million in the second quarter 2005. Operating income was lower primarily due to a profit adjustment related to certain program costs which may be deemed unrecoverable.

During the quarter, TS booked \$198 million to improve weapons security at an international location.

Aircraft

| (in millions, except margin percent) | 2nd Quarter | | % Change | Six Months | | % Change |
|--------------------------------------|-------------|-------|-------------|------------|---------|-------------|
| | 2006 | 2005 | | 2006 | 2005 | |
| Net Sales | \$745 | \$687 | 8% | \$1,238 | \$1,129 | 10% |
| Operating Income | \$ 41 | \$ 33 | 24% | \$ 57 | \$ 35 | 63% |
| Operating Margin | 5.5% | 4.8% | | 4.6% | 3.1% | |

Raytheon Aircraft Company (RAC) had second quarter 2006 net sales of \$745 million, up 8 percent compared to \$687 million in the second quarter 2005, primarily due to increased new aircraft deliveries. RAC recorded operating income of \$41 million compared to \$33 million in the second quarter 2005. Operating income was higher due to continued improved operating performance and favorable aircraft volume and mix.

Other

Net sales for the Other segment in the second quarter 2006 were \$202 million compared to \$189 million in the second quarter 2005. The segment recorded an operating loss of \$10 million in the second quarter 2006 compared to an operating loss of \$20 million in the second quarter 2005.

Raytheon Company (NYSE: RTN), with 2005 sales of \$21.9 billion, is an industry leader in defense and government electronics, space, information technology, technical services, and business and special mission aircraft. With headquarters in Waltham, Mass., Raytheon employs 80,000 people worldwide.

Disclosure Regarding Forward-looking Statements

This release and the attachments contain forward-looking statements, including information regarding the Company’s 2006 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: risks associated with the Company’s 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 and procurement, aircraft manufacturing and other regulations; the impact of competition; the ability to develop products and technologies; 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; the potential impairment of the Company’s goodwill; risks associated with the general aviation, commuter and fractional ownership aircraft markets; accidents involving the Company’s aircraft; the outcome of contingencies and litigation matters, including government investigations; the ability to recruit and retain qualified personnel; risks associated with acquisitions, joint ventures and other business arrangements; the impact of changes in the Company’s credit ratings; risks associated with exploring strategic alternatives for RAC, including the uncertainty of whether a transaction will be consummated and the potential disruption to RAC’s business during such transaction; and other factors as may be detailed from time to time in the Company’s public announcements and Securities and Exchange Commission filings. In addition, these statements do not give effect to the potential impact of any acquisitions, divestitures or business combinations, including any potential RAC transaction, that may be announced or closed after the date hereof. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this release and the attachments or to update them to reflect events or circumstances occurring after the date of this release.

Conference Call on the Second Quarter 2006 Financial Results

Raytheon's financial results conference call will be Thursday, July 27, 2006 at 9 a.m. ET. Participants will be William H. Swanson, Chairman and CEO, David C. Wajsgras, senior vice president and CFO, and other Company executives.

The dial-in number for the conference call will be (866) 800 - 8651. The conference call will also be audiocast on the Internet at www.raytheon.com. Individuals may listen to the call and download charts that will be used during the call. These charts will be available for printing prior to the call.

Interested parties are urged to check the website ahead of time to ensure their computers are configured for the audio stream. Instructions for obtaining the free required downloadable software are posted on the site.

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Attachment ARaytheon Company
Financial Information
Second Quarter 2006

(In millions except per share amounts)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|-----------|------------------|-----------|
| | 25-Jun-06 | 26-Jun-05 | 25-Jun-06 | 26-Jun-05 |
| Net sales | \$ 5,711 | \$ 5,409 | \$10,863 | \$10,353 |
| Cost of sales | 4,655 | 4,490 | 8,873 | 8,608 |
| Administrative and selling expenses | 390 | 356 | 751 | 705 |
| Research and development expenses | 154 | 136 | 273 | 236 |
| Total operating expenses | 5,199 | 4,982 | 9,897 | 9,549 |
| Operating income | 512 | 427 | 966 | 804 |
| Interest expense | 69 | 82 | 137 | 158 |
| Interest income | (17) | (12) | (41) | (24) |
| Other (income) expense, net | (12) | — | (39) | 17 |
| Non-operating expense, net | 40 | 70 | 57 | 151 |
| Income from continuing operations before taxes | 472 | 357 | 909 | 653 |
| Federal and foreign income taxes | 161 | 124 | 309 | 224 |
| Income from continuing operations | 311 | 233 | 600 | 429 |
| Loss from discontinued operations, net of tax | (1) | (32) | (3) | (62) |
| Net income | \$ 310 | \$ 201 | \$ 597 | \$ 367 |
| Earnings per share from continuing operations | | | | |
| Basic | \$ 0.70 | \$ 0.52 | \$ 1.36 | \$ 0.95 |
| Diluted | \$ 0.69 | \$ 0.51 | \$ 1.33 | \$ 0.94 |
| Loss per share from discontinued operations | | | | |
| Basic | \$ — | \$ (0.07) | \$ (0.01) | \$ (0.14) |
| Diluted | \$ — | \$ (0.07) | \$ (0.01) | \$ (0.14) |
| Earnings per share | | | | |
| Basic | \$ 0.70 | \$ 0.45 | \$ 1.35 | \$ 0.82 |
| Diluted | \$ 0.69 | \$ 0.44 | \$ 1.33 | \$ 0.81 |
| Average shares outstanding | | | | |
| Basic | 442.6 | 449.0 | 442.5 | 449.8 |
| Diluted | 450.9 | 455.1 | 450.3 | 455.6 |

Attachment B

Raytheon Company
 Segment Information
 Second Quarter 2006

(In millions)

| | Net Sales | | Operating Income | | Operating Income As a Percent of Sales | |
|--------------------------------------|--------------------|-----------------|--------------------|---------------|---|-------------|
| | Three Months Ended | | Three Months Ended | | Three Months Ended | |
| | 25-Jun-06 | 26-Jun-05 | 25-Jun-06 | 26-Jun-05 | 25-Jun-06 | 26-Jun-05 |
| Integrated Defense Systems | \$ 1,038 | \$ 940 | \$ 177 | \$ 139 | 17.1% | 14.8% |
| Intelligence and Information Systems | 633 | 630 | 58 | 59 | 9.2% | 9.4% |
| Missile Systems | 1,117 | 1,007 | 122 | 104 | 10.9% | 10.3% |
| Network Centric Systems | 880 | 804 | 91 | 78 | 10.3% | 9.7% |
| Space and Airborne Systems | 1,057 | 1,060 | 152 | 146 | 14.4% | 13.8% |
| Technical Services | 476 | 509 | 32 | 38 | 6.7% | 7.5% |
| Aircraft | 745 | 687 | 41 | 33 | 5.5% | 4.8% |
| Other | 202 | 189 | (10) | (20) | -5.0% | -10.6% |
| FAS/CAS Pension Adjustment | — | — | (100) | (116) | | |
| Corporate and Eliminations | (437) | (417) | (51) | (34) | | |
| Total | \$ 5,711 | \$ 5,409 | \$ 512 | \$ 427 | 9.0% | 7.9% |

| | Net Sales | | Operating Income | | Operating Income As a Percent of Sales | |
|--------------------------------------|------------------|-----------------|------------------|---------------|---|-------------|
| | Six Months Ended | | Six Months Ended | | Six Months Ended | |
| | 25-Jun-06 | 26-Jun-05 | 25-Jun-06 | 26-Jun-05 | 25-Jun-06 | 26-Jun-05 |
| Integrated Defense Systems | \$ 2,001 | \$ 1,846 | \$ 335 | \$ 260 | 16.7% | 14.1% |
| Intelligence and Information Systems | 1,244 | 1,172 | 113 | 109 | 9.1% | 9.3% |
| Missile Systems | 2,106 | 1,997 | 232 | 209 | 11.0% | 10.5% |
| Network Centric Systems | 1,671 | 1,566 | 175 | 157 | 10.5% | 10.0% |
| Space and Airborne Systems | 2,075 | 2,017 | 297 | 301 | 14.3% | 14.9% |
| Technical Services | 936 | 976 | 64 | 69 | 6.8% | 7.1% |
| Aircraft | 1,238 | 1,129 | 57 | 35 | 4.6% | 3.1% |
| Other | 392 | 381 | (23) | (41) | -5.9% | -10.8% |
| FAS/CAS Pension Adjustment | — | — | (190) | (232) | | |
| Corporate and Eliminations | (800) | (731) | (94) | (63) | | |
| Total | \$10,863 | \$10,353 | \$ 966 | \$ 804 | 8.9% | 7.8% |

Attachment C

Raytheon Company
Other Information
Second Quarter 2006

| | Backlog (In millions) | | Funded Backlog (In millions) | |
|--------------------------------------|--------------------------|-----------------|------------------------------------|-----------------|
| | 25-Jun-06 | 31-Dec-05 | 25-Jun-06 | 31-Dec-05 |
| Integrated Defense Systems | \$ 7,698 | \$ 8,010 | \$ 3,501 | \$ 3,009 |
| Intelligence and Information Systems | 3,869 | 4,077 | 725 | 642 |
| Missile Systems | 8,261 | 8,040 | 4,756 | 4,443 |
| Network Centric Systems | 4,327 | 4,307 | 3,087 | 2,839 |
| Space and Airborne Systems | 5,464 | 5,220 | 3,108 | 2,851 |
| Technical Services | 1,644 | 1,594 | 1,006 | 916 |
| Aircraft | 2,721 | 2,891 | 2,721 | 2,600 |
| Other | 285 | 280 | 285 | 280 |
| | <u>\$34,269</u> | <u>\$34,419</u> | <u>\$19,189</u> | <u>\$17,580</u> |
| Government and Defense businesses | <u>\$31,263</u> | <u>\$31,248</u> | <u>\$16,183</u> | <u>\$14,700</u> |

| | Bookings (In millions) Three Months Ended | |
|-----------------------------------|---|-----------------|
| | 25-Jun-06 | 26-Jun-05 |
| Government and Defense businesses | \$ 4,637 | \$ 7,283 |
| Commercial businesses | 817 | 787 |
| | <u>\$ 5,454</u> | <u>\$ 8,070</u> |

| | New Aircraft Deliveries (Units) Three Months Ended | |
|--------------|---|------------|
| | 25-Jun-06 | 26-Jun-05 |
| Hawker 800XP | 16 | 13 |
| Premier | 7 | 6 |
| Hawker 400XP | 13 | 16 |
| King Air | 33 | 27 |
| Pistons | 30 | 25 |
| T-6A | 8 | 17 |
| Total | <u>107</u> | <u>104</u> |

| | New Aircraft Bookings (Units) Three Months Ended | |
|--------------|---|-----------|
| | 25-Jun-06 | 26-Jun-05 |
| Hawker 4000 | 1 | 1 |
| Hawker 800XP | 13 | 13 |
| Premier | 9 | 6 |
| Hawker 400XP | 5 | 8 |
| King Air | 38 | 42 |
| Pistons | 20 | 14 |
| T-6A | — | — |
| Total | <u>86</u> | <u>84</u> |

Attachment D

Raytheon Company
Preliminary Financial Information
Second Quarter 2006

(In millions)

Balance sheets

| | <u>25-Jun-06</u> | <u>31-Dec-05</u> |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 925 | \$ 1,202 |
| Accounts receivable, less allowance for doubtful accounts | 402 | 425 |
| Contracts in process | 3,755 | 3,469 |
| Inventories | 1,969 | 1,722 |
| Deferred federal and foreign income taxes | 372 | 435 |
| Prepaid expenses and other current assets | 277 | 314 |
| Total current assets | <u>7,700</u> | <u>7,567</u> |
| Property, plant and equipment, net | 2,621 | 2,675 |
| Goodwill | 11,590 | 11,554 |
| Other assets, net | 2,542 | 2,585 |
| Total assets | <u>\$24,453</u> | <u>\$ 24,381</u> |
| Liabilities and Stockholders' Equity | | |
| Notes payable and current portion of long-term debt | \$ 91 | \$ 79 |
| Subordinated notes payable | — | 408 |
| Advance payments and billings in excess of costs incurred | 1,984 | 2,012 |
| Accounts payable | 1,001 | 962 |
| Accrued salaries and wages | 805 | 987 |
| Other accrued expenses | 1,147 | 1,403 |
| Liabilities from discontinued operations | 47 | 49 |
| Total current liabilities | <u>5,075</u> | <u>5,900</u> |
| Accrued retiree benefits and other long-term liabilities | 3,658 | 3,559 |
| Deferred federal and foreign income taxes | 209 | 125 |
| Long-term debt | 3,945 | 3,969 |
| Minority interest | 147 | 119 |
| Stockholders' equity | <u>11,419</u> | <u>10,709</u> |
| Total liabilities and stockholders' equity | <u>\$24,453</u> | <u>\$ 24,381</u> |

Attachment E

Raytheon Company
Preliminary Cash Flow Information
Second Quarter 2006

(In millions)

Cash flow information

| | Three Months Ended | | Six Months Ended | |
|---------------------------------------|---------------------------|------------------|-------------------------|------------------|
| | 25-Jun-06 | 26-Jun-05 | 25-Jun-06 | 26-Jun-05 |
| Net income | \$ 310 | \$ 201 | \$ 597 | \$ 367 |
| Depreciation | 93 | 88 | 181 | 176 |
| Amortization | 24 | 22 | 47 | 42 |
| Working capital | (143) | 283 | (619) | (351) |
| Discontinued operations | 21 | (49) | (4) | (52) |
| Net activity in financing receivables | 37 | 46 | 106 | 91 |
| Other | 118 | 180 | 132 | 221 |
| Net operating cash flow | 460 | 771 | 440 | 494 |
| Capital spending | (62) | (64) | (105) | (112) |
| Internal use software spending | (21) | (20) | (26) | (36) |
| Acquisitions | — | — | (47) | (60) |
| Investment activity and divestitures | 28 | — | 50 | 7 |
| Dividends | (107) | (100) | (205) | (190) |
| Repurchase of common stock | — | (139) | (102) | (192) |
| Debt (repayments) borrowings | (340) | (484) | (371) | (62) |
| Other | 23 | 33 | 89 | 49 |
| Total cash flow | \$ (19) | \$ (3) | \$ (277) | \$ (102) |

Attachment F

Raytheon Company
Non-GAAP Financial Measures
Second Quarter 2006

Return on Invested Capital (ROIC) is a “non-GAAP” financial measure under SEC regulations. The Company defines ROIC as income from continuing operations plus after-tax net interest expense plus one-third of operating lease expense after-tax (estimate of interest portion of the operating lease expense), divided by average invested capital after capitalizing operating leases (operating lease expense times a multiplier of 8) and adding financial guarantees. 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 to make the most efficient and effective use of capital and as an element of management incentive compensation.

Return on Invested Capital

(In millions)

| | Current Guidance | |
|---|------------------|-------------------|
| | Low end of range | High end of range |
| Income from Continuing Operations | | |
| Net Interest Expense, after-tax* | Combined | Combined |
| Lease Expense, after-tax* | | |
| Return | \$ 1,385 | \$ 1,430 |
| Net Debt ** | | |
| Equity** | Combined | Combined |
| Lease Expense x 8 plus Financial Guarantees** | | |
| Invested Capital | \$ 16,900 | \$ 16,700 |
| ROIC | 8.2% | 8.6% |

* effective tax rate of 33.6%

** two-point average