AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY , 1998
REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RAYTHEON COMPANY
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	95-1778500
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

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141 SPRING STREET, LEXINGTON, MASSACHUSETTS 02173
(781) 862-6600
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

THOMAS D. HYDE, ESQ.
VICE PRESIDENT AND GENERAL COUNSEL
RAYTHEON COMPANY
141 SPRING STREET
LEXINGTON, MASSACHUSETTS 02173
(781) 862-6600
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES OF ALL COMMUNICATIONS TO:

ADAM O. EMMERICH, ESQ.	KRIS F. HEINZELMAN, ESQ.
WACHTELL, LIPTON, ROSEN & KATZ	CRAVATH, SWAINE & MOORE
51 WEST 52ND STREET	825 EIGHTH AVENUE
NEW YORK, NEW YORK 10019	NEW YORK, NEW YORK 10019
(212) 403-1000	(212) 474-1000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: From time to time after the Effective Date of this Registration Statement as determined by market conditions.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [_]

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If the delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

(calculation table on following page)

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUNT OF REGISTRATION FEE
Debt Securities(4)(7)..	(3)	(3)	(3)	(3)
Preferred Stock, $0.01 par value per share(5)(7).....	(3)	(3)	(3)	(3)
Class B Common Stock, $0.01 par value per share(6)(7).....	(3)	(3)	(3)	(3)
Warrants(8).....	(3)	(3)	(3)	(3)
Total:	$3,000,000,000(9)	100%	$3,000,000,000(9)	$885,000

(1) The proposed maximum per unit and aggregate offering prices per class of security will be determined from time to time by the Registrant in connection with the issuance by the Registrant of the securities registered hereunder.
(2) Estimated solely for purposes of determining the registration fee pursuant to Rule 457(o) under the Securities Act.
(3) Not required to be included in accordance with General Instruction II.D. of Form S-3 under the Securities Act.
(4) Subject to note (9) below, there is being registered hereunder an indeterminate principal amount of Debt Securities as may be sold, from time to time, by the Registrant. If any Debt Securities are issued at an original issue discount, then the offering price shall be in such greater principal amount as shall result in an aggregate initial offering price not to exceed $3.0 billion less the dollar amount of any securities previously issued hereunder.
(5) Subject to note (9) below, there is being registered hereunder an indeterminate number of shares of Preferred Stock of the Company as may be sold from time to time.
(6) Subject to note (9) below, there is being registered hereunder an indeterminate number of shares of Class B Common Stock of the Company as may be sold from time to time.
(7) Subject to note (9) below, there is being registered hereunder an indeterminate principal amount of Debt Securities, and an indeterminate number of shares of Preferred Stock and Class B Common Stock of the Company, as shall be issuable upon conversion or redemption of Debt Securities, Preferred Stock or Class B Common Stock of the Company, as the case may be, or upon the exercise of Warrants of the Company registered hereunder.
(8) Subject to note (9) below, there is being registered hereunder an indeterminate amount and number of Warrants of the Company, representing rights to purchase certain of the Debt Securities, Preferred Stock or Class B Common Stock of the Company registered hereunder.
(9) In no event will the aggregate initial offering price of all securities issued from time to time pursuant to this Registration Statement exceed $3.0 billion or the equivalent thereof in one or more foreign currencies, foreign currency units, or composite currencies. The aggregate amount of Class B Common Stock registered hereunder is further limited to that which is permissible under Rule 415(a)(4) under the Securities Act. The securities registered hereunder may be sold separately or as units with other securities registered hereunder.

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A   +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE   +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT   +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR   +
+THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE   +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE   +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE.   +
+++

PROSPECTUS

SUBJECT TO COMPLETION, DATED , 1998

$3,000,000,000

RAYTHEON COMPANY

DEBT SECURITIES
PREFERRED STOCK
CLASS B COMMON STOCK
WARRANTS

Raytheon Company (the "Company" or "Raytheon") may offer from time to time, in one or more series, (i) unsecured senior debt securities (the "Senior Debt Securities"), (ii) unsecured subordinated debt securities (the "Subordinated Debt Securities" and, together with the Senior Debt Securities, the "Debt Securities"), (iii) warrants to purchase Debt Securities (the "Debt Warrants"), (iv) shares of serial preferred stock, $0.01 par value per share, in one or more series ("Preferred Stock"), (v) warrants to purchase shares of Preferred Stock (the "Preferred Stock Warrants"), (vi) shares of Class B common stock, $0.01 par value per share ("Class B Common Stock"), or (vii) warrants to purchase shares of Class B Common Stock (the "Class B Warrants"), in amounts, at prices and on terms to be determined by market conditions at the time of offering. The Debt Warrants, Preferred Stock Warrants and Class B Warrants are referred to herein collectively as the "Securities Warrants." The Debt Securities, Preferred Stock, Class B Common Stock and Securities Warrants are referred to herein collectively as the "Offered Securities."

The specific terms of the Offered Securities with respect to which this Prospectus is being delivered will be set forth in a supplement to this Prospectus (a "Prospectus Supplement"), together with the terms of the offering and sale of the Offered Securities, the initial offering price and the net proceeds to the Company from the sale thereof. The Prospectus Supplement will include, with regard to the particular Offered Securities, the following information: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, ranking, authorized denomination, maturity, rate (which may be fixed or variable) or method of calculation of interest and dates for payment thereof, any terms for optional or mandatory redemption or payment of additional amounts or any sinking fund provisions, any index or formula for determining the amount of any principal, premium, or interest fund provisions, the currency or currency unit in which any principal, premium, or interest is payable, whether the securities are issuable in registered form or in the form of global securities and any provisions for the conversion or exchange of such Debt Securities; (ii) in the case of Preferred Stock, the designation, number of shares, liquidation preference per share, initial public offering price, dividend rate (or method of calculation thereof), dates on which dividends shall be payable and dates from which dividends shall accrue, any redemption or sinking fund provisions, any conversion or exchange provisions and other rights, preferences and privileges; (iii) in the case of Class B Common Stock, the number of shares; (iv) in the case of Securities Warrants, the duration,exercise price and detachability; and (v) in the case of all Offered Securities, whether such Offered Securities will be offered separately or as a unit with other Offered Securities and the public offering price. The Prospectus Supplement also will contain information, where applicable, about material United States federal income tax considerations relating to, and any listing on a securities exchange of, the Offered Securities covered by such Prospectus Supplement.

The Debt Securities of any series may be issued with Securities Warrants. The Debt Securities may be Senior Debt Securities or Subordinated Debt Securities. The Senior Debt Securities, when issued, will rank on a parity with all the unsecured and unsubordinated indebtedness of the Company, and the Subordinated Debt Securities, when issued, will be subordinated in right of payment to all obligations of the Company to its other creditors, except obligations ranking on a parity with or junior to the Subordinated Debt Securities. See "Description of Debt Securities--Subordination of Subordinated Debt Securities."

The Company's Class B Common Stock is listed on the New York Stock Exchange ("NYSE"), the Chicago Stock Exchange ("CSE") and the Pacific Exchange ("PE"). Any Class B Common Stock offered hereby will be listed, subject to notice of issuance, on such exchanges.

The Offered Securities may be sold directly by the Company, through agents

designated from time to time or to or through underwriters or dealers. See "Plan of Distribution." If any agents of the Company, underwriters or dealers are involved in the sale of any Offered Securities in respect of which this Prospectus is being delivered, the names of such agents, underwriters or dealers and any applicable commissions or discounts and the net proceeds to the Company will be set forth in a Prospectus Supplement.

The Offered Securities may be issued in one or more series or issuances and will be limited to $3.0 billion in aggregate public offering price (or its equivalent, based on the applicable exchange rate, to the extent Debt Securities are denominated in for one or more foreign currencies or currency units). The Offered Securities may be sold for U.S. dollars, or any foreign currency or currencies or currency units, and the principal of, premium, if any, and any interest on, the Debt Securities may be payable in U.S. dollars, or any foreign currency or currencies or currency units.

The Offered Securities may be offered separately or as units with other Offered Securities, in separate series in amounts, at prices and on terms to be determined at or prior to the time of sale. The sale of other securities under the Registration Statement of which this Prospectus forms a part or under a Registration Statement to which this Prospectus relates will reduce the amount of Offered Securities which may be sold hereunder.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is , 1998.

CERTAIN PERSONS PARTICIPATING IN THE OFFERING OF THE OFFERED SECURITIES MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE OFFERED SECURITIES OR ANY SECURITIES THE PRICES OF WHICH MAY BE USED TO DETERMINE PAYMENTS ON THE OFFERED SECURITIES. SPECIFICALLY, THE UNDERWRITERS OR AGENTS SPECIFIED IN THE RELEVANT PROSPECTUS SUPPLEMENT OR PRICING SUPPLEMENT MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR AND PURCHASE THE OFFERED SECURITIES OR ANY SECURITIES THE PRICES OF WHICH MAY BE USED TO DETERMINE PAYMENTS ON THE OFFERED SECURITIES IN THE OPEN MARKET. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "PLAN OF DISTRIBUTION" IN THIS PROSPECTUS AND "PLAN OF DISTRIBUTION" OR "UNDERWRITING" IN THE RELEVANT PROSPECTUS SUPPLEMENT.

NO DEALER, SALESMAN, OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR THE ACCOMPANYING PROSPECTUS SUPPLEMENT, AND ANY SUCH OTHER INFORMATION, OR REPRESENTATIONS, IF GIVEN OR MADE, MUST NOT BE RELIED UPON AS HAVING BEEN SO AUTHORIZED. THE DELIVERY OF THIS PROSPECTUS AND THE ACCOMPANYING PROSPECTUS SUPPLEMENT OR ANY SALE MADE HEREUNDER OR THEREUNDER AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION INCLUDED OR INCORPORATED BY REFERENCE HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. NEITHER THIS PROSPECTUS NOR THE ACCOMPANYING PROSPECTUS SUPPLEMENT CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY OR THEREBY IN ANY JURISDICTION WHERE, AND TO ANY PERSON WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information concerning the Company may be inspected and copies may be obtained (at prescribed rates) at the Commission's Public Reference Section, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at the worldwide web site (http://www.sec.gov) maintained by the Commission and at the Commission's Regional Offices located at Seven World Trade Center, 13th Floor, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. The Company's Class B Common Stock and Class A Common Stock (as defined below) are listed on the NYSE, the CSE and the PE, where reports, proxy statements and other information concerning the Company can also be inspected. The offices of the NYSE are located at 20 Broad Street, New York, New York 10005.

The Company has filed with the Commission a registration statement on Form S-3 (together with all amendments and exhibits, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Offered Securities. As permitted by the rules and regulations of the Commission, this Prospectus omits certain information contained in the Registration Statement. For further information with respect to the Company and the Offered Securities, reference is hereby made to such Registration Statement, including the exhibits filed as a part thereof. Statements contained in this Prospectus concerning the provisions of certain documents filed with, or incorporated by reference in, the Registration Statement are not necessarily complete, each such statement being qualified in all respects by such reference. Copies of all or any part of the Registration Statement, including the documents incorporated by reference therein or exhibits thereto, may be obtained upon payment of the prescribed rates at the offices of the Commission set forth above.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Commission by the Company (File No. 1-13699) pursuant to the Exchange Act are incorporated herein by reference:

(a) The Company's Current Report on Form 8-K dated December 17, 1997; and

(b) The Company's Registration Statement on Form 8-A dated December 11, 1997 and Form 8-A/A dated December 17, 1997.

The following documents filed with the Commission pursuant to the Exchange Act by Former Raytheon Company (as defined below, File No. 1-2833) are also hereby incorporated by reference:

(a) Former Raytheon Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996;

(b) Former Raytheon Company's Quarterly Reports on Form 10-Q for the periods ended March 30, 1997, June 29, 1997 and September 28, 1997;

(c) Former Raytheon Company's Current Reports on Form 8-K dated January 4, 1997, January 16, 1997, March 14, 1997, July 11, 1997, September 10, 1997, October 7, 1997 (as amended on October 28, 1997) and December 17, 1997; and

(d) Former Raytheon Company's Solicitation Statement/Prospectus on Schedule 14A dated November 10, 1997.

All documents filed by the Company pursuant to section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Offered Securities shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing such documents. Any statement contained herein or in a document, all or a portion of which is incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this Prospectus or any Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document or portion thereof which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus or any Prospectus Supplement.

The Company will provide without charge to each person, including any beneficial owner, to whom a Prospectus is delivered, on written or oral request of such person, a copy of any or all of the documents incorporated by reference herein (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents). Such written requests should be addressed to: Secretary, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173. Telephone requests may be directed to the Secretary at (781) 862-6600.

Statements made in this Prospectus, or in any Prospectus Supplement relating to securities registered pursuant to the Registration Statement of which this Prospectus is a part, that are not statements of historical fact are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are subject to a number of risks and uncertainties. Important factors that could cause actual results to differ materially from the Company's expectations ("cautionary statements") are disclosed in this Prospectus and the documents incorporated by reference herein, including, without limitation, statements under "Item 1--Business" of Former Raytheon Company's Annual Report on Form 10-K and under "Risk Factors" in Former Raytheon Company's Solicitation Statement/Prospectus dated November 10, 1997.

THE COMPANY

Raytheon is an international, high technology company that operates in the following principal businesses: defense and commercial electronics, engineering and construction, and aircraft. Historically, the Company's principal businesses have included the design, manufacture and servicing of advanced electronic devices, equipment and systems for government and commercial use. Raytheon is a major defense contractor in the United States and internationally.

Raytheon's defense electronics business is conducted through Raytheon Systems Company, which combines the businesses formerly conducted by Raytheon Electronics Systems, Raytheon TI Systems and Raytheon E-Systems, as well as the recently merged defense business of Hughes Electronics Corporation. Raytheon Systems Company consists of five business segments: Defense Systems; Sensors and Electronic Systems; Command, Control and Communications (C/3/) Systems; Intelligence, Information and Aircraft Integration Systems; and Training and Services. Defense Systems focuses on anti-tactical ballistic missile systems; air defense; air-to-air, surface-to-air, and air-to-ground missiles; naval and maritime systems; ship self-defense systems; torpedoes; strike, interdiction and cruise missiles; and advanced munitions. Sensors and Electronic Systems focuses on ground, shipboard and airborne fire control and surveillance systems; primary and secondary air traffic control radars; ground, space-based, night vision, and reconnaissance sensors; and electronics warfare and GPS systems. C/3/ Systems focuses on command, control and communications systems; air traffic control systems; tactical radios; satellite communication ground terminals; wide area surveillance systems; advanced transportation systems; and simulators and simulation systems. Intelligence, Information and Aircraft Integration Systems focuses on information processing systems; large scale information retrieval, processing and distribution systems; global broadcast systems; airborne surveillance and intelligence systems integration; aircraft modification; and head-of-state aircraft systems. Training and Services focuses on training services and integrated training programs; technical services; and logistics and lifetime support.

Raytheon's commercial electronics business consists of Raytheon Marine Company and Raytheon Microelectronics. These entities produce, among other things, marine radars and other marine electronics, transmit/receive modules for satellite communications projects and other electronic components for a wide range of applications. Raytheon Engineers & Constructors is one of the largest engineering, construction, and operations and maintenance organizations in the world. Raytheon Aircraft is a world leader in general aviation, offering one of the most extensive product lines in the industry.

The address of the principal executive office of the Company is 141 Spring Street, Lexington, Massachusetts 02173. The telephone number of the Company is (781) 862-6600.

RECENT DEVELOPMENTS

On July 11, 1997, Raytheon Company, predecessor to the Company by merger ("Former Raytheon Company") consummated the acquisition of the defense systems and electronics business of Texas Instruments Incorporated ("TI Defense"). TI Defense, whose businesses are now conducted through Raytheon Systems Company, is a premier supplier of advanced defense systems, including tactical missiles, precision-guided weapons, radar, night vision systems and electronic warfare systems.

On December 17, 1997, Former Raytheon Company completed its merger (the "Merger") with and into HE Holdings, Inc. ("Hughes Defense"), a Delaware corporation which consisted of the defense business of Hughes Electronics Corporation. Immediately following the Merger, the surviving corporation changed its name to Raytheon Company. The value of the transaction was $9.50 billion, including $4.04 billion in debt which was contributed by Hughes Defense to certain affiliates of Hughes Electronics Corporation prior to the Merger, and $5.46 billion in equity in the form of Class A Common Stock distributed to stockholders of General Motors Corporation ("GM"), the former parent of Hughes Defense. Hughes Defense, whose businesses are now conducted through Raytheon Systems Company, is a leading supplier of defense electronics products and services to the U.S. government, including airborne and ground-based radar, electro-optical systems, missile and naval systems, and command and control systems.

USE OF PROCEEDS

Unless otherwise provided in the applicable Prospectus Supplement, the net proceeds from the sale of the Offered Securities will be used by the Company (i) to refinance commercial paper borrowings and/or bank borrowings, with various maturities and bearing interest at various rates, that were incurred in connection with the Merger, (ii) for other capital expenditures and working capital requirements and (iii) for other general corporate purposes.

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth the consolidated ratio of earnings to combined fixed charges and preferred stock dividends (a) for Former Raytheon Company and Hughes Defense on a pro forma basis as of September 28, 1997 after giving effect to the Merger as if it had occurred on January 1, 1996, (b) for Former Raytheon Company and Hughes Defense on a pro forma basis as of December 31, 1996 after giving effect to the Merger as if it had occurred on January 1, 1996, and (c) on an historical basis at September 28, 1997 and at the end of fiscal years 1996, 1995, 1994, 1993 and 1992:

PRO FORMA		HISTORICAL					
			DECEMBER 31,				
SEPTEMBER 28, 1997	DECEMBER 31, 1996	SEPTEMBER 28, 1997	1996	1995	1994	1993	1992
2.7x	2.7x	4.1x	4.6x	6.0x	12.0x	18.1x	11.9x

For purposes of computing the ratio of earnings to fixed charges, earnings consist of net earnings, taxes on income and fixed charges (less capitalized interest) and fixed charges consist of interest expense, amortization of debt discount and issuance expense, the portion of rents representative of an interest factor and capitalized interest.

DESCRIPTION OF DEBT SECURITIES

The Senior Debt Securities are to be issued under an Indenture, dated as of July 3, 1995 (the "Senior Indenture"), between the Company and The Bank of New York, as trustee. The Subordinated Debt Securities are to be issued under a second Indenture, dated as of July 3, 1995 (the "Subordinated Indenture"), also between the Company and The Bank of New York, as trustee. A copy of the Senior Indenture has been filed with the Commission as an exhibit to the Registration Statement and is incorporated herein by reference. In the event the Company decides to issue Subordinated Debt Securities, the Company will file the Subordinated Indenture either by amendment or as an exhibit to an Exchange Act Report and such indenture shall be incorporated herein by reference. The Senior Indenture and the Subordinated Indenture are sometimes referred to collectively as the "Indentures." The Bank of New York is hereinafter referred to as the "Senior Debt Trustee" when referring to it in its capacity as trustee under the Senior Indenture, as the "Subordinated Debt Trustee" when referring to it in its capacity as trustee under the Subordinated Indenture, and as the "Debt Trustee" when referring to it in its capacity as trustee under both of the Indentures. The following summaries of certain provisions of the Senior Debt Securities, the Subordinated Debt Securities and the Indentures do not purport to be complete and are subject to and are qualified in their entirety by reference to all the provisions of the Indenture applicable to a particular series of Debt Securities (the "Applicable Indenture"), including the definitions therein of certain terms. Wherever particular Sections, Articles or defined terms of the Applicable Indenture are referred to, it is intended that such Sections, Articles or defined terms shall be incorporated herein by reference. Article and Section references used herein are references to the Applicable Indenture. Capitalized terms not otherwise defined herein shall have the meaning given in the Applicable Indenture.

The following sets forth certain general terms and provisions of the Debt Securities which may be offered hereby. The particular terms of the Debt Securities offered by any Prospectus Supplement (the "Offered Debt Securities") will be described in the Prospectus Supplement relating to such Offered Debt Securities (the "Applicable Prospectus Supplement").

GENERAL

The Indentures do not limit the amount of Debt Securities that may be issued thereunder and provide that Debt Securities may be issued thereunder from time to time in one or more series. The Debt Securities will be unsecured obligations of the Company.

Unless otherwise indicated in the Applicable Prospectus Supplement, principal of, premium, if any, and interest on the Debt Securities will be payable, and the transfer of Debt Securities will be registrable, at the office or agency of the Company in each Place of Payment maintained by the Company and at any other office or agency maintained by the Company for such purpose, except that, at the option of the Company, interest may be paid by mailing a check to the address of the Person entitled thereto as it appears on the register for the Debt Securities (Sections 301, 305, 307 and 1002). The Debt Securities will be issued only in fully registered form without coupons and, unless otherwise indicated in the Applicable Prospectus Supplement, in denominations of $1,000 or integral multiples thereof (Section 302). No service charge will be made for any registration of transfer or exchange of the Debt Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith (Section 305).

The Applicable Prospectus Supplement will describe the following terms of the Offered Debt Securities: (i) the title of the Offered Debt Securities; (ii) whether the Offered Debt Securities are Senior Debt Securities or Subordinated Debt Securities; (iii) any limit on the aggregate principal amount of the Offered Debt Securities; (iv) the Person to whom any interest on the Offered Debt Securities is payable if other than the Person in whose name any such Offered Debt Securities are registered; (v) the date or dates on which the principal of the Offered Debt Securities will mature; (vi) the rate or rates per annum (which may be fixed or variable) at which the Offered Debt Securities will bear interest (or the manner of calculation thereof), if any, and the date or dates from which such interest, if any, will accrue; (vii) the dates on which such interest, if any, on the Offered Debt Securities will be payable and the Regular Record Dates for such Interest Payment Dates; (viii) the place or places where the principal of, premium, if any, and any interest on the Offered Debt Securities shall be payable; (ix) any mandatory or optional sinking funds or analogous provisions; (x) the date, if any, after which, and the price or prices at which, the Offered Debt Securities may, pursuant to any optional or mandatory redemption provisions, be redeemed and the other detailed terms and provisions of any such optional or mandatory redemption provision; (xi) the obligation of the Company, if any, to redeem or repurchase the Offered Debt Securities at the option of the Holder; (xii) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which the Offered Debt Securities shall be issuable; (xiii) if other than the principal amount thereof, the portion of the principal amount of the Offered Debt Securities that will be payable upon the declaration of acceleration of the Maturity thereof; (xiv) the currency of payment of principal of, premium, if any, and any interest on the Offered Debt Securities and, if other than United States currency, the manner of determining the equivalent thereof in United States currency for any purpose; (xv) any index used to determine the amount of payment of principal of, and any premium and interest on, the Offered Debt Securities; (xvi) if the Offered Debt Securities will be issuable only in the form of a Global Security, the Depositary or its nominee with respect to the Offered Debt Securities and the circumstances under which the Global Security may be registered for transfer or exchange in the name of a Person other than the Depositary or its nominee; (xvii) the applicability, if any, of the provisions described under "Defeasance and Covenant Defeasance"; (xviii) whether the Debt Securities are convertible into any other securities and the terms and conditions of such convertibility; (xix) any additional Event of Default, and in the case of any Offered Debt Securities that are Subordinated Debt Securities, any additional Event of Default that would result in the acceleration of the maturity thereof; and (xx) any other terms of the Offered Debt Securities (Section 301).

Both Senior Debt Securities and Subordinated Debt Securities may be issued as Original Issue Discount Securities to be offered and sold at a substantial discount below their stated principal amount. "Original Issue Discount Security" means any Debt Security which provides for an amount less than the principal amount thereof to be due and payable upon the declaration of acceleration of the Maturity thereof upon the occurrence of an Event of Default and the continuation thereof (Section 101).

The Applicable Prospectus Supplement will also describe any material United States federal income tax consequences or other special considerations applicable to the series of Debt Securities to which such Prospectus

Supplement relates, including those applicable to (i) Debt Securities with respect to which payments of principal, premium, if any, or interest are determined with reference to an index or formula (including changes in prices of particular securities, currencies, or commodities), (ii) Debt Securities with respect to which principal, premium, if any, or interest is payable in a foreign or composite currency, (iii) Original Issue Discount Securities, and (iv) variable rate Debt Securities that are exchangeable for fixed rate Debt Securities.

SUBORDINATION OF SUBORDINATED DEBT SECURITIES

Unless otherwise indicated in the Applicable Prospectus Supplement, the following provisions will apply to the Subordinated Debt Securities.

The payment of the principal of, premium, if any, and interest on the Subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness (as defined below) (Section 1301). Upon any payment or distribution of assets to creditors upon any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency or similar proceedings of the Company, the holders of all Senior Indebtedness will be entitled to receive payment in full of all amounts due or to become due thereon before the Holders of the Subordinated Debt Securities will be entitled to receive any payment in respect of the principal of, premium, if any, or interest on the Subordinated Debt Securities (Section 1302). In the event of the acceleration of the Maturity of any Subordinated Debt Securities of any series, the holders of all Senior Indebtedness will be entitled to receive payment in full of all amounts due or to become due thereon before the Holders of the Subordinated Debt Securities will be entitled to receive any payment of the principal of, premium, if any, or interest on the Subordinated Debt Securities of such series or on account of the purchase or other acquisition of Subordinated Debt Securities of such series (Section 1303). Accordingly, in case of such an acceleration, all Senior Indebtedness would have to be repaid before any payment could be made in respect of the Subordinated Debt Securities. No payments on account of principal, premium, if any, or interest in respect of the Subordinated Debt Securities or on account of the purchase or other acquisition of Subordinated Debt Securities may be made if there shall have occurred and be continuing a default in any payment with respect to any Senior Indebtedness, or an Event of Default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof, or if any judicial proceeding shall be pending with respect to any such default (Section 1304).

By reason of such subordination, in the event of the insolvency of the Company, creditors of the Company who are not holders of Senior Indebtedness or the Subordinated Debt Securities may recover less, ratably, than holders of Senior Indebtedness and may recover more, ratably, than Holders of the Subordinated Debt Securities.

"Senior Indebtedness" is defined in the Subordinated Indenture to mean the principal of, premium, if any, and interest on (i) all indebtedness of the Company for money borrowed, other than the Subordinated Debt Securities, and any other indebtedness of the Company represented by a note, bond, debenture or other similar evidence of indebtedness (including indebtedness of others guaranteed by the Company), in each case whether outstanding on the date of execution of the Subordinated Indenture or thereafter created, incurred or assumed and (ii) any amendments, renewals, extensions, modifications and refundings of any such indebtedness, unless in any case in the instrument creating or evidencing any such indebtedness or pursuant to which it is outstanding it is provided that such indebtedness is not superior in right of payment to the Subordinated Debt Securities. For the purposes of this definition, "indebtedness for money borrowed" is defined as (A) any obligation of, or any obligation guaranteed by, the Company for the repayment of borrowed money, whether or not evidenced by bonds, debentures, notes or other written instruments, (B) any deferred payment obligation of, or any such obligation guaranteed by, the Company for the payment of the purchase price of property or assets evidenced by a note or similar instrument, and (C) any obligation of, or any such obligation guaranteed by, the Company for the payment of rent or other amounts under a lease of property or assets if such obligation is required to be classified and accounted for as a capitalized lease on the balance sheet of the Company under generally accepted accounting principles (Section 101).

The Subordinated Indenture will not limit the amount of other indebtedness, including Senior Indebtedness, that may be issued by the Company or any of its Subsidiaries.

EVENTS OF DEFAULT

The Senior Indenture (with respect to any series of Senior Debt Securities then Outstanding) and, unless otherwise provided in the Applicable Prospectus Supplement, the Subordinated Indenture (with respect to any series of Subordinated Debt Securities then Outstanding), define an Event of Default as any one of the following events: (i) default in the payment of any interest on any Debt Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days (in the case of the Subordinated Indenture, whether or not payment is prohibited by the subordination provisions); (ii) default in the payment of the principal of, or premium, if any, on any Debt Security of that series when it shall become due and payable either at its Maturity, by declaration as authorized in the Indentures or otherwise (in the case of the Subordinated Indenture, whether or not payment is prohibited by the subordination provisions); (iii) failure to deposit any sinking fund payment when and as due by the terms of a Debt Security of that series (in the case of the Subordinated Indenture, whether or not payment is prohibited by the subordination provisions); (iv) failure to perform any other covenants or agreements of the Company in the Applicable Indenture (other than covenants or agreements included in the Applicable Indenture solely for the benefit of a series of Debt Securities thereunder other than that series) and continuance of such default for a period of 60 days after either the Debt Trustee or the Holders of at least 25% of the principal amount of the Outstanding Debt Securities of that series have given written notice in the manner provided for therein specifying such failure as provided in the Applicable Indenture; (v) certain events in bankruptcy, insolvency or reorganization of the Company; and (vi) any other Event of Default provided with respect to Debt Securities of that series (Section 501). If an Event of Default occurs with respect to Debt Securities of any series, the Debt Trustee shall give the Holders of Debt Securities of such series notice of such default, provided, however, that in the case of a default described in (iv) above, no such notice to Holders shall be given until at least 30 days after the occurrence thereof (Section 602).

If an Event of Default with respect to the Senior Debt Securities of any series at the time Outstanding occurs and is continuing, either the Debt Trustee or the Holders of at least 25% of the aggregate principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms thereof) of all the Senior Debt Securities of that series to be due and payable immediately. Payment of the principal of the Subordinated Debt Securities may be accelerated only in the case of certain events of bankruptcy, insolvency or reorganization of the Company. The Debt Trustee and the Holders will not be entitled to accelerate the maturity of the Subordinated Debt Securities upon the occurrence of any of the Events of Default described above except for those described in clause (v) (i.e., certain events in bankruptcy, insolvency or reorganization of the Company). Accordingly, there is no right of acceleration in the case of a default in the performance of any other covenant with respect to the Subordinated Debt Securities, including the payment of interest or principal. At any time after a declaration of acceleration with respect to Debt Securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the Holders of a majority of the aggregate principal amount of Outstanding Debt Securities of that series may, under certain circumstances, rescind and annul such acceleration (Section 502).

The Indentures provide that, subject to the duty of the Debt Trustee during default to act with the required standard of care, the Debt Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Debt Trustee reasonable security or indemnity (Section 603). Subject to such provisions for the indemnification of the Debt Trustee and to certain other conditions, the Holders of a majority of the aggregate principal amount of the Outstanding Debt Securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Debt Trustee, or exercising any trust or power conferred on the Debt Trustee, with respect to the Debt Securities of that series (Section 512).

No Holder of any series of Debt Securities will have any right to institute any proceeding with respect to the Applicable Indenture or for any remedy thereunder, unless: (i) such Holder previously has given to the Debt Trustee under the Applicable Indenture written notice of a continuing Event of Default with respect to Debt Securities of that series; (ii) the Holders of at least 25% of the aggregate principal amount of the Outstanding

Debt Securities of that series have made written request, and offered reasonable indemnity, to the Debt Trustee to institute such proceeding as trustee; (iii) in the 60-day period following receipt of a written notice from a Holder, the Debt Trustee has not received from the Holders of a majority of the aggregate principal amount of the Outstanding Debt Securities of that series a direction inconsistent with such request; and (iv) the Debt Trustee shall have failed to institute such proceeding within such 60-day period (Section 507). However, such limitations do not apply to a suit instituted by a Holder of a Debt Security for enforcement of payment of the principal of and premium, if any, or interest on such Debt Security on or after the respective due dates expressed in such Debt Security (Section 508).

The Company is required to furnish to the Debt Trustee annually a statement as to the performance by the Company of certain of its obligations under the Indenture and as to any default in such performance (Section 1007).

Any payment default on any Debt Security regardless of amount, where the aggregate principal amount of the series of such Debt Security exceeds $50 million, or any other default that causes acceleration of any such Debt Security, would give rise to a cross-default under the Company's senior credit facilities. In certain circumstances, payment defaults on Debt Securities may give rise to cross-defaults under guarantees of the Company related to various receivables facilities of certain subsidiaries of the Company.

DEFEASANCE AND COVENANT DEFEASANCE

The Indentures provide that, if such provision is made applicable to the Debt Securities of any series pursuant to Section 301 of the Applicable Indenture (which will be indicated in the Applicable Prospectus Supplement), the Company may elect either (i) to defease and be discharged from any and all obligations in respect of such Debt Securities then outstanding (including, in the case of Subordinated Debt Securities, the provisions described under "Subordination of Subordinated Debt Securities" and except for certain obligations to register the transfer of or exchange of such Debt Securities, replace stolen, lost or mutilated Debt Securities, maintain paying agencies and hold monies for payment in trust) ("defeasance") or (ii) to be released from its obligations with respect to such Debt Securities concerning the subordination provisions described under "Subordination of Subordinated Debt Securities" and any other covenants applicable to such Debt Securities which are determined pursuant to Section 301 of the Applicable Indenture to be subject to covenant defeasance ("covenant defeasance"), and the occurrence of an event described in clause (iv) under "Events of Default" above (insofar as with respect to covenants subject to covenant defeasance) shall no longer be an Event of Default, in the case of either (i) or (ii) if the Company deposits, in trust, with the Debt Trustee money or U.S. Government Obligations, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, in an amount sufficient, without reinvestment, to pay all the principal of, premium, if any, and interest on such Debt Securities on the dates such payments are due (which may include one or more redemption dates designated by the Company) and any mandatory sinking fund or analogous payments thereon in accordance with the terms of such Debt Securities. Such a trust may only be established if, among other things, (A) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default under the Applicable Indenture shall have occurred and be continuing on the date of such deposit, (B) such deposit will not cause the Debt Trustee to have any conflicting interest with respect to other securities of the Company and (C) the Company shall have delivered an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for federal income tax purposes (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable federal income tax law) as a result of such deposit or defeasance and will be subject to federal income tax in the same manner as if such defeasance had not occurred.

The Company may exercise its defeasance option with respect to such Debt Securities notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its defeasance option, payment of such Debt Securities may not be accelerated because of a subsequent Event of Default. If the Company exercises its covenant defeasance option, payment of such Debt Securities may not be accelerated by reference to a subsequent breach of any of the covenants noted under clause (ii) in the preceding paragraph. In the event the

Company omits to comply with its remaining obligations with respect to such Debt Securities under the Applicable Indenture after exercising its covenant defeasance option and such Debt Securities are declared due and payable because of the subsequent occurrence of any Event of Default, the amount of money and U.S. Government Obligations on deposit with the Debt Trustee may be insufficient to pay amounts due on the Debt Securities of such series at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable in respect of such payments. (See Article Thirteen and Article Fourteen of the Senior Indenture and the Subordinated Indenture, respectively.)

MODIFICATION AND WAIVER

Modifications and amendments of the Indenture may be made by the Company and the Debt Trustee with the consent of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Debt Securities of all series issued under the Indenture and affected by the modification or amendments (voting as a single class); provided, however, that no such modification or amendment may, without the consent of the Holders of all Debt Securities affected thereby, among other things, (i) change the stated Maturity of the principal of, or any installment of principal of or interest on, any Debt Security; (ii) reduce the principal amount of, or the premium, if any, or (except as otherwise provided in the Applicable Prospectus Supplement) interest on, any Debt Security (including in the case of an Original Issue Discount Debt Security the amount payable upon acceleration of the Maturity thereof); (iii) change the place or currency of payment of principal of, premium, if any, or interest on any Debt Security; (iv) impair the right to institute suit for the enforcement of any payment on any Debt Security on or after the Stated Maturity thereof (or in the case of redemption, on or after the Redemption Date); (v) in the case of the Subordinated Indenture, modify the subordination provisions in a manner adverse to the Holders of the Subordinated Debt Securities; or (vi) reduce the percentage of the principal amount of Outstanding Debt Securities of any series, the consent of whose Holders is required for modification or amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults (Section 902).

The Holders of a majority of the aggregate principal amount of the Senior Debt Securities or the Subordinated Debt Securities may, on behalf of all Holders of the Senior Debt Securities or the Subordinated Debt Securities, respectively, waive any past default under the Applicable Indenture, except a default in the payment of principal, premium, if any, or interest or in the performance of certain covenants (Section 513).

CERTAIN COVENANTS OF THE CORPORATION

Limitation on Liens. The Company may not, nor may it permit any Significant Subsidiary (as defined below) to, create, incur, assume or permit to exist any Lien (as defined below) on any property or asset (including any stock or other securities of any Person, including any Significant Subsidiary), or on any income or revenues or rights in respect of any thereof, unless the Debt Securities of any series then or thereafter Outstanding shall be equally and ratably secured. This restriction does not apply, however, to (i) Liens on property or assets of the Company and its Subsidiaries existing on the date of the Indenture, provided that such Liens shall secure only those obligations which they secure as of the date of the Indenture; (ii) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary, provided that (x) such Lien is not created in contemplation of or in connection with such acquisition and (y) such Lien does not apply to any other property or assets of the Company or any Subsidiary; (iii) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves, to the extent required by GAAP, have been set aside; (iv) carriers', warehousemen's, mechanics', materialsmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not due and payable or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves, to the extent required by GAAP, have been set aside; (v) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations; (vi) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than capital leases), statutory obligations, surety and appeal bonds, advance payment bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (vii) zoning

restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries; (viii) Liens upon any property acquired, constructed or improved by the Company or any Subsidiary which are created or incurred within 360 days of such acquisition, construction or improvement to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement, including carrying costs (but no other amounts), provided that any such Lien shall not apply to any other property of the Company or any Subsidiary; (ix) Liens on the property or assets of any Subsidiary in favor of the Company; (x) extensions, renewals and replacements of Liens referred to in paragraphs (i) through (ix) above, provided that any such extension, renewal or replacement Lien shall be limited to the property or assets covered by the Lien extended, renewed or replaced and that the obligations secured by any such extension, renewal or replacement Lien shall be in an amount not greater than the amount of the obligations secured by the Lien extended, renewed or replaced; (xi) any Lien, of the type described in clause (iii) of the definition below of the term "Lien," on securities imposed pursuant to an agreement entered into for the sale or disposition of such securities pending the closing of such sale or disposition; provided such sale or disposition is otherwise permitted hereunder; (xii) Liens arising in connection with any Permitted Receivables Program (to the extent the sale by the Company or the applicable Subsidiary of its accounts receivable is deemed to give rise to a Lien in favor of the purchaser thereof in such accounts receivable or the proceeds thereof); (xiii) Liens on the capital stock or assets of any Subsidiary that is not a Significant Subsidiary; and (xiv) Liens to secure Indebtedness if, immediately after the grant thereof, the aggregate amount of all Indebtedness secured by Liens that would not be permitted but for this clause (xiv) does not exceed 15% of the Stockholders' Equity (as defined below) as shown on the most recent consolidated balance sheet of the Company filed with the Commission pursuant to the Exchange Act.

Limitation on Sale/Leaseback Transactions. Transactions involving any sale and leaseback by the Company or any Significant Subsidiary of any Principal Property (as defined below) are prohibited, unless the Company or any such Significant Subsidiary, within 120 days after the effective date of the lease, applies to the retirement of any Funded Debt (as defined below) an amount equal to the greater of (i) the net proceeds of the sale of the property leased or (ii) the fair market value of the property leased within 90 days prior to the effective date of the lease. The amount to be so applied in respect of any such transaction will be reduced, however, by the principal amount of any Debt Securities surrendered to the Debt Trustee by the Company for cancellation and by the principal amount of Funded Debt other than Debt Securities, voluntarily retired by the Company, within 120 days after the effective date of the lease, provided that no retirement may be effected by payment on the final maturity date or pursuant to mandatory sinking fund or prepayment provisions. This restriction does not apply, however, to the Company or any Significant Subsidiary: (i) entering into any transaction not involving a lease with a term of more than three (3) years; (ii) entering into any transaction to the extent the Lien on any such property subject to such sale and leaseback would be permitted under the covenant described above under "Limitation on Liens" or (iii) entering into any transaction for the sale and leaseback of any property if such lease is entered into within 180 days after the later of the acquisition, completion of construction or commencement of operation of such property.

Leveraged Transactions. Except for the limitations on liens and sale/leaseback transactions referred to above and on consolidations, mergers or transfers of the Company's assets substantially as an entirety referred to below, the Indentures and the terms of the Debt Securities do not contain any covenants or other provisions designed to afford holders of any Debt Securities protection in the event of a highly leveraged transaction involving the Company.

Applicability of Covenants. Any series of Securities may provide that either or both of the covenants described above shall not be applicable to the Securities of such series (Section 301).

CERTAIN DEFINITIONS

Certain terms are defined in the Indenture and are used in this Prospectus as follows:

"Funded Debt" means all Indebtedness that will mature, pursuant to a mandatory sinking fund or prepayment provision or otherwise, and all installments of Indebtedness that will fall due, more than one year from the date of determination. In calculating the maturity of any Indebtedness, there shall be included the term of any unexercised right of the debtor to renew or extend such Indebtedness existing at the time of determination.

"GAAP" means generally accepted accounting principles applied on a consistent basis.

"Holder" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof in whose name a Debt Security is registered in the security register for such Securities maintained in accordance with the terms of the Indenture.

"Indebtedness" of any Person shall mean, as at any date of determination, all indebtedness (including capitalized lease obligations) of such Person and its consolidated subsidiaries at such date that would be required to be included as a liability on a consolidated balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP.

"Lien" means, with respect to any asset of any Person, (i) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset, (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (iii) in the case of securities that constitute assets of such Person, any purchase option, call or similar right of a third party with respect to such securities.

"Permitted Receivables Program" means any receivables securitization program pursuant to which the Company or any of the Subsidiaries sells accounts receivable to any non-Affiliate in a "true sale" transaction; provided, however, that any related indebtedness incurred to finance the purchase of such accounts receivable is not includible on the balance sheet (excluding the footnotes thereto) of the Company or any Subsidiary in accordance with GAAP and applicable regulations of the Commission.

"Principal Property" means (i) the Company's principal office building and (ii) any manufacturing plant or principal research facility of the Company or any Significant Subsidiary which is located within the United States of America or Canada, except any such principal office building, plant or facility which the Board of Directors by resolution declares is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

"Significant Subsidiary" means, at any time, any Subsidiary that would be a "Significant Subsidiary" at such time, as such term is defined in Regulation S-X promulgated by the Commission, as in effect on the date of the Indenture.

"Stockholders' Equity" means, at any date of determination, the stockholders' equity at such date of the Company and its Subsidiaries, as determined in accordance with GAAP.

"Subsidiary" means any corporation, partnership, limited liability company, joint venture, trust or unincorporated organization more than 50% of the outstanding voting interest of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Company may not consolidate with or merge into any other Person or transfer or lease its assets substantially as an entirety to any Person unless any successor or purchaser is a corporation organized under the laws of the United States of America, any State or the District of Columbia, and any such successor or purchaser

expressly assumes the Company's obligations on the Debt Securities by an indenture supplemental to the Indentures. The Debt Trustee may receive an Opinion of Counsel as conclusive evidence of compliance with these provisions (Article Eight).

CONVERSION AND EXCHANGE RIGHTS

The terms, if any, on which Debt Securities of a series may be exchanged for or converted into shares of Common Stock, Preferred Stock or any other security, including the conversion price or exchange ratio (or the method of calculating the same), the conversion or exchange period (or the method of determining the same), whether conversion or exchange will be mandatory or at the option of the holder or the Company, provisions for adjustment of the conversion price or the exchange ratio and provisions affecting conversion or exchange in the event of the redemption of such Debt Securities, will be set forth in the Prospectus Supplement relating thereto.

GLOBAL SECURITIES

The Debt Securities of a series may be issued in the form of one or more Global Securities that will be deposited with a Depositary or its nominee identified in the Applicable Prospectus Supplement. In such a case, one or more Global Securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of Outstanding Debt Securities of the series to be represented by such Global Security or Securities. Unless and until it is exchanged in whole or in part for Debt Securities in definitive registered form, a Global Security may not be registered for transfer or exchange except as a whole by the Depositary for such Global Security to a nominee for such Depositary and except in the circumstances described in the Applicable Prospectus Supplement (Sections 204 and 305).

The Company expects that the following provisions will apply to depositary arrangements with respect to any portion of a series of Debt Securities to be represented by a Global Security. Any additional specific terms of the depositary arrangement will be described in the applicable Prospectus Supplement.

Upon the issuance of any Global Security, and the deposit of such Global Security with or on behalf of the Depositary for such Global Security, the Depositary will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by such Global Security to the accounts of institutions ("Participants") that have accounts with the Depositary or its nominee. The accounts to be credited will be designated by the underwriters or agents engaging in the distribution of such Debt Securities or by the Company, if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold interest through Participants. Ownership of beneficial interests by Participants in such Global Security will be shown on, and the transfer of such beneficial interests will be effected only through, records maintained by the Depositary for such Global Security or by its nominee. Ownership of beneficial interests in such Global Security by persons that hold through Participants will be shown on, and the transfer of such beneficial interests within such Participants will be effected only through, records maintained by such Participants. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in certificated form. The foregoing limitations and such laws may impair the ability to transfer beneficial interests in such Global Securities.

So long as the Depositary for a Global Security or its nominee, is the registered owner of such Global Security, such Depositary or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the Indentures. Unless otherwise specified in the applicable Prospectus Supplement and except as specified below, owners of beneficial interests in such Global Security will not be entitled to have Debt Securities of the series represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities of such series in certificated form and will not be considered the holders thereof for any purposes under the Indentures. Accordingly, each person owning a beneficial interest in such Global Security must rely on the procedures of the Depositary and, if such person is not a Participant, on the procedures of the Participant through which such person owns their interest, to exercise any rights of a holder under the Indentures.

The Depositary may grant proxies and otherwise authorize Participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a holder is entitled to give or take under the Indentures. The Company understands that, under existing industry practices, if the Company requests any action of holders or any owner of a beneficial interest in such Global Security desires to give any notice or take any action a holder is entitled to give or take under the Indentures, the Depositary would authorize the Participants to give such notice or take such action, and Participants would authorize beneficial owners owning through such Participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Unless otherwise specified in the applicable Prospectus Supplement, payments with respect to principal, premium, if any, and interest on Debt Securities represented by a Global Security registered in the name of a Depositary or its nominee will be made by the Company to such Depositary or its nominee, as the case may be, as the registered owner of such Global Security.

The Company expects that the Depositary for any Debt Securities represented by a Global Security, upon receipt of any payment of principal, premium or interest, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of such Depositary. The Company also expects that payments by Participants to owners of beneficial interests in such Global Security held through such Participants will be governed by standing instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street names," and will be the responsibility of such Participants. None of the Company, the Trustee or any agent of the Company or the Trustee shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a Global Security, or for maintaining, supervising or reviewing any records relating to such beneficial interests (Section 308).

Unless otherwise specified in the applicable Prospectus Supplement, a Global Security of any series will be exchangeable for certificated Debt Securities of the same series only if (i) the Depositary for such Global Securities notifies the Company that it is unwilling or unable to continue as Depositary or such Depositary ceases to be a clearing agency registered under the Exchange Act (if so required by applicable law or regulation) and, in either case, a successor Depositary is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, (ii) the Company in its sole discretion determines that such Global Securities shall be exchangeable for certificated Debt Securities or (iii) there shall have occurred and be continuing an Event of Default under the Indenture with respect to the Debt Securities of such series. Upon any such exchange, owners of beneficial interests in such Global Security or Securities will be entitled to physical delivery of individual Debt Securities in certificated form of like tenor and terms equal in principal amount to such beneficial interests, and to have such Debt Securities in certificated form registered in the names of the beneficial owners, which names are expected to be provided by such Depositary's relevant Participants (as identified by such Depositary) to the Trustee.

The following is based on information furnished to the Company:

In the event that the Depositary Trust Company ("DTC") acts as Depositary for the Global Securities of any series, such Global Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Global Security will be issued with respect to each $200 million (or such other amount as shall be permitted by DTC from time to time) of principal amount of the Debt Securities of a series, and an additional certificate will be issued with respect to any remaining principal amount of such series.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its Participants deposit with DTC. DTC also facilitates the settlement among Participants of securities

transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as securities brokers and dealers and banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

To facilitate subsequent transfers, the Debt Securities are registered in the name of DTC's nominee, Cede & Co. The deposit of the Debt Securities with DTC and their registration in the name of Cede & Co. will effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Debt Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts Debt Securities are credited, which may or may not be the beneficial owners. The Participants remain responsible for keeping account of their holdings on behalf of their customers.

Delivery of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to beneficial owners of Debt Securities is governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. consents or votes with respect to the Debt Securities. Under its usual procedures, DTC mails a proxy (an "Omnibus Proxy") to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Debt Securities are credited on the record date (identified on a list attached to the Omnibus Proxy).

If applicable, redemption notices shall be sent to Cede & Co. If less than all of the Debt Securities of a series represented by Global Securities are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

To the extent that any Debt Securities provide for repayment or repurchase at the option of the holders thereof, a beneficial owner shall give notice of any option to elect to have its interest in the Global Security repaid by the Company, through its Participant, to the Trustee, and shall effect delivery of such interest in a Global Security by causing the Direct Participant to transfer the Direct Participant's interest in the Global Security or Securities representing such interest, on DTC's records, to the Trustee. The requirement for physical delivery of Debt Securities in connection with a demand for repayment or repurchase will be deemed satisfied when the ownership rights in the Global Security or Securities representing such Debt Securities are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depositary with respect to the Debt Securities at any time. Under such circumstances, in the event that a successor securities depositary is not appointed, Debt Security certificates are required to be printed and delivered as described above.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depositary). In that event, Debt Security certificates will be printed and delivered as described above.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Company believes to be reliable, but the Company takes no responsibility for the accuracy thereof.

CONCERNING THE DEBT TRUSTEE

The Bank of New York is Debt Trustee under the Indentures. The Debt Trustee performs services for the Company in the ordinary course of business.

DESCRIPTION OF PREFERRED STOCK

The following description of the terms of the Preferred Stock sets forth general terms and provisions of the Preferred Stock to which a Prospectus Supplement may relate. Certain other terms of any series of the Preferred Stock offered by a Prospectus Supplement will be described in such Prospectus Supplement and the Certificate of Designation (as defined below) for such Preferred Stock. The description of certain provisions of the Preferred Stock set forth below does not purport to be complete and is subject to and qualified in its entirety by reference to the terms set forth in any such Prospectus Supplement, the Company's Amended and Restated Certificate of Incorporation, as amended to date (the "Amended and Restated Certificate of Incorporation"), and the certificate of designation (a "Certificate of Designation") relating to each series of the Preferred Stock which will be filed with the Commission and incorporated by reference in the Registration Statement of which this Prospectus is a part at or prior to the time of issuance of such series of the Preferred Stock.

GENERAL

The authorized capital stock of the Company consists of 1,650,000,000 shares of stock, of which 1,450,000,000 shares are shares of Common Stock, $0.01 par value per share (the "Common Stock"), and of which 200,000,000 shares are shares of Preferred Stock, $0.01 par value per share. No shares of Preferred Stock are currently outstanding. The Board has previously authorized the issuance of up to 4,000,000 shares of Series A Junior Participating Preferred Stock, $0.01 par value per share (the "Series A Preferred Stock"). See "Description of Common Stock--Stockholder Rights Plan."

The Board of Directors (the "Board") has been authorized, subject to certain limitations set forth in the Amended and Restated Certificate of Incorporation, to provide by resolution from time to time for the issuance of shares of Preferred Stock in series and, by filing a Certificate of Designation pursuant to the Delaware General Corporation Law (the "DGCL"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, privileges, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board with respect to each series includes, but is not limited to, the right to:

(i) fix the designation of the series;

(ii) fix the number of shares of the series, which number the Board may thereafter increase or decrease (subject to certain limitations);

(iii) determine whether dividends, if any, shall be cumulative or noncumulative, and, in the case of shares of any series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative;

(iv) determine the rate of any dividends (or the method of determining such dividends) payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid and the date or dates or the method for determining the date or dates upon which such dividends shall be payable;

(v) determine the price or prices (or the method of determining such price or prices), the form of payment (which may be cash, property or rights, including securities of the same or another corporation or other entity), the period within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Company or at the option of the holder or holders thereof or upon the happening of a specified event or events, if any;

(vi) determine the obligation, if any, of the Company to purchase or redeem shares of such series pursuant to a sinking fund or otherwise and the price or prices, the form of payment, the period within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(vii) determine the amount payable out of the assets of the Company to the holders of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company;

(viii) determine provisions, if any, for the conversion or exchange of the shares of such series, at any time or times at the option of the holder or holders thereof or the Company or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same or any other class or classes of stock, or any other security, of the Company, or any other corporation or other entity, and the price or prices or rate or rates of conversion or exchange and any adjustments applicable thereto, and all other terms and conditions upon which such conversion or exchange may be made;

(ix) determine the restrictions on the issuance of shares of the same series or of any other class or series, if any; and

(x) determine the voting rights, if any, of the holders of shares of the series.

The Preferred Stock will, upon issuance and payment therefor, be fully paid and nonassessable and will have no preemptive rights. The rights of the holders of each series of the Preferred Stock will be subordinate to those of the Company's general creditors.

In the event that the Company issues any Preferred Stock pursuant to a Prospectus Supplement, unless otherwise noted in such Prospectus Supplement, State Street Bank and Trust Company of Boston, Massachusetts ("State Street") will be the registrar and transfer agent for such Preferred Stock.

HUGHES SEPARATION AGREEMENT

Pursuant to the Hughes Spin-Off Separation Agreement, dated as of December 17, 1997, by and between the Company and GM (the "Hughes Separation Agreement"), the Company has agreed that, for a period of two years from December 17, 1997 it will not issue any class or series of capital stock, other than Class B Common Stock eligible to vote generally in the election of directors, unless prior to such issuance GM has determined, in its sole and absolute discretion, which discretion must be exercised in good faith solely to preserve the tax-free status of the spin-offs of Hughes Defense and Hughes Network Systems, Inc. and the Merger, that such transaction would not jeopardize the tax-free status of the spin-offs or the Merger.

DESCRIPTION OF COMMON STOCK

INTRODUCTION

The Company is authorized to issue up to 1,450,000,000 shares of Common Stock, which shares of Common Stock are divided into two classes consisting of 450,000,000 shares of Class A common stock, $0.01 par value per share ("Class A Common Stock") and 1,000,000,000 shares of Class B Common Stock.

The following description of Raytheon's Common Stock is a summary and does not purport to be complete. Reference is also made to the more detailed provisions of, and such description is qualified in its entirety by reference to, the Amended and Restated Certificate of Incorporation and the Amended and Restated By-Laws, copies of which have been filed with the SEC and are incorporated herein by reference.

In addition, the Hughes Separation Agreement limits the ability of the Raytheon Board to take certain actions which affect the Common Stock. See "Description of Preferred Stock--Hughes Separation Agreement."

COMMON STOCK

With respect to all matters other than the election and removal of directors, holders of Class A Common Stock ("Class A Common Stockholders") and holders of Class B Common Stock ("Class B Common Stockholders") will each be entitled to a single vote per share and the approval of any such matter will require the approval of both classes of Common Stock, each voting as a separate class, as well as the approval of the holders of any class or series of Preferred Stock which may be entitled to vote thereon.

With respect to the election or removal of directors only, (i) Class B Common Stockholders will be entitled to one vote for each share of Class B Common Stock they own, which votes shall represent in the aggregate 19.9% of the total voting power of all holders of Common Stock entitled to vote thereon, and (ii) Class A Common Stockholders will be entitled to such number of votes for each share of Class A Common Stock they own as shall be necessary to entitle the Class A Common Stockholders to vote, in the aggregate, 80.1% of the total voting power of all holders of Common Stock entitled to vote thereon. The Board will determine the number of votes for each share of Class A Common Stock outstanding promptly following the fixing of a record date for each annual or special meeting of stockholders at which directors are to be elected or a vote with respect to removal of directors is to be taken. Except as may be provided in connection with any Preferred Stock or as may otherwise be required by law or the Amended and Restated Certificate of Incorporation, the Common Stock will be the only capital stock of the Company entitled to vote in the election and removal of directors and other matters presented to the stockholders of the Company from time to time. A plurality of votes cast shall elect directors. The Common Stock will not have cumulative voting rights.

Subject to the prior rights of holders of Preferred Stock, if any, and subject to any other provisions of the Amended and Restated Certificate of Incorporation and of applicable law, Class A Common Stockholders and Class B Common Stockholders are entitled to receive such dividends and other distributions as may be lawfully declared from time to time by the Board. The Class A Common Stockholders and Class B Common Stockholders will be entitled to receive the same amount per share of any such dividends and other distributions, except that Raytheon may declare a dividend or other distribution of shares of Class A Common Stock to Class A Common Stockholders and shares of Class B Common Stock to Class B Common Stockholders so long as, immediately following such dividend or other distribution, the number of shares of Class A Common Stock and Class B Common Stock then outstanding bears the same relationship to each other as immediately prior to such dividend or other distribution.

In the case of any split, subdivision, combination or reclassification of either the Class A Common Stock or the Class B Common Stock, shares of the other class will also be split, subdivided, combined or reclassified so that the number of shares of Class A Common Stock and Class B Common Stock outstanding immediately following such split, subdivision, combination or reclassification will bear the same relationship to each other as immediately prior to such split, subdivision, combination or reclassification.

Upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, Class A Common Stockholders and Class B Common Stockholders will be entitled to receive such assets and funds of the Company as are available for distribution to stockholders in proportion to the number of shares held by them, respectively, without regard to class, after there shall have been paid or set apart for payment the full amounts necessary to satisfy any creditors and any preferential or participating rights to which the holders of each outstanding series of Preferred Stock, if any, are entitled by the express terms of such series. In the event of any corporate merger, consolidation, purchase or acquisition of property or stock, or other reorganization in which any consideration is to be received by Class A Common Stockholders or Class B Common Stockholders, the holders of each class will receive the same type and amount of consideration on a per share basis.

The Company may not, directly or indirectly, redeem, purchase, repurchase or otherwise acquire for consideration any shares of Common Stock unless such action is (i) effected ratably in accordance with the number of outstanding shares of Class A Common Stock and Class B Common Stock, (ii) for consideration of the same type and amount as to shares of Class A Common Stock and shares of Class B Common Stock and (iii) not in any other way prejudicial to the rights of the holders of one class of Common Stock in favor of the other class of Common Stock. In the case of an offer to purchase shares of Common Stock made by the Company to all holders of Common Stock, the Company will purchase shares of Common Stock ratably in accordance with the number of shares of each class of Common Stock tendered thereunder.

The outstanding shares of Common Stock, upon issuance and payment therefor, are fully paid and nonassessable and do not have any preemptive, subscription or conversion rights. Additional shares of authorized Common Stock may be issued, as authorized by the Board from time to time, without stockholder approval, except as may be required by applicable stock exchange requirements.

Except as indicated above, the rights of Class A Common Stockholders and Class B Common Stockholders are in all respects and for all purposes and in all circumstances identical, and the Company will not in any other manner, directly or indirectly, take any other action or in any other fashion agree to, facilitate, condone or support any transaction in which Class A Common Stockholders and Class B Common Stockholders are subject to discriminatory or unequal treatment.

CERTAIN PROVISIONS OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND AMENDED AND RESTATED BY-LAWS

Advance Notice of Nominations. The Amended and Restated By-Laws contain provisions requiring that advance notice be delivered to the Company of any business to be brought by a stockholder before an annual meeting of stockholders and providing for certain procedures to be followed by stockholders in nominating persons for election to the Board. To be timely, the stockholder must give written notice to the Secretary of the Company not later than the close of business on the 90th calendar day nor earlier than the 120th calendar day prior to the first anniversary of the preceding year's annual meeting. In the event that the date of the annual meeting is more than 30 calendar before or more than 60 calendar days after such anniversary date, notice by the stockholder to be timely must be delivered to the Secretary of the Company not earlier than the close of business on the 120th calendar day prior to such annual meeting and not later than the close of business on the later of the 90th calendar day prior to such annual meeting or the 10th calendar day following the calendar day on which public announcement of the date of such meeting is first made by the Company. In the event that the number of directors to be elected to the Board is increased and there is no public announcement by the Company naming all of the nominees for director or specifying the size of the increased Board at least 100 calendar days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice will also be considered timely (but only with respect to nominees for any new positions created by such increase) if it is delivered to the Secretary not later than the close of business on the 10th calendar day following the day on which public announcement is first made by the Company. The notice must set forth, among other things, specific information regarding such stockholder and such business or director nominee, as described in the Amended and Restated By-Laws. For the annual meeting of stockholders in 1998, the first anniversary of the previous year's meeting shall be deemed to be May 31, 1998.

Classification of Directors. The Amended and Restated Certificate of Incorporation provides that, except as may be provided by the Amended and Restated Certificate of Incorporation or in the resolution or resolutions providing for the issuance of any series of Preferred Stock, the number of directors shall be fixed from time to time by a resolution adopted by a majority of the Board, which number shall not be fewer than three, and provides for a classified board of directors, consisting of three classes as nearly equal in size as possible. Each class holds office until the third succeeding annual stockholders' meeting following the election of such class, except that the initial terms of the three classes expire in 1998, 1999 and 2000, respectively. Subject to the rights of any class or series of stock having a preference over the Common Stock, a director of the Company may be removed only for cause by the affirmative vote of the holders of shares of Common Stock, voting together as a single class in accordance with their respective percentages of total voting power. See "--Common Stock."

No Action by Written Consent; Special Meetings. The Amended and Restated Certificate of Incorporation provides that stockholders may not act by written consent in lieu of a meeting. Special meetings of the stockholders may be called by the Chairman of the Board or by the Board pursuant to a resolution stating the purpose or purposes thereof approved by a majority of the total number of directors the Company would have if there were no vacancies), but may not be called by stockholders. No business other than that stated in the notice shall be transacted at any special meeting. Under the Amended and Restated By-laws, in the event the Company calls a special meeting for the purpose of electing one or more directors to the Board, any stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the notice of special meeting if notice by the stockholder is delivered to the Secretary of the Company not earlier than the close of business on the 120th calendar day prior to such special meeting and not later than the close of business on the later of the 90th calendar day prior to such special meeting or the 10th calendar day following the calendar day on which public announcement of the date of such meeting and the nominees proposed by the Board to be elected at such meeting is first made by the Company.

Limitation on Directors' Liability. The Amended and Restated Certificate of Incorporation provides, as authorized by Section 102(b)(7) of the DGCL, that a director of the Company will not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption or limitation is prohibited under the DGCL as it currently exists or as it may be amended in the future.

The inclusion of this provision in the Amended and Restated Certificate of Incorporation may have the effect of reducing the likelihood of derivative litigation against directors, and may discourage or deter stockholders or management from bringing a lawsuit against directors for breach of their duty of care, even though such an action, if successful, might otherwise have benefited the Company and its stockholders.

STOCKHOLDER RIGHTS PLAN

In connection with the Merger, the Board adopted the Rights Agreement, dated as of December 15, 1997, by and between Hughes Defense and State Street, as Rights Agent (the "Rights Agreement"). Prior to the effective date of the Merger, the Board declared a dividend of one Right for each share of the Class A Common Stock and the Class B Common Stock to the holders of record thereof as of the effective date of the Merger.

The following description, which summarizes the material provisions of the Rights Agreement, does not purport to be complete and is qualified in its entirety by reference to, the Rights Agreement.

The Rights trade automatically with shares of Common Stock and become exercisable only under certain circumstances as described below. The Rights are designed to protect the interests of the Company and its stockholders against coercive takeover tactics. The purpose of the Rights is to encourage potential acquirers to negotiate with the Company's Board of Directors prior to attempting a takeover and to provide the Board with

leverage in negotiating on behalf of all stockholders the terms of any proposed takeover. The Rights may have certain anti-takeover effects. The Rights should not, however, interfere with any merger or other business combination approved by the Board.

The Rights (i) will not be exercisable until the Rights' Distribution Date (as defined below) and (ii) will expire on December 15, 2007 (the "Final Expiration Date"), unless the Final Expiration Date is extended or unless the Rights are earlier redeemed or exchanged by Raytheon, in each case, as described below.

Until a Right is exercised, the holder of a Right, as such, will have no rights as a stockholder of the Company including, without limitation, the right to vote or receive dividends. Upon becoming exercisable, each Right will entitle the holder thereof to purchase from the Company one one-hundredth of a share of Series A Preferred Stock at a purchase price of $250 per Right (the "Exercise Price"), subject to adjustment, on the terms as set forth in the Rights Agreement. In general, the "Distribution Date" will occur, and the Rights will become exercisable, upon the earlier of (i) 10 days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired beneficial ownership of 15% or more of (a) the outstanding shares of Class A Common Stock, (b) the outstanding shares of Class B Common Stock, or (c) the aggregate voting power in the election of directors (each, a "Triggering Holding") or (ii) 10 business days (or a later date determined by the Board prior to any person or group becoming an Acquiring Person) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of a Triggering Holding.

In the event that any person or group of affiliated or associated persons becomes an Acquiring Person, each holder of a Right, other than Rights beneficially owned by the Acquiring Person (which rights become void upon acquisition of a Triggering Holding), will thereafter have the right to receive, upon exercise thereof at the then-current Exercise Price, that number of shares of Class B Common Stock having a market value of two times the Exercise Price of the Right. In the event that, at any time on or after the date that any person has become an Acquiring Person, Raytheon is acquired in a merger or other business combination transaction or 50% or more of consolidated assets or earning power are sold, each holder of a Right will thereafter have the right to receive, upon the exercise thereof at the then-current Exercise Price, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the Exercise Price of the Right. At any time after any person or group of affiliated or associated persons becomes an Acquiring Person and prior to the acquisition by such person or group of 50% or more of the outstanding shares of Common Stock, the Board may exchange the Rights (other than Rights owned by such person or group which will have become void), in whole or in part, at an exchange ratio of one share of Class B Common Stock, or one one-hundredth of a share of Series A Junior Participating Preferred Stock, per Right (subject to adjustment).

At any time prior to the acquisition of a Triggering Holding of Raytheon Common Stock, the Board may redeem the Rights in whole, but not in part, at a price of $.01 per Right (the "Redemption Price"). The redemption of the Rights may be made effective at such time, on such basis and with such conditions as the Board, in its sole discretion, may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

Raytheon is subject to Section 203 of the DGCL. Generally, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the time such stockholder became an interested stockholder, unless (i) prior to such time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced or (iii) at or subsequent to such time, the business combination is approved by the board of directors and authorized by the affirmative vote of at least

66 2/3% of the outstanding voting stock that is not owned by the interested stockholder. For purposes of Section 203 of the DGCL, "business combination" includes, among other things, (i) any merger or consolidation of the corporation with the interested stockholder, (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition, except proportionately as a stockholder of such corporation, to or with the interested stockholder of assets of the corporation having an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the corporation or the aggregate market value of all the outstanding stock of the corporation, (iii) certain transactions resulting in the issuance or transfer by the corporation of stock of the corporation to the interested stockholder, (iv) certain transactions involving the corporation which have the effect of increasing the proportionate share of the stock of any class or series of the corporation which is owned by the interested stockholder or (v) certain transactions in which the interested stockholder receives financial benefits provided by the corporation. An "interested stockholder" generally is any person (other than the corporation and any direct or indirect majority-owned subsidiary of the corporation) that (x) owns 15% or more of the outstanding voting stock of the corporation, (y) is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period prior to the date on which it is sought to be determined whether such person is an interested stockholder or (z) is an affiliate or associate of any such person described in (x) or (y).

STOCK EXCHANGE LISTING

Both the Class A Common Stock and the Class B Common Stock are listed on the NYSE, CSE and PE. The trading symbols for the Class A Common Sock and Class B Common Stock on the these exchanges are "RTNA" and "RTNB," respectively.

TRANSFER AGENT

State Street Bank and Trust Company is the Transfer Agent for the Common Stock and the Rights Agent for the Rights.

DESCRIPTION OF SECURITIES WARRANTS

The Company may issue Securities Warrants for the purchase of Debt Securities, Preferred Stock or Class B Common Stock. Securities Warrants may be issued independently or together with Debt Securities or shares of Preferred Stock or Class B Common Stock offered by any Prospectus Supplement and may be attached to or separate from such Debt Securities or shares of Preferred Stock or Class B Common Stock. Each series of Securities Warrants will be issued under a separate warrant agreement (a "Securities Warrant Agreement") to be entered into between the Company and State Street Bank and Trust Company of Boston, Massachusetts or another bank or trust company, as warrant agent (the "Securities Warrant Agent"), all as set forth in the Prospectus Supplement relating to the particular issue of offered Securities Warrants. The Securities Warrant Agent will act solely as an agent of the Company in connection with the Securities Warrants and will not assume any obligation or relationship of agency or trust for or with any holders of Securities Warrants or beneficial owners of Securities Warrants. Copies of the forms of Securities Warrant Agreements, including the forms of Securities Warrant Certificates representing the Securities Warrants, are filed as exhibits to the Registration Statement of which this Prospectus is a part. The following summary of certain provisions of the Securities Warrants does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Securities Warrant Agreements.

The Prospectus Supplement relating to the particular issue of Securities Warrants offered thereby will set forth the terms of such Securities Warrants, including, where applicable: (i) the designation, aggregate principal amount, currencies, denominations and terms of the series of Debt Securities purchasable upon exercise of Securities Warrants to purchase Debt Securities and the price at which such Debt Securities may be purchased upon such exercise; (ii) the designation, number, stated value and terms (including, without limitation, liquidation, dividend, conversion and voting rights) of the series of Preferred Stock purchasable upon exercise of Securities Warrants to purchase Preferred Stock and the price at which such number of shares of Preferred Stock of such series may be purchased upon such exercise; (iii) the number of shares of Class B Common Stock purchasable upon the exercise of Securities Warrants to purchase Class B Common Stock and the price at which such number of shares of Class B Common Stock may be purchased upon such exercise; (iv) the date on which the right to exercise such Securities Warrants shall commence and the date (the "Expiration Date") on which such right shall expire; (v) U.S. federal income tax consequences applicable to such Securities Warrants; and (vi) any other terms of such Securities Warrants. Securities Warrants for the purchase of Preferred Stock and Common Stock will be offered and exercisable for U.S. dollars only. Securities Warrants will be issued in registered form only. The exercise price for Securities Warrants will be subject to adjustment in accordance with the Applicable Prospectus Supplement.

Each Securities Warrant will entitle the holder thereof to purchase such principal amount of Debt Securities or such number of shares of Preferred Stock or Class B Common Stock, as the case may be, at such exercise price as shall in each case be set forth in, or calculable from, the Prospectus Supplement relating to the offered Securities Warrants, which exercise price may be subject to adjustment upon the occurrence of certain events as set forth in such Prospectus Supplement. After the close of business on the Expiration Date (or such later date to which such Expiration Date may be extended by the Company), unexercised Securities Warrants will become void. The place or places where, and the manner in which, Securities Warrants may be exercised shall be specified in the Prospectus Supplement relating to such Securities Warrants.

Prior to the exercise of any Securities Warrants to purchase Debt Securities, holders of such Securities Warrants will not have any of the rights of holders of the Debt Securities purchasable upon such exercise, including the right to receive payments of principal of, premium, if any, or interest on the Debt Securities purchasable upon such exercise or to enforce covenants in the Applicable Indenture. Prior to the exercise of any Securities Warrants to purchase Preferred Stock or Class B Common Stock, holders of such Securities Warrants will not have any rights of holders of the Preferred Stock or Class B Common Stock purchasable upon such exercise, including the right to receive payments of dividends, if any, on the Preferred Stock or Class B Common Stock purchasable upon such exercise or to exercise any applicable right to vote.

PLAN OF DISTRIBUTION

The Company may sell the Offered Securities in or outside the United States through underwriters or dealers, directly to one or more purchasers, through agents or a combination of any such method of sale. The Prospectus Supplement with respect to the Offered Securities will set forth the terms of the offering of the Offered Securities, including the name or names of any underwriters, dealers or agents, the purchase price of the Offered Securities and the proceeds to the Company from such sale, any delayed delivery arrangements, any underwriting discounts and other items constituting underwriters' compensation, the initial public offering price, any discounts or concessions allowed or re-allowed or paid to dealers, and any securities exchanges on which the Offered Securities may be listed.

If underwriters are used in the sale, the Offered Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The Offered Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. The underwriter or underwriters with respect to a particular underwritten offering of Offered Securities will be named in the Prospectus Supplement relating to such offering, and if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover of such Prospectus Supplement. Unless otherwise set forth in the Prospectus Supplement relating thereto, the obligations of the underwriters or agents to purchase the Offered Securities will be subject to conditions precedent, and the underwriters will be obligated to purchase all the Offered Securities if any are purchased. The initial public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

If dealers are used in the sale of Offered Securities with respect to which this Prospectus is delivered, the Company will sell such Offered Securities to the dealers as principals. The dealers may then resell such Offered Securities to the public at varying prices to be determined by such dealers at the time of resale. The names of the dealers and the terms of the transaction will be set forth in the Prospectus Supplement relating thereto.

Offered Securities may be sold directly by the Company or through agents designated by the Company from time to time at fixed prices, which may be changed, or at varying prices determined at the time of sale. Any agent involved in the offer or sale of the Offered Securities with respect to which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement relating thereto. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

Offered Securities may be sold directly by the Company to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale thereof. The terms of any such sales will be described in the Applicable Prospectus Supplement.

In connection with the sale of the Offered Securities, underwriters or agents may receive compensation from the Company or from purchasers of Offered Securities for whom they may act as agents in the form of discounts, concessions or commissions. Underwriters, agents and dealers participating in the distribution of the Offered Securities may be deemed to be underwriters, and any discounts or commissions received by them from the Company and any profit on the resale of the Offered Securities by them may be deemed to be underwriting discounts or commissions under the Securities Act.

If so indicated in the Prospectus Supplement, the Company will authorize agents, underwriters or dealers to solicit offers from certain types of institutions to purchase Offered Securities from the Company at the public offering price set forth in the Prospectus Supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Such contracts will be subject only to those conditions set forth in the Prospectus Supplement, and the Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

Some or all of the Offered Securities may be new issues of securities with no established trading market. Any underwriters to whom Offered Securities are sold by the Company for public offering and sale may make a market in such Offered Securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of or the trading markets for any Offered Securities.

In order to facilitate the offering of the Offered Securities, any underwriters or agents, as the case may be, involved in the offering of such Offered Securities may engage in transactions that stabilize, maintain or otherwise affect the price of the Offered Securities or any other securities the prices of which may be used to determine payments on such Offered Securities. Specifically, the underwriters or agents, as the case may be, may overallot in connection with the offering, creating a short position in such Offered Securities for their own account. In addition, to cover overallotments or to stabilize the price of such Offered Securities or any such other securities, the underwriters or agents, as the case may be, may bid for, and purchase, such Offered Securities or any such other securities in the open market. Finally, in any offering of such Offered Securities through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing such Offered Securities in the offering if the syndicate repurchases previously distributed Offered Securities in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Offered Securities above independent market levels. The underwriters or agents, as the case may be, are not required to engage in these activities, and may end any of these activities at any time.

Agents, dealers and underwriters may be entitled under agreements entered into with the Company to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that such agents, dealers, or underwriters may be required to make with respect thereto.

Certain of the underwriters, dealers or agents and their affiliates may be customers of, engage in transactions with and perform services for the Company in the ordinary course of business.

VALIDITY OF OFFERED SECURITIES

The validity of the Offered Securities will be passed upon for the Company by Christoph L. Hoffmann, Esq., Executive Vice President Law and Corporate Administration and Secretary of the Company, and for any underwriters by Cravath, Swaine & Moore of New York City. As of the date of this Prospectus, Christoph L. Hoffmann, Esq. holds 32,977 shares of Class B Common Stock and options to acquire 99,587 shares of Class B Common Stock of the Company.

EXPERTS

The consolidated balance sheets of Former Raytheon Company as of December 31, 1996 and 1995 and the related statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1996 and the related financial statement schedule, incorporated by reference in this Prospectus, have been incorporated herein in reliance on the reports of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

The financial statements of TI Defense as of December 31, 1996 and 1995 and for the three years ended December 31, 1996, incorporated by reference in this Prospectus, have been incorporated herein in reliance on the reports of Ernst & Young LLP, independent auditors, given on the authority of that firm as experts in accounting and auditing.

The financial statements of Hughes Defense as of December 31, 1996 and 1995 and for each of the three years in the period ended December 31, 1996, incorporated by reference in this Prospectus, have been incorporated herein in reliance on the reports of Deloitte & Touche LLP, independent auditors, given on the authority of that firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The estimated expenses in connection with the issuance and distribution of the securities being registered, other than underwriting compensation, are:

S.E.C. Registration Fee	$ 885,000
Legal Fees and Expenses	100,000
Accounting Fees and Expenses	30,000
Trustee's Fees and Expenses	20,000
Rating Agency Fees	160,000
Blue Sky Fees and Expenses	2,000
Printing and Engraving Fees	90,000
Miscellaneous	18,909
	$1,305,909

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Delaware General Corporation Law

Under Section 145 of the DGCL, Raytheon is empowered to indemnify its directors and officers in the circumstances therein provided. Certain portions of Section 145 are summarized below:

Section 145(a) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

Section 145(b) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred

to in Section 145(a) and (b), or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 145(d) of the DGCL provides that any indemnification under Section 145(a) and (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 145(a) and (b). Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

Section 145(e) of the DGCL provides that expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in Section 145. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

Section 145(f) of the DGCL provides that the indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 145(g) of the DGCL provides that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145.

Amended and Restated Certificate of Incorporation

The Amended and Restated Certificate of Incorporation provides that no director of Raytheon shall be personally liable to Raytheon or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption or limitation is prohibited under the DGCL as it currently exists or as it may be amended in the future.

The Amended and Restated Certificate of Incorporation also provides that Raytheon shall indemnify each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of Raytheon or is or was serving at the request of Raytheon as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (whether the basis of such action, suit or proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer), to the fullest extent authorized by the DGCL as it currently exists or as it may be amended in the future, against all expense, liability and loss (including attorneys' fees, judgments, fines, payments in settlement and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974, as in effect from time to time) reasonably incurred or suffered by such person. Such indemnification shall continue as to a person who ceases to be a director or officer of Raytheon and shall inure to the benefit of such person's heirs, executors and administrators. Raytheon shall not be required to indemnify a person in connection with such action, suit or proceeding initiated by such person if it was not authorized by the Board except under limited circumstances.

The Amended and Restated Certificate of Incorporation also provides that Raytheon shall pay the expenses of directors and officers incurred in defending any such action, suit or proceeding in advance of its final disposition; provided, however, that, if and to the extent that the DGCL requires, the payment of expenses incurred by a director or officer in advance of the final disposition of an action, suit or proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under the Amended and Restated Certificate of Incorporation or otherwise. If a claim for indemnification or advancement of expenses by an officer or director under the Amended and Restated Certificate of Incorporation is not paid in full within 30 calendar days after a written claim therefor has been received by Raytheon, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled also to be paid the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any action, suit or proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to Raytheon) that the claimant has not met the standard of conduct which makes it permissible under the DGCL for the Company to indemnify the claimant for the amount claimed. Raytheon shall have the burden of proving such defense. Neither the failure of Raytheon to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by Raytheon that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. The right to indemnification and the payment of expenses conferred on any person by the Amended and Restated Certificate of Incorporation shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Amended and Restated Certificate of Incorporation or the Amended and Restated By-Laws of Raytheon, agreement, vote of stockholders or disinterested directors or otherwise.

Any repeal or modification of the provisions of the Amended and Restated Certificate of Incorporation described herein by the stockholders of Raytheon will not adversely affect any limitation on the personal liability of directors for, or any rights of directors in respect of, any cause of action, suit or claim accruing or arising prior to the repeal or modification.

The Amended and Restated Certificate of Incorporation also provides that Raytheon may maintain insurance to protect itself and any director, officer, employee or agent of Raytheon or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not Raytheon would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Transaction Agreements

The Merger Agreement provides that Raytheon shall indemnify and defend each individual who is or was an officer or director (as well as such individual's heirs and legal representatives) of Raytheon or Hughes Defense or any of their respective subsidiaries prior to the effective time of the Merger against all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement with the approval of Raytheon arising out of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on, or arising in whole or in part out of, (1) the fact that such person is or was a director or officer of Raytheon or Hughes Defense, whether pertaining to any matter existing or occurring at or prior to the effective time of the Merger (but in the case of Hughes Defense, only insofar as relating to the defense business of Hughes Defense) and (2) the Merger Agreement or the transactions contemplated by that agreement, in each case to the full extent Raytheon or Hughes Defense would have been permitted under the DGCL, their certificates of incorporation and their by-laws to indemnify such person.

The Merger Agreement also provides that Raytheon shall pay the expenses of directors and officers (including their heirs and legal representatives) reasonably incurred in defending any action or proceeding in advance of its final disposition to the full extent permitted by law upon receipt of the undertaking contemplated

by Section 145(e) of the DGCL. Raytheon will use its commercially reasonable efforts to assist in the vigorous defense of any such matter, provided that Raytheon shall not be liable for any settlement of any claim effected without its written consent, which consent shall not be unreasonably withheld.

Prior to the effective time of Merger, Hughes Defense entered into certain other agreements in connection with the Merger or the transactions between GM and certain of its affiliates which preceded the Merger. Certain provisions of these agreements provide indemnification to certain individuals who were directors and officers of Hughes Defense or Raytheon prior to the effective time of the Merger, or who are currently directors or officers of the Company.

ITEM 16. EXHIBITS.

1.1	Form of Underwriting Agreement for the Senior Debt Securities and the Subordinated Debt Securities
**1.2	Form of Underwriting Agreement for the Preferred Stock and Class B Common Stock
*2.1	Agreement and Plan of Merger by and between HE Holdings, Inc. and Raytheon Company, dated as of January 16, 1997 (included as Appendix A to the Solicitation Statement/Prospectus which forms a part of this Registration Statement)
2.2	Hughes Spin-Off Separation Agreement dated as of December 17, 1997 by and between HE Holdings, Inc. and General Motors Corporation
*4.1	Amended and Restated Certificate of Incorporation of Raytheon (filed as Exhibit 3(i) to the Current Report on Form 8-K of Raytheon, dated December 17, 1997, and incorporated herein by reference)
*4.2	Amended and Restated By-Laws of Raytheon (filed as Exhibit 3(ii) to the Current Report on Form 8-K of Raytheon, dated December 17, 1997, and incorporated herein by reference)
*4.3	Indenture dated as of July 3, 1995 between Raytheon Company and The Bank of New York, Trustee (filed as an exhibit to the Registration Statement on Form S-3, File No. 33-59241, and incorporated herein by reference)
4.4	Form of Senior Debt Securities (see Exhibit 4.3)
4.5	Form of Subordinated Debt Securities (see Exhibit 4.3)
*4.6	Rights Agreement, dated as of December 15, 1997, by and between HE Holdings, Inc. and State Street Bank and Trust Company (filed as Exhibit 6 to the Registration Statement on Form 8-A, File No. 1-13699, and incorporated herein by reference)
5.1	Opinion of Thomas D. Hyde, Esq., Vice President and General Counsel of the Company
12	Statement re: computation of ratios
23.1	Consent of Thomas D. Hyde, Esq. (to be included in Exhibit 5.1)
23.2	Consent of Coopers & Lybrand L.L.P.
23.3	Consent of Ernst & Young LLP
23.4	Consent of Deloitte & Touche LLP
24	Power of Attorney (Filed herewith--see page II-6)
25.1	Form T-1 Statement of Eligibility of the Senior Debt Trustee and the Subordinated Debt Trustee

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* Incorporated herein by reference.
** To be filed either by amendment or as an exhibit to an Exchange Act Report and incorporated herein by reference.

ITEM 17. UNDERTAKINGS.

(A) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represents a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(B) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act that is incorporated by reference in the registration statement) shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(C) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, RAYTHEON COMPANY CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE TOWN OF LEXINGTON, COMMONWEALTH OF MASSACHUSETTS, ON THE 13TH DAY OF JANUARY, 1998.

Raytheon Company

By /s/ Christoph L. Hoffmann
CHRISTOPH L. HOFFMANN EXECUTIVE VICE PRESIDENT LAW AND CORPORATE ADMINISTRATION, AND SECRETARY

We, the undersigned officers and Directors of Raytheon Company, hereby severally constitute and appoint Peter R. D'Angelo, Herbert Deitcher, Kenneth H. Colburn and Thomas D. Hyde and each of them singly, our true and lawful attorneys with full power to them, and each of them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Registration Statement on Form S-3 filed herewith and any and all pre-effective and post-effective amendments to said Registration Statement, and generally to do all such things in our names and on our behalf in our capacities as officers and Directors to enable Raytheon Company to comply with the provisions of the Securities Act of 1933, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signature as then may be signed by our said attorneys or any of them, to said Registration Statement and any and all amendments thereto.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BELOW ON JANUARY 13, 1998 BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED.

SIGNATURE	CAPACITY
/s/ Dennis J. Picard DENNIS J. PICARD	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer) and Director
/s/ Peter R. D'Angelo PETER R. D'ANGELO	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Michele C. Heid MICHELE C. HEID	Vice President -- Corporate Controller and Investor Relations (Principal Accounting Officer)
/s/ Ferdinand Colloredo-Mansfeld FERDINAND COLLOREDO-MANSFELD	Director
/s/ Steven D. Dorfman STEVEN D. DORFMAN	Director
/s/ Theodore L. Eliot, Jr. THEODORE L. ELIOT, JR.	Director
/s/ Thomas E. Everhart THOMAS E. EVERHART	Director
/s/ John R. Galvin JOHN R. GALVIN	Director

SIGNATURE	CAPACITY
/s/ Barbara B. Hauptfuhrer BARBARA B. HAUPTFUHRER	Director
/s/ Richard D. Hill RICHARD D. HILL	Director
/s/ L. Dennis Kozlowski L. DENNIS KOZLOWSKI	Director
/s/ James N. Land, Jr. JAMES N. LAND, JR.	Director
/s/ A. Lowell Lawson A. LOWELL LAWSON	Director
/s/ Charles H. Noski CHARLES H. NOSKI	Director
/s/ Thomas L. Phillips THOMAS L. PHILLIPS	Director
/s/ Warren B. Rudman WARREN B. RUDMAN	Director
/s/ Alfred M. Zeien ALFRED M. ZEIEN	Director

EXHIBIT INDEX TO REGISTRATION STATEMENT ON FORM S-3

EXHIBIT NO.	EXHIBIT
1.1	Form of Underwriting Agreement for the Senior Debt Securities and the Subordinated Debt Securities
**1.2	Form of Underwriting Agreement for the Preferred Stock and Class B Common Stock
*2.1	Agreement and Plan of Merger by and between HE Holdings, Inc. and Raytheon Company, dated as of January 16, 1997 (included as Appendix A to the Solicitation Statement/Prospectus which forms a part of this Registration Statement)
2.2	Hughes Spin-Off Separation Agreement dated as of December 17, 1997 by and between HE Holdings, Inc. and General Motors Corporation
*4.1	Amended and Restated Certificate of Incorporation of Raytheon (filed as Exhibit 3(i) to the Current Report on Form 8-K of Raytheon, dated December 17, 1997, and incorporated herein by reference)
*4.2	Amended and Restated By-Laws of Raytheon (filed as Exhibit 3(ii) to the Current Report on Form 8-K of Raytheon, dated December 17, 1997, and incorporated herein by reference)
*4.3	Indenture dated as of July 3, 1995 between Raytheon Company and The Bank of New York, Trustee (filed as an exhibit to the Registration Statement on Form S-3, File No. 33-59241, and incorporated herein by reference)
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5.1	Opinion of Thomas D. Hyde, Esq., Vice President and General Counsel of the Company
12	Statement re: computation of ratios
23.1	Consent of Thomas D. Hyde, Esq. (to be included in Exhibit 5.1)
23.2	Consent of Coopers & Lybrand L.L.P.
23.3	Consent of Ernst & Young LLP
23.4	Consent of Deloitte & Touche LLP
24	Power of Attorney (Filed herewith--see page II-6)
25.1	Form T-1 Statement of Eligibility of the Senior Debt Trustee and the Subordinated Debt Trustee

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* Incorporated herein by reference.
** To be filed either by amendment or as an exhibit to an Exchange Act Report and incorporated herein by reference.

EXHIBIT 1.1

RAYTHEON COMPANY

Debt Securities

UNDERWRITING AGREEMENT

SECTION 1. Introduction. Raytheon Company, a Delaware corporation ("Company"), proposes to issue and sell from time to time certain of its debt securities registered under the registration statement referred to in Section 2(a) ("Registered Securities"). The Registered Securities will be issued under an indenture, dated as of July 3, 1995 ("Indenture"), between the Company and The Bank of New York, as Trustee, in one or more series, which series may vary as to interest rates, maturities, redemption provisions, selling prices and other terms, with such terms for any particular series of the Registered Securities being determined at the time of sale. Particular series of the Registered Securities will be sold pursuant to a Terms Agreement referred to in Section 3 for resale in accordance with terms of offering determined at the time of sale.

The Registered Securities involved in any such offering are hereinafter referred to as the "Securities". The firm or firms which agree to purchase the Securities are hereinafter referred to as the "Underwriters" and the representative or representatives of the Underwriters, if any, specified in a Terms Agreement referred to in Section 3 are hereinafter referred to as the "Representatives"; provided, however, that if the Terms Agreement does not specify any representative of the Underwriters, the term "Representatives", as used in this Agreement (other than in Sections 2(b), 5(e) and 6 and the second sentence of Section 3), shall mean the Underwriters.

2. Representations and Warranties of the Company. The Company represents and warrants to and agrees with each Underwriter that:

(a) A registration statement (No. 333-), including a prospectus, relating to the Registered Securities has been filed with the Securities and Exchange Commission ("Commission") and has become effective. Such registration statement, as amended at the time of any Terms Agreement referred to in Section 3, is hereinafter referred to as the "Registration Statement", and the prospectus included in such Registration Statement, as supplemented as contemplated by Section 3 to reflect the terms of the Securities and the terms of offering thereof, as first filed with the Commission pursuant to and in accordance with Rule 424(b) under the Securities Act of 1933, as amended ("Act"), including all material incorporated by reference therein, is hereinafter referred to as the "Prospectus".

(b) On the effective date, the Registration Statement conformed in all material respects to the requirements of the Act, the Trust Indenture Act of 1939, as amended ("Trust Indenture Act"), and the rules and regulations of the Commission ("Rules and Regulations") and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and on the date of each Terms Agreement referred to in Section 3, the Registration Statement and the Prospectus will conform in all material respects to the requirements of the Act, the

Trust Indenture Act and the Rules and Regulations, and neither of such documents will include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, except that the foregoing does not apply to (i) statements in or omissions from any of such documents based upon written information furnished to the Company by any Underwriter through the Representatives, if any, specifically for use therein or (ii) that part of the Registration Statement that constitutes the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act.

3. Purchase and Offering of Securities. The obligation of the Underwriters to purchase the Securities will be evidenced by an exchange of telegraphic or other written communications ("Terms Agreement") at the time the Company determines to sell the Securities. The Terms Agreement will incorporate by reference the provisions of this Agreement, except as otherwise provided therein, and will specify the firm or firms which will be Underwriters, the names of any Representatives, the principal amount to be purchased by each Underwriter, the purchase price to be paid by the Underwriters and the terms of the Securities not already specified in the Indenture, including, but not limited to, interest, maturity, any redemption provision and any sinking fund requirements and whether any of the Securities may be sold to institutional investors pursuant to Delayed Delivery Contracts (as defined below). The Terms Agreement will also specify the time and date of delivery and payment (such time and date, or such other time not later than seven full business days thereafter as the Representatives and the Company agree as the time for payment and delivery, being herein and in the Terms Agreement referred to as the "Closing Date"), the place of delivery and payment and any details of the terms of offering that should be reflected in the prospectus supplement relating to the offering of the Securities. The obligations of the Underwriters to purchase the Securities will be several and not joint. It is understood that the Underwriters propose to offer the Securities for sale as set forth in the Prospectus. Unless the Terms Agreement specifies that the Securities will be issued in the form of a global security to be deposited with a depositary, as contemplated by the Indenture, the securities delivered to the Underwriters on the Closing Date will be in definitive fully registered form, in such denominations and registered in such names as the Underwriters may request.

If the Terms Agreement provides for the sale of Securities pursuant to delayed delivery contracts, the Company authorizes the Underwriters to solicit offers to purchase Securities pursuant to delayed delivery contracts substantially in the form of Annex I attached hereto ("Delayed Delivery Contracts") with such changes therein as the Company may authorize or approve. Delayed Delivery Contracts are to be with institutional investors, including commercial and savings banks, insurance companies, pension funds, investment companies and educational and charitable institutions. On the Closing Date, the Company will pay, as compensation, to the Representatives for the accounts of the Underwriters, the fee set forth in such Terms Agreement in respect of the principal amount of Securities to be sold pursuant to Delayed Delivery Contracts ("Contract Securities"). The Underwriters will not have any responsibility in respect of the validity or the performance of Delayed Delivery Contracts. If the Company executes and delivers Delayed Delivery Contracts, the Contract Securities will be deducted from the Securities to be purchased by the several Underwriters and the aggregate principal amount of Securities to be purchased by each Underwriter will be reduced pro rata in proportion to the principal amount of Securities set forth opposite each Underwriter's name in such Terms Agreement, except to the extent that the Representatives determine

that such reduction shall be otherwise than pro rata and so advise the Company. The Company will advise the Representatives not later than the business day prior to the Closing Date of the principal amount of Contract Securities.

4. Certain Agreements of the Company. The Company agrees with the several Underwriters that it will furnish to the Representatives one signed copy of the Registration Statement, including all exhibits, in the form in which it became effective and of all amendments thereto, and that, in connection with each offering of Securities:

(a) The Company will advise the Representatives promptly of any proposal to amend or supplement the Registration Statement or the Prospectus and will afford the Representatives a reasonable opportunity to comment on any such proposed amendment or supplement; and the Company will also advise the Representatives promptly of the filing of any such amendment or supplement and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement or of any part thereof and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(b) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company promptly will prepare and file with the Commission an amendment or supplement which will correct such statement or omissions or an amendment which will effect such compliance.

(c) As soon as practicable after the date of each Terms Agreement, the Company will make generally available to its security holders an earnings statement covering a period of at least 12 months beginning after the latest of (i) the effective date of the Registration Statement, (ii) the effective date of the most recent post-effective amendment to the Registration Statement to become effective prior to the date of such Terms Agreement and (iii) the date of the Company's most recent Annual Report on Form 10-K filed with the Commission prior to the date of such Terms Agreement, which will satisfy the provisions of Section 11(a) of the Act.

(d) The Company will furnish to the Representatives copies of the Registration Statement, including all exhibits, any related preliminary prospectus, any related preliminary prospectus supplement, the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as are reasonably requested.

(e) The Company will arrange for the qualification of the Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Representatives designate and will continue such qualifications in effect so long as required for the distribution.

(f) The Company will pay all expenses incident to the performance of its obligations under this Agreement and will reimburse the Underwriters for any expenses (including reasonable fees and disbursements of counsel) incurred by them in connection with qualification of the Registered Securities for sale and determination of their eligibility for investment under the laws of such jurisdictions as the Representatives may designate and the printing of memoranda relating thereto, and for any fees charged by investment rating agencies for the rating of the Securities and for expenses incurred in distributing the Prospectus, any preliminary prospectuses and any preliminary prospectus supplements to underwriters.

(g) For a period beginning at the time of execution of the Terms Agreement and ending 30 days after the Closing Date, without the prior consent of the Representatives, the Company will not offer, sell, contract to sell or otherwise dispose of any United States dollar-denominated debt securities issued or guaranteed by the Company and having a maturity of more than one year from the date of issue.

5. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of the Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) On or prior to the date of the Terms Agreement, the Representatives shall have received a letter, dated the date of delivery thereof, of Coopers & Lybrand L.L.P., covering such matters as are customary for accountants' "comfort" letters for underwritten transactions of the type contemplated by the Terms Agreement and in form and substance reasonably satisfactory to the Representatives.

(b) If, at the date of the Terms Agreement, the financial statements of the Defense Business of Texas Instruments Incorporated, referred to in the report of Ernst & Young LLP dated February 18, 1997, are incorporated by reference into the Registration Statement, then on or prior to the date of the Terms Agreement the Representatives shall have received a letter, dated the date of delivery thereof, of Ernst & Young LLP, covering such matters relating to such financial statements as are customary for accountants' "comfort" letters for underwritten transactions of the type contemplated by the Terms Agreement and in form and substance reasonably satisfactory to the Representatives.

(c) If, at the date of the Terms Agreement, the financial statements of the Defense Business of Hughes Electronics Corporation, referred to in the report of Deloitte & Touche LLP dated March 21, 1997, are incorporated by reference into the Registration Statement, then on or prior to the date of the Terms Agreement the Representatives shall have received a letter, dated the date of delivery thereof, of Deloitte & Touche LLP, covering such matters relating to such financial statements as are customary for accountants' "comfort" letters for underwritten transactions of the type contemplated by the Terms Agreement and in form and substance reasonably satisfactory to the Representatives.

(d) No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or any Underwriter, shall be contemplated by the Commission.

(e) Subsequent to the execution of the Terms Agreement (i) there shall not have occurred any change, or any development involving a prospective change, in or affecting particularly the business or properties of the Company or its subsidiaries which, in the judgment of a majority in interest of the Underwriters, including any Representatives, materially impairs the investment quality of the Securities or the Registered Securities; (ii) trading generally shall not have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade; (iii) trading of any securities of the Company shall not have been suspended on any exchange or in any over-the-counter market; (iv) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading, in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Act; (v) no banking moratorium shall have been declared by Federal or New York authorities; and (vi) there shall not have occurred any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters, including any Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical to proceed with completion of the sale of and payment for the Securities.

(f) The Representatives shall have received an opinion, dated the Closing Date, of Thomas D. Hyde, Vice President and General Counsel for the Company, to the effect that:

(i) The Company is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with corporate and authority to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which it owns or leases substantial properties or in which the conduct of its business requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Company;

(ii) The Securities have been duly authorized; the Securities other than any Contract Securities, when executed and authenticated in accordance with the terms of the Indenture and delivered to and paid for by the Underwriters in accordance with the Terms Agreement (including the provisions of this Agreement), and any Contract Securities, when executed, authenticated, issued and delivered in the manner provided in the Indenture and sold pursuant to Delayed Delivery Contracts, will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture;

(iii) The execution, delivery and performance of the Indenture, the Terms Agreement (including the provisions of this Agreement) and any Delayed Delivery Contracts and the issuance and sale of the Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of or constitute a default under (A) any order known to such counsel of any governmental agency having jurisdiction over the Company or any of its properties or any agreement or instrument known to such counsel to which the Company is a party or by which the Company is bound or to which any of the properties of the Company is subject, which would cause a material adverse change in the financial position, shareholders' equity or results of operations of the Company or affect the validity of the Securities or the legal authority of the Company to comply with the terms of the Securities, the Indenture or this Agreement or (B) the charter or By-laws of the Company, and the Company has full power and authority to authorize, issue and sell the Securities as contemplated by the Terms Agreement (including the provisions of this Agreement);

(iv) The Indenture has been duly authorized, executed and delivered by the Company and (assuming due authorization, execution and delivery by the Trustee) is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except (A) as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (B) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought;

(v) The Terms Agreement (including the provisions of this Agreement) and any Delayed Delivery Contracts have been duly authorized, executed and delivered by the Company; and

(vi) No authorization, approval or consent of any governmental authority or agency is necessary in connection with the transactions contemplated by the Terms Agreement (including the provisions of this Agreement) except such as may be required under the Act, the Trust Indenture Act and state securities or Blue Sky laws.

In addition, Mr. Hyde shall state that he or others working under his supervision have participated in conferences with officers and other representatives of the Company, outside counsel for the Company, representatives of the independent public accountants for the Company, and the Underwriters, at which the contents of the Registration Statement and Prospectus and related matters were discussed and, although he is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and Prospectus, on the basis of the foregoing and on his ongoing representation of the Company, no facts have come to his attention that lead him to believe that (i) such registration statement, at the time such registration statement became effective, or the Registration Statement, as of the date of the Terms Agreement, or any amendment or supplement to the

Registration Statement or the Prospectus, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) that the Prospectus, as of its date and the Closing Date, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that he need express no opinion with respect to the financial statements, schedules and other financial and statistical data included or incorporated by reference in the Registration Statement or Prospectus or with respect to the Form T-1.

(g) The Representatives shall have received an opinion, dated such Closing Date, of Wachtell, Lipton, Rosen & Katz, counsel for the Company, who may rely as to the approval or consent of non-Federal governmental authorities upon the opinion of Thomas D. Hyde, Esq. referred to above, to the effect that:

(i) The Securities, other than any Contract Securities, and the Indenture, conform, and any Contract Securities, when executed, authenticated, issued and delivered in the manner provided in the Indenture and sold pursuant to Delayed Delivery Contracts, will conform in all material respects to the descriptions thereof contained in the Prospectus;

(ii) The Indenture has been duly qualified under the Trust Indenture Act;

(iii) The Registration Statement has become effective under the Act, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement or any part thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated;

(iv) The registration statement relating to the Registered Securities, as of its effective date, the Registration Statement and the Prospectus, as of the date of the Terms Agreement, and each amendment or supplement thereto, as of their respective effective or mailing dates (but excluding the financial statements and schedules and other financial and statistical data and the Form T-1 included or incorporated by reference therein, as to which such counsel need express no opinion) complied as to form in all material respects with the Act, the Trust Indenture Act and the Rules and Regulations, as applicable;

(v) Such counsel do not know of any legal or governmental proceedings required to be described in the Prospectus which are not described as required, nor of any contracts or documents of a character required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required; and

(vi) No authorization, approval or consent of any governmental authority or agency is necessary in connection with the transactions

contemplated by the Terms Agreement (including the provisions of this Agreement) except such as may be required under the Act, the Trust Indenture Act and state securities or Blue Sky laws.

(h) The Representatives shall have received from Cravath, Swaine & Moore, counsel for the Underwriters, to be named in the Terms Agreement such opinion or opinions, dated the Closing Date, with respect to the validity of the Securities, the Registration Statement, the Prospectus and other related matters as they may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(i) The Representatives shall have received a certificate, dated the Closing Date, of any vice-president and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, that no stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change in the business, financial position or results of operations of the Company and its subsidiaries except as set forth in or contemplated by the Prospectus or as described in such certificate.

(j) The Representatives shall have received a letter, dated the Closing Date, of Coopers & Lybrand L.L.P., which reconfirms the matters set forth in their letter delivered pursuant to subsection (a) of this Section and covering such matters as are customary for accountants' "comfort" letters for underwritten transactions of the type contemplated by the Terms Agreement and in form and substance reasonably satisfactory to the Representatives. If Ernst & Young LLP or Deloitte & Touche LLP shall have delivered a letter to the Representatives pursuant to subsection (b) or (c), respectively, of this Section, the Representatives shall have received a letter, dated the Closing Date, of Ernst &Young LLP or Deloitte & Touche LLP, as the case may be, which reconfirms the matters set forth in their previous letter and is in form and substance reasonably satisfactory to the Representatives.

6. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating

or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable (i) in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives, if any, specifically for use therein and (ii) to any Underwriter (or anyone controlling such Underwriter), with respect to any preliminary prospectus or preliminary prospectus supplement, from whom the person asserting any such loss, claim, damage or liability purchased Securities, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendment or supplements thereto) was not delivered by or on behalf of such Underwriter to such person, if required by law to have been so delivered, at or prior to the written confirmation of the sale of the Securities to such person, and if the Prospectus (as so amended and supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) Each Underwriter will, severally and not jointly, indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives, if any, specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such

settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

7. Default of Underwriters. If any Underwriter or Underwriters
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default in their obligations to purchase Securities under the Terms Agreement and the aggregate principal amount of the Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total principal amount of the

Securities, the Representatives may make arrangements satisfactory to the Company for the purchase of such Securities by other persons, including any of the Underwriters, but if no such arrangements are made by the Closing Date, the nondefaulting Underwriters shall be obligated severally, in proportion to their respective commitments under this Agreement and the Terms Agreement, to purchase the Securities that such defaulting Underwriters agreed but failed to purchase. If any Underwriter or Underwriters so default and the aggregate principal amount of the Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of the Securities and arrangements satisfactory to the Representatives and the Company for the purchase of such Securities by other persons are not made within 36 hours after such default, such Terms Agreement will terminate without liability on the part of any nondefaulting Underwriter or the Company, except as provided in Section 8. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default. The respective commitments of the several Underwriters for the purposes of this Section shall be determined without regard to the reduction in the respective Underwriters' obligations to purchase the principal amounts of the Securities set forth opposite their names in the Terms Agreement as a result of Delayed Delivery Contracts entered into by the Company.

The foregoing obligations and agreements set forth in this Section will not apply if the Terms Agreement specifies that such obligations and agreements will not apply.

8. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Securities. If the Terms Agreement is terminated pursuant to Section 7 or if for any reason the purchase of the Securities by the Underwriters under the Terms Agreement is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 4 and the respective obligations of the Company and the Underwriters pursuant to Section 6 shall remain in effect. If the purchase of the Securities by the Underwriters is not consummated because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement (excluding the matters set forth in Section 5(d)), or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Securities.

9. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to them at their addresses furnished to the Company in writing for the purpose of communications hereunder or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at 141 Spring Street, Lexington, Massachusetts 02173, Attention of General Counsel.

10. Successors. This Agreement will inure to the benefit of and be binding upon the Company and such Underwriters as are identified in Terms Agreements and their respective successors and the officers and directors and controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

11. Applicable Law. This Agreement and the Terms Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

ANNEX I
[omit in execution copies]

(Three copies of this Delayed Delivery Contract should be signed and returned to the address shown below so as to arrive not later than 9:00 A.M., New York time, on [date that is the third full business day prior to Closing Date under the Terms Agreement].)

DELAYED DELIVERY CONTRACT

[date of initial public offering]

RAYTHEON COMPANY
c/o [insert name and address]
Attention: [name].

Gentlemen:

The undersigned hereby agrees to purchase from Raytheon Company, a Delaware corporation ("Company"), and the Company agrees to sell to the undersigned, [If one delayed closing, insert -- as of the date hereof, for delivery on _____, 19__ ("Delivery Date"),]

$_____ _____

principal amount of the Company's [Debt Securities/Debentures] ("Securities"), offered by the Company's Prospectus dated _____, 19__ and a Prospectus Supplement dated _____, 19__ relating thereto, receipt of copies of which is hereby acknowledged, at __% of the principal amount thereof plus accrued interest, if any, and on the further terms and conditions set forth in this Delayed Delivery Contract ("Contract").

[If two or more delayed closings, insert the following:

The undersigned will purchase from the Company as of the date hereof, for delivery on the dates set forth below, Securities in the principal amounts set forth below:

Delivery Date	Principal Amount

Each of such delivery dates is hereinafter referred to as a Delivery Date.]

Payment for the Securities that the undersigned has agreed to purchase for delivery on [the/each] Delivery Date shall be made to the Company or its order by certified or official bank check in New York Clearing House (next day) funds at the office of [name] at [time] _.M. on [the/such] Delivery Date upon delivery to the undersigned of the Securities to be purchased by the undersigned [for delivery on such

Delivery Date/in definitive] fully registered form and in such denominations and registered in such names as the undersigned may designate by written or telegraphic communication addressed to the Company not less than five full business days prior to [the/such] Delivery Date.

It is expressly agreed that the provisions for delayed delivery and payment are for the sole convenience of the undersigned; that the purchase hereunder of Securities is to be regarded in all respects as a purchase as of the date of this Contract; that the obligation of the Company to make delivery of and accept payment for, and the obligation of the undersigned to take delivery of and make payment for, Securities on [the/each] Delivery Date shall be subject only to the conditions that (1) investment in the Securities shall not at [the/such] Delivery Date be prohibited under the laws of any jurisdiction in the United States to which the undersigned is subject and (2) the Company shall have sold to the Underwriters the total principal amount of the Securities less the principal amount thereof covered by this and other similar Contracts. The undersigned represents that its investment in the Securities is not, as of the date hereof, prohibited under the laws of any jurisdiction to which the undersigned is subject and which governs such investment.

Promptly after completion of the sale to the Underwriters, the Company will mail or deliver to the undersigned at its address set forth below notice to such effect, accompanied by [a copy/copies] of the opinions of counsel for the Company delivered to the Underwriters in connection therewith.

This Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party hereto without the written consent of the other.

It is understood that the acceptance of any such Contract is in the Company's sole discretion and, without limiting the foregoing, need not be on a first-come, first-served basis. If this Contract is acceptable to the Company, it is requested that the Company sign the form of acceptance below and mail or deliver one of the

counterparts hereof to the undersigned at its address set forth below. This will become a binding contract between the Company and the undersigned when such counterpart is so mailed or delivered.

Very truly yours,

(Name of Purchaser)

by

(Title of Signatory)

Accepted as of the above date.

RAYTHEON COMPANY

(Address of Purchaser)

by

[Title]

EXHIBIT 2.2

HUGHES SPIN-OFF SEPARATION AGREEMENT,

dated as of December 17, 1997,

by and between

HE HOLDINGS, INC.

and

GENERAL MOTORS CORPORATION

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HUGHES SPIN-OFF SEPARATION AGREEMENT

The HUGHES SPIN-OFF SEPARATION AGREEMENT ("Agreement") is made and entered into as of December 17, 1997, by and between Hughes, a Delaware corporation, and GM, a Delaware corporation. Capitalized terms used and not otherwise defined herein are defined in Section 1 below.

RECITALS

WHEREAS, Hughes and Raytheon desire to combine the Raytheon Business with the Hughes Business;

WHEREAS, Hughes and Raytheon have entered into the Hughes Merger Agreement, pursuant to which Raytheon shall merge with and into Hughes, with Hughes as the surviving corporation, in accordance with the terms and subject to the conditions thereof;

WHEREAS, as a condition to entering into the Hughes Merger Agreement, Raytheon has required that GM agree that, at the time of the consummation of the Hughes Merger, Hughes be an independent, publicly owned company, comprising the Defense Business;

WHEREAS, in response to such requirement, GM and Raytheon have entered into the Implementation Agreement and, as contemplated thereby, GM and Merger Sub have entered into the Hughes Distribution Agreement, pursuant to which, subject to certain terms and conditions contained therein, Merger Sub shall merge with and into GM, with GM as the surviving corporation such that, among other things, the holders of shares of GM $1 2/3 Common Stock and the holders of shares of GM Class H Common Stock shall receive a distribution of shares of Hughes Class A Common Stock (representing all of the outstanding common stock of Hughes) in the Hughes Spin-Off;

WHEREAS, the parties intend that (a) the Hughes Merger constitute a tax-free "reorganization" within the meaning of Section 368(a) of the Code and (b) the Hughes Spin-Off qualify as a tax-free (to GM and the holders of GM Common Stock) spin-off within the meaning of Section 355 of the Code;

WHEREAS, the parties hereto have determined that in order to accomplish the objectives of the Hughes Spin-Off and to facilitate the consumption thereof, it is necessary and desirable to restructure certain intercompany relationships, allocate certain liabilities and provide mutual indemnification, all as set forth herein;

WHEREAS, the execution and delivery of this Agreement is a condition to GM's obligation to consummate the transactions contemplated by the Hughes Distribution Agreement; and

WHEREAS, concurrently with the execution and delivery of this Agreement, GM, Telecom, Delco and Hughes are entering into certain other agreements relating to the HEC Reorganization, the Hughes Spin-Off and/or the relationships of the parties thereafter, including, without limitation, as

to matters such as taxes, indemnification, employee benefits, insurance, intellectual property, real property, transition services and shared research and development;

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. DEFINITIONS.

"Active Trade or Business" means the active conduct of the trade or business (as defined in Section 355(b)(2) of the Code) conducted by Hughes immediately prior to the Effective Time.

"Affiliate" means a Hughes Affiliate, a GM Affiliate or a Raytheon Affiliate, as the case may be.

"Business" means the Hughes Business, the GM Business or the Raytheon Business, as the case may be.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banking institutions located in the State of New York are authorized or obligated by law or executive order to close.

"Claim" has the meaning set forth in Section 5.7.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, together with the rules and regulations promulgated thereunder.

"Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"CPR Rules" means the Rules for Non-Administered Arbitration of Business Disputes promulgated by the Center for Public Resources, as in effect on the date hereof.

"DGCL" means the General Corporation Law of the State of Delaware, as in effect on the date hereof and as the same may hereafter be amended from time to time.

"Defense Business" has the meaning ascribed to such term in the Separation Agreement.

"Delco" has the meaning ascribe to such term in the Separation Agreement.

"Dispute Notice" means written notice of any dispute between GM and Hughes arising out of or relating to this Agreement, which shall set forth, in reasonable detail, the nature of the dispute.

"Effective Time" means the date and time at which the Hughes Spin-Off Merger becomes effective.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, together with the rules and regulations promulgated thereunder.

"GM" means General Motors Corporation, a Delaware corporation.

"GM Affiliate" means a Person that, after giving effect to the Hughes Spin-Off, directly or indirectly through one or more intermediaries, is Controlled by GM.

"GM Business" means any business or operations of GM or any GM Affiliates other than the Hughes Business.

"GM Class H Common Stock" means the Class H Common Stock, par value $0.10 per share, of GM.

"GM Common Stock" means the GM $1 2/3 Common Stock and the GM Class H Common Stock and, from and after the Effective Time, the New GM Class H Common Stock.

"GM $1 2/3 Common Stock" means the Common Stock, par value $1 2/3 per share, of GM.

"GM Disclosure Portions" means any material set forth in, or incorporated by reference into, either the Hughes Spin-Off Registration Statement or the Hughes Merger Registration Statement (i) relating to (A) Hughes, the capital stock of Hughes, the Hughes Business, financial information and data relating to Hughes (including both historical and pro forma financial data) or (B) the GM Transactions or (ii) that otherwise does not constitute a part of a Hughes Disclosure Portion. For purposes of clause (i)(A), Hughes shall include Hughes only prior to the consummation of the Hughes Merger and shall not include Hughes as the surviving corporation of the Hughes Merger.

"GM Transactions" has the meaning ascribed to such term in the Hughes Distribution Agreement.

"GM Transfer Agent" means BankBoston, N.A., in its capacity as the transfer agent for the GM Common Stock.

"HEC Reorganization" has the meaning ascribed to such term in the Hughes Distribution Agreement.

"Hughes" means HE Holdings, Inc., a Delaware corporation, after giving effect to the consummation of the HEC Reorganization, and, upon the consummation of the Hughes Merger, the surviving corporation of the Hughes Merger.

"Hughes Affiliate" means a Person that, after giving effect to the Hughes Spin-Off, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with Hughes.

"Hughes Business" means the Defense Business and, upon the consummation of the Hughes Merger, the Raytheon Business.

"Hughes Capital Stock" means all classes or series of capital stock of Hughes.

"Hughes Class A Common Stock" means the Class A Common Stock, par value $0.01 per share, of Hughes, as set forth in Hughes' Certificate of Incorporation as of immediately prior to the Effective Time.

"Hughes Class B Common Stock" means the Class B Common Stock, par value $0.01 per share, of Hughes, as set forth in Hughes' Certificate of Incorporation as of immediately prior to the Effective Time.

"Hughes Common Stock" means Hughes Class A Common Stock and Hughes Class B Common Stock.

"Hughes Disclosure Portions" means all material set forth in, or incorporated by reference into, either the Hughes Spin-Off Registration Statement or the Hughes Merger Registration Statement relating to (i) Raytheon, the capital stock of Raytheon, the Raytheon Business, financial information and data relating to Raytheon (including both historical and pro forma financial data) or (ii) the Hughes Merger, plans regarding Hughes after the Hughes Merger and other forward-looking information regarding Hughes.

"Hughes Distribution Agreement" means the Agreement and Plan of Merger by and between GM and Merger Sub, dated as of October 17, 1997, as amended from time to time.

"Hughes Merger" means the merger of Raytheon with and into Hughes pursuant to the Hughes Merger Agreement, with Hughes as the surviving corporation.

"Hughes Merger Agreement" means the Agreement and Plan of Merger by and between Hughes and Raytheon, dated as of January 16, 1997, as amended from time to time.

"Hughes Merger Registration Statement" means the Registration Statement of Form S-4 filed with the SEC by Hughes relating to the shares of Hughes Class B Common Stock to be issued in connection with the Hughes Merger, as supplemented or amended from time to time.

"Hughes Spin-Off" means the distribution of Hughes Class A Common Stock to the holders of GM Common Stock pursuant to the Hughes Spin-Off Merger

"Hughes Spin-Off Merger" means the merger of Merger Sub with and into GM pursuant to the Hughes Distribution Agreement, with GM as the surviving corporation.

"Hughes Spin-Off Registration Statement" means the Registration Statement on Form S-4 filed with the SEC by Hughes relating to the shares of Hughes Class A Stock to be distributed in connection with the Hughes Spin-Off, as supplemented or amended from time to time.

"Hughes Transfer Agent" means State Street Bank & Trust Company, in its capacity as the transfer agent for the Hughes Common Stock.

"Implementation Agreement" means the Implementation Agreement by and between GM and Raytheon, dated as of January 16, 1997, as amended from time to time.

"Indemnifying Party" means a Person that is obligated to provide indemnification under this Agreement.

"Indemnitee" means a Person that is entitled to seek indemnification under this Agreement.

"Indemnity Payment" means an amount that an Indemnifying Party is required to pay to an Indemnitee under this Agreement.

"Insurance Proceeds" means the payment received by an insured from an insurance carrier or paid by an insurance carrier on behalf of the insured, net of any applicable premium adjustment and tax effect.

"IRS" means Internal Revenue Service of the U.S. Department of Treasury or any successor agency.

"Losses" means all losses, liabilities, claims, obligations, demands, judgments, damages, dues, penalties, assessments, fines (civil or criminal), costs, liens, expenses, forfeitures, settlements, or fees, reasonable attorneys' fees and court costs, of any nature or kind, whether or not the same would properly be reflected on a balance sheet, and "Loss" means any of these.

"Merger Sub" means GM Mergeco Corporation, a Delaware corporation and a wholly-owned subsidiary of GM.

"Negotiation Period" means the period of 20 Business Days following the initial meeting of the representatives of GM and Hughes following the receipt of a Dispute Notice.

"New GM Class H Common Stock" has the meaning ascribed to such term in the Hughes Distribution Agreement.

"Notice" means any notice, request, claim, demand, or other communication under this Agreement.

"Person" means an individual, partnership, joint venture, corporation, trust, unincorporated association, any other entity, or a government or any department or agency or other unit thereof.

"Prior Relationship" means the ownership relationships among GM, Hughes, Telecom and Delco at any time prior to giving effect to the consummation of the HEC Reorganization and the Hughes Spin-Off.

"Proposed Acquisition Transaction" means a transaction or series of transactions as a result of which any Person or any group of related Persons would acquire, or have the right to acquire, (i) from one or more holders of outstanding shares of Hughes Capital Stock, a number of shares of Hughes Capital Stock that would comprise more than 15% of (A) the value of all outstanding shares of Hughes Capital Stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) the number of the issued and outstanding shares of Hughes Class A Common Stock or Hughes Class B Common Stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (ii) from Hughes, all or a substantial portion of its assets or business in exchange in whole or in part for equity interests in such Person or group which are received by holders of Hughes Capital Stock.

"Proposed Stock Buyback Transaction" means a transaction or series of transactions as a result of which Hughes or a Hughes Affiliate would acquire, or have the right to acquire, one or more shares of Hughes Capital Stock.

"Proposed Stock Issuance Transaction" means a transaction or series of transactions as a result of which any Person would acquire, or have the right to acquire, from Hughes or a Hughes Affiliate, one or more shares of Hughes Capital Stock.

"Raytheon" means Raytheon Company, a Delaware corporation.

"Raytheon Affiliate" means a Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with Raytheon.

"Raytheon Business" means any business or operations of Raytheon.

"Representation Date" means any date on which Hughes Makes any representation (i) to the IRS or to counsel selected by GM for the purpose of obtaining a Subsequent Tax Opinion/Ruling, or (ii) to GM for the purpose of any determination required to be made by GM pursuant to Section 4.2.

"Representation Letters" means the representation letters and any other materials (including, without limitation, the ruling request and the related supplemental submissions to the IRS) delivered or deliverable by GM and others in connection with the rendering by Tax Counsel and the issuance by the IRS of the Tax Opinions/Rulings, which to the extent related to Hughes, Raytheon or the Surviving Corporation (as defined in the Hughes Merger Agreement) shall be in form and substance reasonably satisfactory to Hughes and Raytheon.

"Representative" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants or attorneys.

"Request" has the meaning set forth in Section 5.7.

"Securities Act" means the Securities Act of 1933, as amended from time to time, together with the rules and regulations promulgated thereunder.

"Separate Counsel" has the meaning set forth in Section 5.6(b).

"Separation Agreement" means the Master Separation Agreement by and among GM, Telecom, Delco and Hughes, dated as of December 16, 1997, as amended from time to time.

"Service Agent" means (i) for GM, The Corporation Trust Company, with offices on the date hereof at 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801; and (ii) for Hughes, The Corporation Trust Company, with offices on the date hereof at 1209 Orange Street, Wilmington, County of New Castle, Delaware.

"Subsequent Tax Opinion/Ruling" means either (i) an opinion of counsel selected by GM, in its sole and absolute discretion, confirming, in form and substance reasonably satisfactory to GM, that, as a consequence of the consummation of a subsequent transaction, (A) no income, gain or loss for U.S. federal income tax purposes will be recognized by GM, the stockholders or former stockholders of GM, or any GM Affiliate with respect to the Hughes Spin-Off and/or the Telecom Spin-Off, or (B) no income, gain or loss for U.S. federal income tax purposes will be recognized by GM, Hughes, Raytheon or any of their Affiliates, or by Hughes' stockholders (including, without limitation, GM stockholders who become Hughes stockholders as a result of the Hughes Spin-Off), with respect to the Hughes Merger; or (ii) an IRS private letter ruling to the same effect.

"Subsidiary" means with respect to any specified Person, and corporation or other legal entity of which such Person or any of its Subsidiaries Controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body; provided, however, that for the purposes of this
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Agreement, neither Hughes nor any of the Subsidiaries of Hughes shall be deemed to be Subsidiaries of GM or of any of the Subsidiaries of GM.

"Tax" means (i) any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on, minimum, estimated, or other tax, assessment, or governmental charge of any kind whatsoever imposed by any governmental authority, including any interest, penalty, or addition thereto, whether disputed or not; (ii) liability for the payment of any amounts of the type described in clause (i) above arising as a result of being (or having been) a member of any group or being (or having been) included or required to be included in any Tax Return related thereto; and (iii) liability for the payment of any amounts of the type described in clause (i) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

"Tax Agreement" means the Tax Sharing Agreement by and among GM, Hughes and Telecom, dated as of December 17, 1997, as amended from time to time, relating to certain tax matters.

"Tax Counsel" means Kirkland & Ellis, with respect to those Tax Opinions/Rulings deliverable to GM relating to the transactions effectuated pursuant to the Hughes Distribution Agreement, and Weil, Gotshal & Manges LLP, with respect to the Tax Opinions/Rulings deliverable to GM and Hughes relating to the transactions effectuated pursuant to the Hughes Merger Agreement.

"Tax-Free Status of the Hughes Merger" means the nonrecognition of taxable income, gain or loss for U.S. federal income tax purposes to GM, Hughes, Raytheon and their Affiliates, and to Hughes' stockholders (including, without limitation, GM stockholders who become Hughes stockholders as a result of the Hughes Spin-Off) in connection with the Hughes Merger.

"Tax-Free Status of the Spin-Offs" means the nonrecognition of taxable gain or loss for U.S. federal income tax purposes to GM, GM Affiliates and GM's stockholders in connection with the Hughes Spin-Off and/or the Telecom Spin-Off.

"Tax Opinions/Rulings" means, collectively, the opinions of Tax Counsel and the rulings by the IRS deliverable to GM in connection with (i) the transactions contemplated by the Hughes Distribution Agreement and (ii) the transactions contemplated by the Hughes Merger Agreement.

"Tax-Related Losses" means (i) all federal, state and local Taxes (including interest and penalties thereon) imposed pursuant to any settlement, final determination, judgment or otherwise; (ii) all accounting, legal and other professional fees, and court costs incurred in connection with such taxes; and (iii) all costs and expenses that may result from adverse tax consequences to GM or GM's stockholders (including all costs, expenses and damages associated with stockholder litigation or controversies) payable by GM or GM Affiliates.

"Telecom" has the meaning ascribed to such term in the Separation Agreement.

"Telecom Spin-Off" means the spin-off of Telecom by Hughes to GM included as part of the HEC Reorganization.

"Third-Party Claim" means any claim, suit, arbitration, inquiry, proceeding or investigation by or before any court, governmental or other regulatory or administrative agency or commission or any arbitration tribunal asserted by a Person other than GM or any GM Affiliate or Hughes or any Hughes Affiliate which gives rise to a right of indemnification hereunder.

"Voting Stock" means with respect to any Person, all classes and series of the capital stock of such Person entitled to vote generally in the election of directors.

2. Certain Intercompany Matters

2.1 Capital Stock Matters.

(a) Recognition of Stockholders. From and after the Effective Time and until such Hughes Class A Common Stock is duly transferred in accordance with applicable law, Hughes shall regard the Persons who were record holders of GM $1 2/3 Common Stock and the Persons who were record holders of GM Class H Common Stock, in each case as of immediately prior to the Effective Time, as the record holders of Hughes Class A Common Stock, as described in and subject to the terms of the Hughes Distribution Agreement, without requiring any action on the part of such Persons. Hughes agrees that, subject to any transfers of such stock, (i) each such holder shall be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, Hughes Class A Common Stock and (ii) each such holder shall be entitled, without any action on the part of any such holder, subject to Section 2.3 of the Hughes Merger Agreement, to receive one or more certificates representing, or other evidence of ownership of, the shares of Hughes Class A Common Stock then held by it.

(b) GM Representations and Warranties. GM hereby covenants to provide to Hughes as soon as practicable after such information is available from the GM Transfer Agent the number of shares of GM $1 2/3 Common Stock and the number of shares of GM Class H Common Stock that were issued and outstanding as of immediately prior to the Effective Time, and GM hereby represents and warrants that, as of immediately prior to the Effective Time, all of such shares will be validly issued, fully paid and nonassessable. GM hereby represents and warrants that, as of immediately prior to the Effective Time, there will be (i) no outstanding securities of GM or any of its Subsidiaries convertible into or exchangeable for shares of GM $1 2/3 Common Stock or GM Class H Common Stock and (ii) other than stock options granted pursuant to GM's employee benefit plans and other than as provided in Article Fourth of GM's Amended and Restated Certificate of Incorporation, no outstanding subscriptions, options, warrants, rights or other arrangements or commitments to which GM is a party obligating GM to issue any shares of GM $1 2/3 Common Stock or GM Class H Common Stock.

(c) Hughes Representations and Warranties. Hughes hereby represents and warrants that, as of immediately prior to the Effective Time, (i) 102,630,503 shares of Hughes Class A Common Stock will be issued and outstanding, (ii) all of such shares will be validly issued, fully paid and nonassessable, (iii) all of such shares will be held of record by GM, (iv) such shares shall represent all of the issued and outstanding Hughes Capital Stock, and (v) there will be (x) no outstanding securities of Hughes or any of its Subsidiaries convertible into or exchangeable for shares of Hughes Class A Common Stock and (y) no outstanding subscription, options, warrants, rights or other arrangements or commitments to which Hughes is a party obligating Hughes to issue any shares of Hughes Class A Common Stock.

(d) Cooperation of Transfer Agents; Stockholder Records. GM shall cooperate, and shall instruct the GM Transfer Agent to cooperate, with Hughes and the Hughes Transfer

Agent, and Hughes shall cooperate, and shall instruct the Hughes Transfer Agent to cooperate, with GM and the GM Transfer Agent, in connection with the Hughes Spin-Off and all other matters relating to (i) the issuance and delivery of certificates evidencing, or other evidence of ownership of, the shares of Hughes Class A Common Stock (and payment of cash in lieu of any fractional shares of Hughes Class B Common Stock as described in the Hughes Merger Agreement) to be distributed in respect of all shares of GM $1 2/3 Common Stock and GM Class H Common Stock outstanding as of immediately prior to the Effective Time and (ii) the exchange of certificates evidencing, or the issuance of other evidence of share ownership in connection with, the recapitalization and conversion of all shares of GM Class H Common Stock outstanding as of immediately prior to the Effective Time into shares of New GM Class H Common Stock. Following the Effective Time, GM shall instruct the GM Transfer Agent to distribute letters of transmittal, in form reasonably satisfactory to GM and Hughes, to all holders of GM Class H Common Stock as of immediately prior to the Effective Time in connection with the exchange of certificates formerly representing shares of GM Class H Common Stock for certificates representing, or other evidence of ownership of, shares of New GM Class H Common Stock and certificates representing, or other evidence of ownership of, shares of Hughes Class A Common Stock. Following the Effective Time, GM shall instruct the GM Transfer Agent to deliver to the Hughes Transfer Agent true, correct and complete copies of the transfer records reflecting the record holders of GM $1 2/3 Common Stock and GM Class H Common Stock, in each case as of immediately prior to the Effective Time. Upon the reasonable request of Hughes from time to time after the Effective Time in connection with any legitimate corporate purpose, GM shall cooperate, or shall instruct the GM Transfer Agent to cooperate, in providing Hughes with reasonable access to all historical share, transfer and dividend payment records with respect to the holders of GM $1 2/3 Common Stock and GM Class H Common Stock as of immediately prior to the Effective Time.

2.2 Publicity. Hughes, with respect to Hughes and all of the Hughes Affiliates, and GM, with respect to GM and all of the GM Affiliates, agree to take all commercially reasonable action to discontinue their respective uses as promptly after the Effective Time as is commercially reasonable of any printed material that indicates a continued Prior Relationship between or among GM and Hughes or any of her respective Affiliates. This Section 2.2 shall not be deemed to prohibit the use of printed material containing appropriate and accurate references to the Prior Relationship.

2.3 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto shall use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things commercially reasonably necessary, proper or expeditious under applicable laws, regulations and agreements in order to consummate and make effective the Hughes Spin-Off as promptly as reasonable practicable. Without limiting the generality of the foregoing, each party hereto shall cooperate with the other party, and execute and deliver, or use all commercially reasonable efforts to cause to have executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any domestic or foreign governmental or regulatory authority in order to make effective the Hughes Spin-Off.

3. Expenses

3.1 General. Except as otherwise provided in this Agreement, the Separation Agreement and the other agreements contemplated thereby, all costs and expenses of either party hereto in connection with the Hughes Spin-Off and/or the Hughes Merger shall be paid by the party that incurs such costs and expenses.

3.2 Certain Costs Relating to Hughes Common Stock. Hughes shall pay all costs of printing and engraving with respect to certificates representing, or other evidence of ownership of, Hughes Common Stock, fees of any transfer or exchange agent engaged by Hughes, and all fees relating to listing Hughes Common Stock on any domestic or foreign stock exchange or similar organization.

3.3 Certain Transactions Costs.

(a) Certain Merger Costs to be Paid by Hughes. Hughes shall pay all costs and expenses relating exclusively to the Hughes Merger, including, without limitation, all reasonable out-of-pocket costs and expenses of printing and distributing the Hughes Merger Registration Statement and any related materials (including any proxy or consent solicitation statement), the fees associated with filing the Hughes Merger Registration Statement and any related materials (including any proxy or consent solicitation statement) with the SEC, the fees associated with making any other federal, state, local or foreign governmental securities law or other regulatory filings exclusively in connection with the Hughes Merger, the fees and expenses of the Hughes Transfer Agent and any proxy or consent solicitation agents, information agents or similar consultants engaged by Raytheon in connection with effecting the Hughes Merger. Hughes shall also pay, unless otherwise agreed between GM and Hughes, the fees and expenses of Goldman, Sachs & Co. and the fees and expenses of Weil, Gotshal & Manges LLP in connection with the Hughes Merger; provided that such
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fees and expenses, to the extent to be paid by Hughes after the effective time of the Hughes Merger, shall be included as current liabilities on the Closing Date Balance Sheet (as defined in the Separation Agreement).

(b) Certain Merger Costs to be Paid by GM. GM or one of its subsidiaries shall pay all fees and out-of-pocket expenses of Hughes in connection with the Hughes Merger except as contemplated by Section 3.3(a).

(c) Certain Costs to be Paid by GM. GM or one of its subsidiaries shall pay all costs and expenses relating to the GM Transactions (other than as provided in Section 3.2 and other than those relating exclusively to the Hughes Merger, which are addressed in Sections 3.3(a) and 3.3(b) above), including, without limitation, all costs and expenses relating exclusively to the Hughes Spin-Off Merger, including, without limitation, all reasonable out-of-pocket costs and expenses of printing and distributing the Hughes Spin-Off Registration Statement and any related materials (including any proxy or consent solicitation statement), the fees associated with filing the Hughes Spin-Off Registration Statement and any related materials (including any proxy or consent solicitation statement) with the SEC, the fees

associated with making any other federal, state, local or foreign governmental securities law or other regulatory filings exclusively in connection with the Hughes Spin-Off Merger, and the fees and expenses of the GM Transfer Agent and any proxy or consent solicitation agents, information agents or similar consultants engaged by GM in connection with effecting the Hughes Spin-Off Merger.

4. Covenants To Preserve Tax-Free Status Of Hughes Spin-Off.

4.1 Representations and Warranties.

(a) Hughes. Hughes hereby represents and warrants that (i) it has examined the Tax Opinions/Rulings and the Representation Letters, and (ii) the facts presented and the representations made therein, to the extent descriptive of Hughes or the Hughes Business or Raytheon or the Raytheon Business (including, without limitation, the business purposes for the Hughes Spin-Off, Telecom Spin-Off and Hughes Merger, the representations in the Representation Letters and Tax Opinions/Rulings to the extent that they relate to Hughes or the Hughes Business or Raytheon or the Raytheon Business, and the plans, proposals, intentions and policies of Hughes or Raytheon), are true, correct and complete in all material respects.

(b) GM. GM hereby represents and warrants that (i) it has examined the Tax Opinions/Rulings and the Representation Letters, and (ii) the facts presented and the representations made therein, to the extent descriptive of GM or the GM Business (including, without limitation, the business purposes for the Hughes Spin-Off, Telecom Spin-Off, the representations in the Representation Letters and Tax Opinions/Rulings to the extent that they relate to GM or the GM Business, and the plans, proposals, intentions and policies of GM), are true, correct and complete in all material respects.

4.2 Restrictions on Hughes.

(a) Proposed Secondary Capital Stock Transactions. Until the first day after the two-year anniversary of the Effective Time, Hughes shall not enter into any Proposed Acquisition Transaction or, to the extent Hughes has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur (whether by (i) redeeming rights under a stockholders rights plan, (ii) finding a tender offer to be a "permitted offer" under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction, or (iii) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any "fair price" or other provision of Hughes' charter or bylaws or otherwise) unless prior to the consummation of such Proposed Acquisition Transaction GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such Proposed Acquisition Transaction would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger.

The foregoing shall not prohibit Hughes from entering into a contract or agreement to consummate any Proposed Acquisition Transaction if such contract or agreement requires satisfaction of the above-described requirement prior to the consummation of such Proposed Acquisition Transaction.

(b) Proposed Primary Capital Stock Transactions.

(i) Until the first day after the two-year anniversary of the Effective Time, Hughes shall not enter into any Proposed Stock Issuance Transaction if, as a result of such Proposed Stock Issuance Transaction, Hughes would issue a number of shares of Hughes Capital Stock that, when aggregated with all other shares of Hughes Capital Stock issued pursuant to any Proposed Stock Issuance Transaction occurring prior to or simultaneously with such Proposed Stock Issuance Transaction, would cause (A) the number of shares of Hughes Class A Common Stock distributed to GM stockholders in the Hughes Spin-Off to constitute less than 80% of the total combined voting power of all outstanding shares of Voting Stock of Hughes or (B) the issuance of outstanding shares of any class or series of Hughes Capital Stock other than Voting Stock of Hughes, unless prior to the consummation of such transaction GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such transaction would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger.

(ii) Until the first day after the two-year anniversary of the Effective Time, Hughes shall not enter into any Proposed Stock Buyback Transaction if, as a result of such Proposed Stock Buyback Transaction, the then-outstanding shares of Hughes Class A Common Stock would constitute less than 80% of the total combined voting power of all outstanding shares of Voting Stock of Hughes, unless prior to the consummation of such transaction GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such transaction would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger.

(iii) For purposes of this Section 4.2(b), any option (including an option issued to employees or in connection with the performance of services), warrant or other security that would permit or require a Person to acquire shares of Voting Stock of Hughes or other Hughes Capital Stock (including the option, right or obligation of Hughes or a Hughes Affiliate to acquire shares of Hughes Capital Stock), or any security convertible into or exchangeable for shares of Voting Stock of Hughes or other Hughes Capital Stock, shall be treated as if it had been fully exercised, converted or exchanged at the time of issuance, whether or not such security is by its terms exercisable at such time.

(c) Amendment to Charter and Bylaws. Until the first day after the three-year anniversary of the Effective Time, Hughes shall make no amendments or changes to its charter or bylaws that would affect the composition or size of its Board of Directors, the manner in which its Board of Directors is elected, and the duties and responsibilities of its Board of Directors unless GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such amendment or change would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger.

(d) Continuation of Active Trade or Business. Until the first day after the two-year anniversary of the Effective Time,

(i) Hughes shall continue to conduct the Active Trade or Business.

(ii) Subject to the last sentence of the clause (d)(iii), Hughes shall not (A) liquidate, dispose of, or otherwise discontinue the conduct of any portion of the Active Trade or Business with a value in excess of $1.0 billion or (B) dispose of any business or assets that would cause Hughes to be operated in a manner inconsistent in any material respect with the business purposes for the Hughes Spin-Off as set forth in the Representation Letters and Tax Opinions/Rulings, in each case unless GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such liquidation, disposition, or discontinuance would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger.

(iii) Hughes shall not under any circumstances liquidate, dispose of, or otherwise discontinue the conduct of any portion of the Active Trade or Business if such liquidation, disposition or discontinuance would breach Section 4.2(e). Hughes shall continue the active conduct of the Active Trade or Business primarily through officers and employees of Hughes or its Subsidiaries (and not primarily through independent contractors) who are not also officers or employees of GM or of any GM Affiliates. Notwithstanding the foregoing, (A) liquidations of any of Hughes' Subsidiaries into Hughes or one or more Subsidiaries directly or indirectly controlled by Hughes shall not be deemed to breach this Section 4.2(d) and (B) Hughes shall not be prohibited from liquidating, disposing of or otherwise discontinuing the conduct of one or more trades or businesses that constituted part of the Active Trade or Business, or any portion thereof, provided that, in the case of this clause (B), the aggregate value of such trades or businesses, or portions thereof, so liquidated, disposed of or discontinued shall not exceed $1.0 billion (as determined as of the Effective Time). For purposes of the preceding sentence and clause (d)(ii), asset

retirements, sale-leaseback arrangement and discontinuances of product lines within a trade or business the active conduct of which is continued shall not be deemed a liquidation, disposition or discontinuance of a trade or business or portion thereof.

(iv) Solely for purposes of this Section 4.2(d), Hughes shall not be treated as directly or indirectly controlling a Subsidiary unless Hughes owns, directly or indirectly, shares of capital stock of such Subsidiary constituting (i) 80% or more of the total combined voting power of all outstanding shares of Voting Stock of such Subsidiary and (ii) 80% or more of the total number of outstanding shares of each class or series of capital stock of such Subsidiary other than Voting Stock.

(v) The restrictions contained in this Section 4.2(d) shall apply only to the businesses, subsidiaries and operations of Hughes as in existence prior to the Effective Time, and shall not be deemed to apply to those businesses, subsidiaries and operations conducted by Raytheon prior to the Effective Time.

(e) Continuity of Business.

(i) Until the first day after the two-year anniversary of the Effective Time, (A) Hughes shall not voluntarily dissolve or liquidate, and (B) except in the ordinary course of business, neither Hughes nor any Subsidiaries directly or indirectly controlled by Hughes shall sell, transfer, or otherwise dispose of or agree to dispose of assets (including, for such purpose, any shares of capital stock of such Subsidiaries) that, in the aggregate, constitute more than (x) 60% of the gross assets of Hughes or (y) 60% of the consolidated gross assets of Hughes and such Subsidiaries, unless prior to the consummation of such transaction GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such transaction would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger. The amount of gross assets of Hughes and such Subsidiaries shall be based on the fair market value of each such asset as of the Effective Time.

(ii) Sales, transfers or other dispositions by Hughes or any of its Subsidiaries to Hughes or one or more Subsidiaries directly or indirectly controlled by Hughes shall not be included in any determinations under this Section 4.2(e) of whether such 60% or more of the gross assets of Hughes or 60% of the consolidated gross assets of Hughes and such Subsidiaries have been sold, transferred or otherwise disposed of.

(iii) Solely for purposes of this Section 4.2(e), Hughes shall not be treated as directly or indirectly controlling a Subsidiary unless Hughes owns, directly or indirectly, shares of capital stock of such Subsidiary constituting (A) 80% or more of the total combined voting power of all outstanding shares of Voting Stock of such Subsidiary and (B) 80% or more of the total number of outstanding shares of each class or series of capital stock of such Subsidiary other than Voting Stock.

(iv) The restrictions contained in this Section 4.2(e) shall apply only to the businesses, subsidiaries and operations of Hughes as in existence prior to the Effective Time, and shall not be deemed to apply to those businesses, subsidiaries and operations conducted by Raytheon prior to the Effective Time.

(f) Recapitalizations, Reincorporations and Similar Transactions.

(i) Hughes shall not propose a plan of recapitalization or amendment to its charter or other action providing for (A) the conversion of shares of any class of Hughes Common Stock into a different class of Hughes Capital Stock, (B) a change in the absolute of relative voting rights of any class of Hughes Common Stock from the rights existing at the Effective Time, or (C) any other action having an effect similar to that described in clause (A) or (B), unless prior to the consummation of such action GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such action would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger.

(ii) A Proposed Acquisition Transaction will be considered a recapitalization transaction subject to subsection 4.2(f)(i) if, as a result of such transaction, holders of Hughes Common Stock immediately before the Proposed Acquisition Transaction will own more than 50% of the common equity of the Person (or group of related Persons) acquiring the Hughes Capital Stock immediately after consummation of the Proposed Acquisition Transaction, and, in such case, the Person acquiring Hughes Capital Stock pursuant to a Proposed Acquisition Transaction shall be treated as if such Person were Hughes for purposes of this Section 4.2(f).

(g) Miscellaneous. Until the first day after the two-year anniversary of the Effective Time, Hughes shall not take, or permit any of its Subsidiaries to take, any other actions or enter into any transaction or series of transactions or agree to enter into any other transactions that would be reasonably likely to jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger, including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Representation Letters, unless prior to the consummation of such action or transaction GM has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such action or transaction would not jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger. Notwithstanding the foregoing, if and to the extent that any action or transaction is described in and permitted pursuant to Sections 4.2(a)-(f) such action or transaction shall not be prohibited by this Section 4.2(g).

(h) Permitted Actions and Transactions. Notwithstanding the foregoing, the provisions of Section 4.2 shall not prohibit Hughes from (i) implementing, or otherwise complying with the provisions of, any stockholders rights plan of Hughes, (ii) consummating the Hughes Merger or any of the GM Transactions, provided that the conditions to closing

set forth in Sections 6.1 and 6.3 of the Hughes Merger Agreement have been satisfied or properly waived and (iii) implementing any transaction upon which the IRS has granted a favorable ruling in, or which is described in reasonable detail in, any Tax Opinions/Ruling received from the IRS.

4.3 Cooperation and Other Covenants.

(a) Notice of Subsequent Hughes Actions. Each of Hughes and GM shall furnish the other with a copy of any ruling requests or other documents delivered to the IRS that relates to the Hughes Spin-Off, Telecom Spin-Off or the Hughes Merger or that could otherwise be reasonably expected to have an impact on the Tax-Free Status of the Spin-Offs or Tax-Free Status of the Hughes Merger.

(b) Cooperation.

(i) Each of Hughes and GM shall cooperate with the other and shall take (or refrain from taking) all such actions as the other may reasonably request in connection with obtaining any GM determination referred to in Section 4.2. Such cooperation shall include, without limitation, providing any information and/or representations reasonably requested by the other to enable either party (or counsel for such party) to obtain and maintain any Subsequent Tax Opinion/Ruling that would permit any action described in Section 4.2 to be taken by Hughes or a Hughes Affiliate. From and after any Representation Date in connection with obtaining any such determination or the receipt of a Subsequent Tax Opinion/Ruling and until the first day after the two-year anniversary of the date of such determination or receipt, neither party shall take (nor shall it refrain from taking) any action that would have caused such representation to be untrue unless the other party has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger, that such action would not jeopardize the Tax-Free Status of the Spin-Offs and the Tax-Free Status of the Hughes Merger.

(ii) In the event that Hughes notifies GM that it desires to take one of the actions described in this Section 4.2 and GM concludes that such action would jeopardize the Tax-Free Status of the Spin-Offs or the Tax-Free Status of the Hughes Merger, GM shall, at the request of Hughes, elect either to (i) use all commercially reasonable efforts to obtain a Subsequent Tax Opinion/Ruling that would permit Hughes to take the specified action, and Hughes shall cooperate in connection with such efforts, or (ii) provide all reasonable cooperation to Hughes in connection with Hughes obtaining such a Subsequent Tax Opinion/Ruling in form and substance reasonably satisfactory to GM; provided, however, -------- -------
that the reasonable costs and expenses of obtaining any such Subsequent Tax Opinion/Ruling shall be borne by Hughes.

(c) Notice.

(i) Until all restrictions set forth in Section 4.2 have expired, Hughes shall give GM written notice of any intention to effect or permit an action or transaction described in Section 4.2 and which is prohibited thereunder at such time within a period of time reasonably sufficient to enable GM to make the determination referred to in Section 4.2 or to prepare and seek any Subsequent Tax Opinion/Ruling in connection with such proposed action or transaction. Each such notice shall set forth the terms and conditions of the proposed action or transaction, including, without limitation, as applicable, the nature of any related action proposed to be taken by the Board of Directors of Hughes, the approximate number of shares of Hughes Capital Stock proposed to be transferred or issued, the approximate value of Hughes' assets (or assets of any of Hughes' Subsidiaries) proposed to be transferred, the proposed timetable for such action or transaction, and the number of shares of Hughes Capital Stock otherwise then owned by the other party to the proposed action or transaction, all with sufficient particularity to enable GM to make any such required determination, including information required to prepare and seek a Subsequent Tax Opinion/Ruling in connection with such proposed action or transaction. All information provided by Hughes to GM pursuant to this Section 4.3 shall be deemed subject to the confidentiality obligations of Article 4 of the Separation Agreement.

(ii) Promptly, but in any event within 15 days, after GM receives such written notice from Hughes, GM shall evaluate such information and notify Hughes in writing of such determination or of GM's intent to seek a Subsequent Tax Opinion/Ruling and the proposed date for submission of the request therefor, which date shall not be more than 45 days after the date GM so notifies Hughes of GM's intent to seek a Subsequent Tax Opinion/Ruling, provided that such 45-day period shall be appropriately extended for any period of noncompliance by Hughes with Section 4.3(b). GM shall notify Hughes promptly, but in any event within two Business Days, after the receipt of a Subsequent Tax Opinion/Ruling. If GM makes a determination that an action or transaction described in Section 4.2 would jeopardize the Tax-Free Status of the Spin-Offs or Tax-Free Status of the Hughes Merger, such notice to Hughes shall set forth, in reasonable detail, the reasons therefor and the reasons for not receiving a Subsequent Tax Opinion/Ruling.

4.4 INDEMNIFICATION FOR TAX LIABILITIES.

(a) General. Notwithstanding any other provision of this Agreement or any provision of any of the Tax Agreement to the contrary but subject to Section 4.4(b), Hughes shall indemnify, defend and hold harmless GM and each GM Affiliate (or any successor to any of them) against any and all Tax-Related Losses incurred by GM in connection with any proposed tax assessment or tax controversy with respect to the Hughes Spin-Off or the Hughes Merger to the extent caused by any breach by Hughes of any of its representations, warranties or covenants, made pursuant to this Agreement. All interest or penalties incurred

in connection with such Tax-Related Losses shall be computed for the time period up to and including the date that Hughes pays its indemnification obligation in full.

(b) Exceptions to Hughes' Indemnification. If GM (i) makes a determination pursuant to any clause of Section 4.2, on the basis of a Subsequent Tax Opinion/Ruling or otherwise, and (ii) delivers to Hughes written notice of such determination pursuant to Section 4.3(c), Hughes shall have no obligation pursuant to Section 4.4(a), except to the extent that any Tax-Related Losses so incurred resulted from the inaccuracy, incorrectness or incompleteness of any representation provided by Hughes upon which such Subsequent Tax Opinion/Ruling and/or determination was based.

(c) Timing and Method of Tax Indemnification Payments. Hughes shall pay any amount due and payable to GM pursuant to this Section 4.4 on or before the 90th day following the earlier of agreement or determination that such amount is due and payable to GM. All payments pursuant to this Section 4.4 shall be made by wire transfer to the bank account designated by GM for such purpose, and on the date of such wire transfer Hughes shall give GM notice of the transfer.

4.5 PROCEDURE FOR INDEMNIFICATION FOR TAX LIABILITIES.

(a) Notice of Claim. If GM receives notice of the assertion of any Third-Party Claim with respect to which Hughes may be obligated under Section 4.4 to provide indemnification, GM shall give Hughes notice thereof (together with a copy of such Third-Party Claim, process or other legal pleading) promptly after becoming aware of such Third Party Claim; provided, however, that the failure of GM to give notice as provided in this Section shall not relieve Hughes of its obligations under Section 4.4, except to the extent that Hughes is actually prejudiced by such failure to give notice. Such notice shall describe such Third-Party Claim in reasonable detail.

(b) Obligation of Indemnifying Party.

(i) GM and Hughes shall jointly control the defense of, and cooperate with each other with respect to defending, any Third-Party Claim with respect to which Hughes is obligated under Section 4.4 to provide indemnification, provided that Hughes shall forfeit such joint control right with respect to a particular Third-Party Claim if Hughes or any Hughes Affiliate makes any public statement or filing, or takes any action (including, but not limited to, the filing of any submission or pleading, or the giving of a deposition or production of documents, in any administrative or court proceeding) in connection with such Third-Party Claim that is inconsistent in a material respect with any representation or warranty made by Hughes in the Agreement, the Tax Opinions/Rulings, the Representation Letters or the Hughes Merger Agreement.

(ii) Hughes and GM shall exercise their rights to jointly control the defense of any such Third-Party Claim solely for the purpose of defeating such Third-Party

Claim and, unless required by applicable law, neither Hughes nor GM shall make any statements or take any actions that could reasonably result in the shifting of liability for any Losses arising out of such Third-Party Claim from the party making such statement or taking such action (or any of its Affiliates) to the other party (or any of its Affiliates).

(iii) Statements made or actions taken by either Hughes or GM in connection with the defense of any such Third-Party Claim shall not prejudice the rights of such party in any subsequent action or proceeding between the parties.

(iv) If either GM or Hughes fails to jointly defend any such Third-Party Claim, the other party shall solely defend such Third-Party Claim and the party failing to jointly defend shall use commercially reasonable efforts to cooperate with the other party in its defense of such Third-Party Claim; provided, however, that GM may not compromise or settle
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any such Third-Party Claim without the prior written consent of Hughes, which consent shall not be unreasonably withheld or delayed. All costs and expenses of either party in connection with, and during the course of, the joint control of the defense of any such Third-Party Claim shall be initially paid by the party that incurs such costs and expenses. Such costs and expenses shall be reallocated and reimbursed in accordance with the respective indemnification obligations of the parties at the conclusion of the defense of such Third-Party Claim.

4.6 ARBITRATION. Any dispute between the parties arising out of or relating to this Section 4, including the interpretation of this Section 4, or any actual or purported breach of this Section 4, shall be resolved only in accordance with the following provisions:

(a) Negotiation. GM and Hughes shall attempt in good faith to resolve any such dispute promptly through negotiations of the parties. In the event of any such dispute, either party may deliver a Dispute Notice to the other party, and within 20 Business Days after the receipt of such Dispute Notice, the appropriate representatives of GM and Hughes shall meet to attempt to resolve such dispute. If such dispute has not been resolved within the Negotiation Period, or if one of the parties fails or refuses to negotiate such dispute, the issue shall be settled by arbitration pursuant to Section 4.6(b). The results of such arbitration shall be final and binding on the parties.

(b) Arbitration Procedure. Either party may initiate arbitration with regard to such dispute by giving the other party written notice either (i) at any time following the end of the Negotiation Period, or (ii) if the parties do not meet within 20 Business Days of the receipt of the Dispute Notice, at any time thereafter. The arbitration shall be conducted by three arbitrators in accordance with the CPR Rules, except as otherwise provided in this Section 4.6. Within 20 days following receipt of the written notice of arbitration, GM and Hughes shall each appoint one arbitrator. The two arbitrators so appointed shall appoint the third arbitrator. If either GM or Hughes shall fail to appoint an arbitrator within such 20-day period, the arbitration shall be by the sole arbitrator appointed by the other party. Whether selected by GM and Hughes or otherwise, each arbitrator selected to resolve such dispute

shall be a tax attorney who is generally recognized in the tax community as a qualified and competent tax practitioner with experience in the tax area involved in the issue or issues to be resolved. Such arbitrators shall be empowered to determine whether Hughes is required to indemnify GM pursuant to Section 4.4 and to determine the amount of the related indemnification payment. Each of GM and Hughes shall bear 50% of the aggregate expenses of the arbitrators. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. (S)(S)1-14. The place of arbitration shall be New York, New York. The final decision of the arbitrators shall be rendered no later than one year from the date of the written notice of arbitration.

4.7 EXCLUSIVE REMEDIES. Except for the right to pursue equitable remedies, the remedies provided in this Section 4 shall be deemed the sole and exclusive remedies of the parties with respect to the subject matters of the indemnification provisions of Section 4.4.

5. INDEMNIFICATION.

5.1 INDEMNIFICATION BY HUGHES. Subject to Section 5.3, from and after the Effective Time, Hughes shall indemnify, defend and hold harmless GM, all GM Affiliates and each of their respective directors, officers and employees (in their capacities as such), from and against:

(a) all Losses relating to, arising out of, or due to, directly or indirectly, any breach by Hughes or any Hughes Affiliate of any of the provisions of this Agreement;

(b) all Losses relating to, arising out of, or due to any untrue statement or alleged untrue statement of a material fact contained in, or incorporated by reference into, the Hughes Disclosure Portions or the omission or alleged omission to state (whether pursuant to direct statement or incorporation by reference) in the Hughes Disclosure Portions a material fact required to be stated therein or necessary to make the statements therein not misleading; and

(c) all Losses relating to or arising out of actions taken (or omitted to be taken) by Raytheon or any Raytheon Affiliate in violation of the Hughes Merger Agreement.

5.2 INDEMNIFICATION BY GM. Subject to Section 5.3, from and after the Effective Time, GM shall indemnify, defend, and hold harmless Hughes, all Hughes Affiliates, and each of their respective directors, officers and employees (in their capacities as such), from and against:

(a) all Losses relating to, arising out of, or due to, directly or indirectly, any breach by GM or any GM Affiliate of any of the provisions of this Agreement;

(b) all Losses relating to, arising out of, or due to any untrue statement or alleged untrue statement of a material fact contained in, or incorporated by reference into, the GM Disclosure Portions or the omission or alleged omission to state (whether pursuant to direct statement or incorporation by reference) in the GM Disclosure Portions a material fact required to be stated therein or necessary to make the statements therein not misleading; and

(c) all Losses relating to or arising out of any breach of the representation set forth in Section 2.4(a) of the Implementation Agreement.

5.3 OTHER LIABILITIES. (a) Except as provided in Section 5.4, this Section 5 shall not be applicable to any Tax-Related Losses, which shall be governed by Section 4 of this Agreement.

(b) This Section 5 shall not be applicable to any Losses relating to, arising out of, or due to any breach of the provisions of any other contract, agreement or understanding between GM or any GM Affiliate and Hughes or any Hughes Affiliate, which Losses shall be governed by the terms of such contract, agreement or understanding.

5.4 TAX EFFECTS OF INDEMNIFICATION. (a) Any indemnification payment made under this Agreement shall be characterized for tax purposes as if such payment were made immediately prior to the Effective Time, and shall therefore be treated, to the extent permitted by law, as either (i) a distribution from Hughes to GM or (ii) a capital contribution from GM to Hughes.

(b) The amount of any Loss or Tax-Related Losses for which indemnification is provided under this Agreement shall be (i) increased to take account of net Tax cost, if any, incurred by the Indemnitee arising from the receipt or accrual of an Indemnity Payment hereunder (grossed up for such increase) and (ii) reduced to take account of net Tax benefit, if any, realized by the Indemnitee arising from incurring or paying such Loss or Tax-Related Losses. In computing the amount of any such Tax cost or Tax benefit, the Indemnitee shall be deemed to recognize all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt or accrual of any Indemnity Payment hereunder or incurring or paying any indemnified Loss or Tax-Related Losses. Any Indemnity Payment hereunder shall initially be made without regard to this Section 5.4 and shall be increased or reduced to reflect any such net Tax cost (including gross-up) or net Tax benefit only after the Indemnitee has actually realized such cost or benefit. For purposes of this Agreement, an Indemnitee shall be deemed to have "actually realized" a net Tax cost or a net Tax benefit to the extent that, and at such time as, the amount of Taxes payable by such Indemnitee is increased above or reduced below, as the case may be, the amount of Taxes that such Indemnitee would be required to pay but for the receipt or accrual of the Indemnity Payment or the incurrence or payment of such Loss or Tax-Related Losses, as the case may be. The amount of any increase or reduction hereunder shall be adjusted to reflect any final determination (which shall include the execution of Form 870-AD or successor form) with respect to the Indemnitee's liability for Taxes, any payments between GM and Hughes to reflect such adjustment shall be made if necessary.

5.5 EFFECT OF INSURANCE UPON INDEMNIFICATION. The amount which an Indemnifying Party is required to pay to any Indemnitee pursuant to this Section 5 shall be reduced (including retroactively) by any Insurance Proceeds and other amounts actually recovered by such Indemnitee in reduction of the related Loss, it being understood and agreed that each of Hughes and GM shall use commercially reasonable efforts to collect any such proceeds or other amounts to which it or any of its Affiliates is entitled, without regard to whether it is the Indemnifying Party hereunder. No Indemnitee shall be required, however, to collect any such proceeds or other amounts prior to being entitled to indemnification from an Indemnifying Party hereunder. If an Indemnitee receives an Indemnity Payment in respect of a Loss and subsequently receives Insurance Proceeds or other

amounts in respect of such Loss, then such Indemnitee shall pay to such Indemnifying Party an amount equal to the difference between (a) the sum of the amount of such Indemnity Payment and the amount of such Insurance Proceeds or other amounts actually received and (b) the amount of such Loss, in each case adjusted (at such time as apprxopriate adjustment can be determined) to reflect any premium adjustment attributable to such claim.

5.6 PROCEDURE FOR INDEMNIFICATION INVOLVING THIRD-PARTY CLAIMS.

(a) Notice of Claim. If any Indemnitee receives notice of the assertion of any Third-Party Claim with respect to which an Indemnifying Party is obligated under this Agreement to provide indemnification (other than pursuant to Section 4), such Indemnitee shall give such Indemnifying Party notice thereof (together with a copy of such Third-Party Claim, process or other legal pleading) promptly after becoming aware of such Third-Party Claim; provided, however, that the failure of any Indemnitee to give notice
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as provided in this Section shall not relieve any Indemnifying Party of its obligations under this Section 5, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice. Such notice shall describe such Third-Party Claim in reasonable detail.

(b) Obligation of Indemnifying Party. An Indemnifying Party, at such Indemnifying Party's own expense and through counsel chosen by such Indemnifying Party (which counsel shall be reasonably acceptable to the Indemnitee), may elect to defend any Third-Party Claim. If an Indemnifying Party elects to defend a Third-Party Claim, then, within ten Business Days after receiving notice of such Third-Party Claim (or sooner, if the nature of such Third-Party Claim so requires), such Indemnifying Party shall notify the Indemnitee of its intent to do so, and such Indemnitee shall cooperate in the defense of such Third-Party Claim. Such Indemnifying Party shall pay such Indemnitee's reasonable out-of-pocket expenses incurred in connection with such cooperation. Such Indemnifying Party shall keep the Indemnitee reasonably informed as to the status of the defense of such Third-Party Claim. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnifying Party shall not be liable to such Indemnitee under this Section 5 for any legal or other expenses subsequently incurred by such Indemnitee in connection with the defense thereof other than those expenses referred to in the preceding sentence; provided, however, that such Indemnitee shall have
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the right to employ one law firm as counsel, together with a separate local law firm in each applicable jurisdiction ("Separate Counsel"), to represent such Indemnitee in any action or group of related actions (which firm or firms shall be reasonably acceptable to the Indemnifying Party) if, in such Indemnitee's reasonable judgment at any time, either a conflict of interest between such Indemnitee and such Indemnifying Party exists in respect of such claim, or there may be defenses available to such Indemnitee which are different from or in addition to those available to such Indemnifying Party and the representation of both parties by the same counsel would be inappropriate, and in that event (i) the reasonable fees and expenses of such Separate Counsel shall be paid by such Indemnifying Party (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one Separate Counsel (excluding local counsel) with respect to any Third-Party Claim (even if against multiple Indemnitees)) and (ii) each of such Indemnifying Party and such Indemnitee shall

have the right to conduct its own defense in respect of such claim. If an Indemnifying Party elects not to defend against a Third-Party Claim, or fails to notify an Indemnitee of its election as provided in this Section 5 within the period of ten Business Days described above, the Indemnitee may defend, compromise, and settle such Third-Party Claim and shall be entitled to indemnification hereunder (to the extent permitted hereunder); provided, however, that no such Indemnitee may compromise or settle any such Third-Party Claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Indemnifying Party shall not, without the prior written consent of the Indemnitee, (i) settle or compromise any Third-Party Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnitee of a written release from all liability in respect of such Third-Party Claim or (ii) settle or compromise any Third-Party Claim in any manner that would be reasonably likely to have a material adverse effect on the Indemnitee.

(c) Joint Defense of Certain Claims. Notwithstanding the provisions of Section 5.6(b), GM and Hughes shall jointly control the defense of, and cooperate with each other with respect to defending, any Third-Party Claim with respect to which each party is claiming that it is entitled to indemnification under Section 5.1 or 5.2. If either GM or Hughes fails to defend jointly any such Third-Party Claim, the other party shall solely defend such Third-Party Claim and the party failing to defend jointly shall use all commercially reasonable efforts to cooperate with the other party in its defense of such Third Party Claim; provided, however, that neither party may compromise or settle any such Third-Party Claim without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. All costs and expenses of either party in connection with, and during the course of, the joint control of the defense of any such Third-Party Claim shall be initially paid by the party that incurs such costs and expenses. Such costs and expenses shall be reallocated and reimbursed in accordance with the respective indemnification obligations of the parties at the conclusion of the defense of such Third-Party Claim.

5.7 PROCEDURE FOR INDEMNIFICATION NOT INVOLVING THIRD-PARTY CLAIMS. If any Indemnitee desires to assert against an Indemnifying Party any claim for indemnification under this Section 5 other than a Third-Party Claim (a "Claim"), the Indemnitee shall deliver to the Indemnifying Party notice of its demand for satisfaction of such Claim (a "Request"), specifying in reasonable detail the amount of such Claim and the basis for asserting such Claim. Within 30 days after the Indemnifying Party has been given a Request, the Indemnifying Party shall either (i) satisfy the Claim requested to be satisfied in such Request by delivering to the Indemnitee payment by wire transfer or a certified or bank cashier's check payable to the Indemnified Party in immediately available funds in an amount equal to the amount of such Claim, or (ii) notify the Indemnitee that the Indemnifying Party contests such Claim by delivering to the Indemnitee a Dispute Notice, stating that the Indemnifying Party objects to such Claim and specifying in reasonable detail the basis for contesting such Claim. Any dispute described in clause (ii) of this Section 5.7 shall be subject to the provisions of Section 6.1.

5.8 EXCLUSIVE REMEDIES. Except for the right to pursue equitable remedies, the remedies provided in this Section 5 shall be deemed the sole and exclusive remedies of the parties with respect to the subject matters of the indemnification provisions of this Section 5.

6. MISCELLANEOUS.

6.1 DISPUTE RESOLUTION. GM and Hughes shall attempt in good faith to resolve any dispute between the parties arising out of or relating to this Agreement promptly through negotiations of the parties prior to seeking any other legal or equitable remedy.

6.2 SURVIVAL. The representations and warranties contained in this Agreement shall survive the effective time of the Hughes Merger until the expiration of all applicable statutes of limitations.

6.3 COMPLETE AGREEMENT. Except as otherwise set forth in this Agreement, this Agreement and the exhibits and schedules hereto shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all prior and contemporaneous agreements and understandings, whether written or oral, between the parties with respect to such subject matter.

6.4 AUTHORITY. Each of the parties hereto represents to the other that (a) it has the corporate power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate action, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

6.5 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than the laws regarding conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies.

6.6 CONSENT TO EXCLUSIVE JURISDICTION. Any action, suit or proceeding arising out of any claim that the parties cannot settle through good faith negotiations (except any claim to which Section 4.6 applies) shall be litigated exclusively in the state courts of Delaware. Each of the parties hereto hereby irrevocably and unconditionally (a) submits to the jurisdiction of the state courts of Delaware for any such action, suit or proceeding, (b) agrees not to commence any such action, suit or proceeding except in the state courts of Delaware, (c) waives, and agrees not to plead or to make, any objection to the venue of any such action, suit or proceeding in the state courts of Delaware, (d) waives, and agrees not to plead or to make, any claim that any such action, suit or proceeding brought in the state courts of Delaware has been brought in an improper or otherwise inconvenient forum, (e) waives, and agrees not to plead or to make, any claim that the state courts of Delaware lack personal jurisdiction over it, and (f) waives its right to remove any such action, suit or proceeding to the federal courts except when such courts are vested with sole and exclusive jurisdiction by statute. GM and Hughes shall cooperate with each other in connection with any such

action, suit or proceeding to obtain reliable assurances that confidential treatment will be accorded any information that either party shall reasonably deem to be confidential or proprietary. Each of the parties hereto irrevocably designates and appoints its respective Service Agent as its agent to receive service of process in any such action, suit or proceeding. Each of the parties hereto further covenants and agrees that, until the expiration of all applicable statutes of limitations relating to potential claims under this Agreement, each such party shall maintain a duly appointed agent for the service of summonses and other legal process in the State of Delaware, and shall promptly notify the other party hereto of any change in the name or address of its Service Agent and the name and address of any replacement for its Service Agent, if such agent is no longer the Service Agent named herein. This Section 6.6 is meant to comply with 6 Del. C (S) 2708.

6.7 NOTICES. All Notices shall be in writing and shall be deemed given upon (a) a transmitter's confirmation of a receipt of a facsimile transmission (but only if followed by confirmed delivery of a standard overnight courier the following Business Day or if delivered by hand the following Business Day), or (b) confirmed delivery of a standard overnight courier or delivered by hand, to the parties at the following addresses:

if to GM to:

General Motors Corporation
767 Fifth Avenue
New York, NY 10153
Attention: Treasurer
Telecopy No.: (212) 418-3630

with a copy to:

General Motors Corporation
3031 West Grand Boulevard
Detroit, MI 48202
Attention: Warren G. Andersen, Esq.
Telecopy No.: (313) 974-0685

with a copy (which shall not constitute effective notice) to:

Kirkland & Ellis
200 E. Randolph Drive
Chicago, IL 60601
Attention: Robert S. Osborne, P.C.
Telecopy No.: (312) 861-2200

and with a copy (which shall not constitute effective notice) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Frederick S. Green, Esq.
Telecopy No.: (212) 310-8007

If to Hughes, to:

HE Holdings, Inc.
c/o Raytheon Company
141 Spring Street
Lexington, MA 02173
Attention: Christoph L. Hoffmann, Esq.
Telecopy No.: (617) 860-2822

with a copy (which shall not constitute effective notice) to:

Wachetell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Adam O. Emmerich, Esq.
Telecopy No.: (212) 403-2000

or to such other address as either party hereto may have furnished to the other party by a Notice in writing in accordance with this Section 6.7. Any Notice delivered pursuant to Section 4 shall also be sent to GM's Chief Tax Officer.

6.8 AMENDMENT AND MODIFICATION. This Agreement may not be amended or modified in any respect except by a written agreement signed by both of the parties hereto.

6.9 BINDING EFFECT; ASSIGNMENT. This Agreement and all of the provisions hereof shall be binding upon the parties hereto and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except with respect to a merger of either party with another Person, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party hereto without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

6.10 THIRD PARTY BENEFICIARIES. The Indemnitees and their respective successors shall be third party beneficiaries of the indemnification provisions of Sections 4 and 5, as applicable, and shall be entitled to enforce those provisions, and in connection with such enforcement shall be subject to Section 6.6, in each such case as fully and to the same extent as if they were parties to this Agreement. Except as provided in the previous sentence, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, and no Person (other than as

provided in the previous sentence) shall be deemed a third party beneficiary under or by reason of this Agreement.

6.11 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.12 WAIVER. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but such waiver shall be effective only if it is in writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided in this Agreement, no delay or omission on the part of any party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement. No failure by either party to take any action or assert any right or privilege hereunder shall be deemed to be a waiver of such right or privilege in the event of the continuation or repetition of the circumstances giving rise to such right unless expressly waived in writing by the party against whom the existence of such waiver is asserted.

6.13 SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6.14 REMEDIES. Each of GM and Hughes shall be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including reasonable attorneys' fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. Each of GM and Hughes acknowledges and agrees that under certain circumstances the breach by GM or any of its Affiliates or Hughes or any of its Affiliates of a term or provision of this Agreement will materially and irreparably harm the other party, that money damages will accordingly not be an adequate remedy for such breach and that the non-defaulting party, in its sole discretion and in addition to its rights under this Agreement and any other remedies it may have at law or in equity, may apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any breach of the provisions of this Agreement.

6.15 PERFORMANCE. Each of the parties hereto shall use a11 commercially reasonable efforts to cause to be performed all actions, agreements and obligations set forth herein to be performed by any Affiliate of such party.

6.16 REFERENCES; CONSTRUCTION. The table of contents and the section and other headings and subheadings contained in this Agreement and the Exhibits hereto are solely for the purpose of

reference, are not part of the agreement of the parties hereto, and shall not in any way affect the meaning or interpretation of this Agreement. All references to days or months shall be deemed references to calendar days or months. All references to "$" shall be deemed references to United States dollars. Unless the context otherwise requires, any reference to a "Section" or "Exhibit" shall be deemed to refer to a section of this Agreement or an exhibit to this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, unless otherwise specifically provided, they shall be deemed to be followed by the words "without limitation." This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing the document to be drafted.

* * * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date and year first written above.

HE HOLDINGS, INC.

By: /s/ Charles S. Ream

Name: Charles S. Ream
Its: Vice President

GENERAL MOTORS CORPORATION

By: /s/ Warren G. Andersen

Name: Warren G. Andersen
Its: Assistant Secretary

EXHIBIT 5.1

[RAYTHEON COMPANY LETTERHEAD]

January 13, 1998

Raytheon Company
141 Spring Street
Lexington, MA 02173

Ladies and Gentlemen:

I am Executive Vice President Law and Corporate Administration and Secretary of Raytheon Company, a Delaware Corporation (the "Company") and am rendering this opinion in connection with a registration statement on Form S-3 (the "Registration Statement") of the Company being filed today with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to $3,000,000,000 aggregate initial offering price of the following Securities of the Company: (i) unsecured senior debt securities (the "Senior Debt Securities"), (ii) unsecured subordinated debt securities (the "Subordinated Debt Securities" and collectively with the Senior Debt Securities, the "Debt Securities"), (iii) warrants to purchase Debt Securities (the "Debt Warrants"), (iv) shares of preferred stock, $0.01 par value per share, (the "Preferred Stock"), (v) warrants to purchase shares of Preferred Stock (the "Preferred Stock Warrants"), (vi) shares of Class B common stock, $0.01 par value per share (the "Class B Common Stock"), and (vii) warrants to purchase shares of Class B Common Stock (the "Class B Warrants" and collectively with the Debt Warrants and the Preferred Stock Warrants, the "Warrants"), for issuance from time to time pursuant to Rule 415 under the Securities Act.

As Executive Vice President Law and Corporate Administration and Secretary of the Company, I have examined and am familiar with the Amended and Restated Certificate of Incorporation of the Company, as amended to date. I am also familiar with the corporate proceedings taken by the Board of Directors of the Company to authorize the Registration Statement.

In connection with the foregoing, I have examined originals, or copies certified or otherwise identified to my satisfaction, of such documents, corporate records and other instruments as I have deemed necessary or appropriate for the purpose of this opinion.

Based upon the foregoing, I am of the opinion that:

1. The Debt Securities registered under the Registration Statement, when duly authorized, executed, authenticated and delivered against payment therefor or upon exercise of Debt Warrants, and when the Company shall have received any additional consideration which is payable upon such exercise, will be validly issued and will constitute binding obligations of the Company in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights generally from time to time in effect.

2. The shares of Preferred Stock, registered under the Registration Statement, when duly authorized and issued against payment therefor, or upon exercise of Preferred Stock Warrants, and when the Company shall have received any additional consideration which is payable upon such exercise, will be validly issued, fully paid and nonassessable.

3. The shares of Class B Common Stock registered under the Registration Statement, when duly authorized and issued for consideration having a value not less than the par value thereof, or upon exercise of Class B Warrants, and when the Company shall have received any additional consideration which is payable upon such exercise, will be validly issued, fully paid and nonassessable.

4. The Warrants registered under the Registration Statement, when duly executed and delivered against payment therefor, pursuant to a warrant agreement or agreements duly authorized, executed and delivered by the Company and a warrant agent, will be legally issued.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to me under the heading "Validity of Offered Securities" in the Prospectus constituting a part of this Registration Statement.

Very truly yours,

/s/ Christoph L. Hoffmann

Christoph L. Hoffmann
Executive Vice President Law and Administration
and Secretary

Exhibit 12.1

RAYTHEON COMPANY AND SUBSIDIARIES

STATEMENTS RE COMPUTATION OF
RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

(dollar amounts in millions)

	Historical						Pro Forma	
	Fiscal Year					Nine Months Ended	Fiscal Year	Nine Months Ended
	1992	1993	1994	1995	1996	September 28, 1997	1996	September 28, 1997
Income before taxes per statements of income....	956	1,047	900	1,192	1,083	914	1,400	1,129
Add:								
- ---								
Portion of rents representative of interest factor.....	38	28	32	41	45	34	88	68
Interest on indebtedness.....	48	32	49	197	256	263	754	598
Income as adjusted.....	1,042	1,107	981	1,430	1,385	1,211	2,242	1,795
Fixed charges:								
- -------------								
Portion of rents representative of interest factor.....	38	28	32	41	45	34	88	68
Interest on indebtedness.....	48	32	49	197	256	263	754	598
Capitalized interest.....	1	1	1	1	3	0	0	0
Fixed charges.....	87	61	82	239	304	297	842	666
Preferred Stock:								
- ---------------								
Preferred Stock Dividends.....	0	0	0	0	0	0	0	0
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.....	11.9	18.1	12.0	6.0	4.6	4.1	2.7	2.7

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of Raytheon Company on Form S-3 of our reports dated January 20, 1997, except as to the information presented in Note R for which the date is February 23, 1997, on our audits of the consolidated financial statements and financial statement schedule of Raytheon Company and Subsidiaries Consolidated as of December 31, 1996 and 1995 and for each of the three years in the period ended December 31, 1996 which reports are incorporated by reference or included in the Annual Report on Form 10-K of Raytheon Company for the year ended December 31, 1996. We also consent to the reference to our firm under the caption "Experts".

/s/ Coopers & Lybrands L.L.P.

Boston, Massachusetts
January 12, 1998

EXHIBIT 23.3

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Raytheon Company (Raytheon) for the registration of $3,000,000,000 debt and equity securities and to the incorporation by reference therein of our report dated February 18, 1997, with respect to the financial statements of the Defense Business of Texas Instruments Incorporated included in Raytheon's Current Report on Form 8-K dated March 14, 1997, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Dallas, Texas
January 9, 1998

Exhibit 23.4

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Raytheon Company, (the "Company") on Form S-3 of our report dated March 21, 1997 related to the financial statements of the Defense Business of Hughes Electronics Corporation as of December 31, 1996 and 1995 and for each of the three years in the period ended December 31, 1996, appearing in Former Raytheon Company's (predecessor to the Company's) Solicitation Statement/Prospectus on Schedule 14A dated November 10, 1997 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP
DELOITTE & TOUCHE LLP

Los Angeles, California
January 12, 1998

EXHIBIT 25.1

THIS CONFORMING PAPER FORMAT DOCUMENT IS BEING SUBMITTED
PURSUANT TO RULE 901(d) OF REGULATION S-T

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FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) |__|

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
48 Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

RAYTHEON COMPANY
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	95-1778500 (I.R.S. employer identification no.)
141 Spring Street Lexington, Massachusetts (Address of principal executive offices)	02173 (Zip code)

_____

Debt Securities
(Title of the indenture securities)

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1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7A-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(D).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 12th day of January, 1998.

THE BANK OF NEW YORK

By: /s/ JAMES W.P. HALL

Name: JAMES W.P. HALL
Title: VICE PRESIDENT

Exhibit 7

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Consolidated Report of Condition of

THE BANK OF NEW YORK

of 48 Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business September 30, 1997, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	$ 5,004,638
Interest-bearing balances	1,271,514
Securities:	
Held-to-maturity securities	1,105,782
Available-for-sale securities	3,164,271
Federal funds sold and Securities purchased under agreements to resell	5,723,829
Loans and lease financing receivables:	
Loans and leases, net of unearned income 34,916,196	
LESS: Allowance for loan and lease losses 581,177	
LESS: Allocated transfer risk reserve.....429	
Loans and leases, net of unearned income, allowance, and reserve	34,334,590
Assets held in trading accounts	2,035,284
Premises and fixed assets (including capitalized leases)	671,664
Other real estate owned	13,306
Investments in unconsolidated subsidiaries and associated companies	210,685
Customers' liability to this bank on acceptances outstanding	1,463,446
Intangible assets	753,190
Other assets	1,784,796
Total assets	$57,536,995
LIABILITIES	
Deposits:	
In domestic offices	$27,270,824
Noninterest-bearing 12,160,977	
Interest-bearing 15,109,847	
In foreign offices, Edge and Agreement subsidiaries, and IBFs	14,687,806
Noninterest-bearing 657,479	
Interest-bearing 14,030,327	
Federal funds purchased and Securities sold under agreements to repurchase.	1,946,099
Demand notes issued to the U.S. Treasury	283,793
Trading liabilities	1,553,539
Other borrowed money:	
With remaining maturity of one year or less	2,245,014
With remaining maturity of more than one year through three years	0
With remaining maturity of more than three years	45,664
Bank's liability on acceptances executed and outstanding	1,473,588
Subordinated notes and debentures	1,018,940
Other liabilities	2,193,031
Total liabilities	52,718,298
EQUITY CAPITAL	
Common stock	1,135,284
Surplus	731,319
Undivided profits and capital reserves	2,943,008
Net unrealized holding gains (losses) on available-for-sale securities	25,428

Cumulative foreign currency translation adjustments	(16,342)
Total equity capital	4,818,697
Total liabilities and equity capital	$57,536,995

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot)
Thomas A. Renyi) Directors
Alan R. Griffith)

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