

RAYTHEON CO/
Form 4
November 19, 2009

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
PEDEN KEITH J

(Last) (First) (Middle)
870 WINTER STREET
(Street)

WALTHAM, MA 02451

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
RAYTHEON CO/ [RTN]

3. Date of Earliest Transaction (Month/Day/Year)
11/17/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Stock | 11/17/2009 | | M | | 37,900 (1) \$ 19.375 | A | 161,224 D |
| Common Stock | 11/17/2009 | | M | | 13,000 (1) \$ 31.815 | A | 174,224 D |
| Common Stock | 11/17/2009 | | M | | 11,000 (1) \$ 26.955 | A | 185,224 D |
| Common Stock | 11/17/2009 | | M | | 40,000 (1) \$ 29.685 | A | 225,224 D |
| Common Stock | 11/17/2009 | | M | | 28,100 (1) \$ 32.315 | A | 253,324 D |

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| | | | | | | | | |
|--------------|------------|---|-----------------------|---|-----------|------------------|---|--------|
| Common Stock | 11/17/2009 | M | <u>30,000</u> (1) | A | \$ 44.45 | 283,324 | D | |
| Common Stock | 11/17/2009 | M | <u>35,400</u> (1) | A | \$ 29.48 | 318,724 | D | |
| Common Stock | 11/17/2009 | M | <u>25,000</u> (1) | A | \$ 31.445 | 343,724 | D | |
| Common Stock | 11/17/2009 | S | <u>220,400</u> (1) | D | \$ 50 | 123,324 | D | |
| Common Stock | | | | | | 4,504 <u>(2)</u> | I | 401(k) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Employee Stock Option | \$ 19.375 | 11/17/2009 | | M | 3,022 | 02/25/2003 | 02/24/2010 | Common Stock |
| Employee Stock Option | \$ 19.375 | 11/17/2009 | | M | 13,678 | 02/25/2003 ⁽³⁾ | 02/25/2010 | Common Stock |
| Employee Stock Option | \$ 29.685 | 11/17/2009 | | M | 3,368 | 05/23/2004 | 05/22/2011 | Common Stock |
| Employee Stock Option | \$ 29.685 | 11/17/2009 | | M | 36,632 | 05/23/2004 ⁽⁴⁾ | 05/23/2011 | Common Stock |
| Employee Stock Option | \$ 44.45 | 11/17/2009 | | M | 2,249 | 05/13/2005 | 05/12/2012 | Common Stock |
| Employee Stock Option | \$ 44.45 | 11/17/2009 | | M | 27,751 | 05/13/2005 ⁽⁵⁾ | 05/13/2012 | Common Stock |
| Employee Stock Option | \$ 31.445 | 11/17/2009 | | M | 3,180 | 05/14/2006 | 05/13/2013 | Common Stock |

| | | | | | | | | |
|--------------------------|-----------|------------|---|--------|----------------------------|------------|--------------|---|
| Performance Stock Option | \$ 31.445 | 11/17/2009 | M | 21,820 | 05/14/2006 ⁽⁶⁾ | 05/14/2013 | Common Stock | 2 |
| Performance Stock Option | \$ 19.375 | 11/17/2009 | M | 21,200 | 02/22/2002 ⁽⁷⁾ | 02/25/2010 | Common Stock | 2 |
| Performance Stock Option | \$ 31.815 | 11/17/2009 | M | 13,000 | 10/27/2006 ⁽⁸⁾ | 01/24/2011 | Common Stock | 1 |
| Performance Stock Option | \$ 26.955 | 11/17/2009 | M | 11,000 | 05/28/2002 ⁽⁹⁾ | 03/26/2011 | Common Stock | 1 |
| Performance Stock Option | \$ 32.315 | 11/17/2009 | M | 28,100 | 01/03/2007 ⁽¹⁰⁾ | 01/23/2012 | Common Stock | 2 |
| Performance Stock Option | \$ 29.48 | 11/17/2009 | M | 35,400 | 09/19/2007 ⁽¹¹⁾ | 01/22/2013 | Common Stock | 3 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PEDEN KEITH J 870 WINTER STREET WALTHAM, MA 02451 | | | Senior Vice President | |

Signatures

Dana Ng,
Attorney-in-fact

11/19/2009

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The stock option exercises and sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on August 26, 2009.
- (2) The Reporting Person indirectly beneficially owns 4,504 shares of the Issuer's Common Stock based on funds in the Reporting Person's Savings and Investment Plan/Excess Savings Plan Account divided by \$50.21, the closing price of the Issuer's Common Stock on November 17, 2009.
- (3) The options became exercisable in three annual installments beginning on February 25, 2001.
- (4) The options became exercisable in three annual installments beginning on May 23, 2002.
- (5) The options became exercisable in three annual installments beginning on May 13, 2003.
- (6) The options became exercisable in three annual installments beginning on May 14, 2004.
- (7) The options became exercisable in three equal installments. The first installment became exercisable on August 25, 2000, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$23.27 per share; the second installment became exercisable on October 30, 2000, upon the Issuer's Common Stock sustaining a market price of at least \$27.91 per share; and the third installment became exercisable on February 22, 2002, upon the Issuer's Common Stock sustaining a market price of at least \$33.49 per share.
- (8)

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The options became exercisable in three equal installments. The first installment became exercisable on February 28, 2002, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$36.59 per share; the second installment became exercisable on May 29, 2002 upon the Issuer's Common Stock sustaining a market price of at least \$42.08 per share; and the third installment became exercisable on October 27, 2006 upon the Issuer's Common Stock sustaining a market price of at least \$48.39 per share.

- (9) The options became exercisable in three equal installments. The first installment became exercisable on October 12, 2001, upon the Issuer's Common Stock sustaining (for a period of twenty (20) trading days) a market price of at least \$31.00 per share; the second installment became exercisable on February 26, 2002, upon the Issuer's Common Stock sustaining a market price of at least \$35.65 per share; and the third installment became exercisable on May 28, 2002, upon the Issuer's Common Stock sustaining a market price of at least \$41.00 per share.

- (10) The options became exercisable in three equal installments. The first installment became exercisable on May 16, 2002, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$39.10 per share; the second installment became exercisable on May 17, 2006, upon the Issuer's Common Stock sustaining a market price of at least \$44.965 per share; and the third installment became exercisable on January 3, 2007, upon the Issuer's Common Stock sustaining a market price of at least \$51.71 per share.

- (11) The options became exercisable in three equal installments. The first installment became exercisable on December 2, 2004, upon the Issuer's Common Stock sustaining (for a period of twenty (20) trading days) a market price of at least \$36.85 per share; the second installment became exercisable on September 13, 2006, upon the Issuer's Common Stock sustaining a market price of at least \$46.063 per share; and the third installment became exercisable on September 19, 2007, upon the Issuer's Common Stock sustaining a market price of at least \$57.578 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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