KEEBAUGH MICHAEL D

Form 4

August 03, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

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obligations

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * KEEBAUGH MICHAEL D			2. Issuer Name and Ticker or Trading Symbol RAYTHEON CO/ [RTN]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
			(Month/Day/Year)	Director 10% Owner		
870 WINTER STREET			08/02/2007	X Officer (give title Other (specify below)		
				Vice President		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line)		
WALTHAM, MA 02451				_X_Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	Secur	ities Acqui	ired, Disposed of	, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired (A) Transaction Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of 6. Securities Ownership Beneficially Form: Owned Direct (D) Following or Indirect Reported (I) Transaction(s) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
Common Stock	08/02/2007		Code V M	Amount 6,000 (1)	or (D)	Price \$ 31.815	(Instr. 3 and 4) 85,183	D	
Common Stock	08/02/2007		M	7,534 (1)	A	\$ 32.315	92,717	D	
Common Stock	08/02/2007		M	15,751 (1)	A	\$ 44.45	108,468	D	
Common Stock	08/02/2007		S	29,285 (1)	D	\$ 57.9	79,183	D	
Common Stock							1,279 (2)	I	401(k)

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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. Transactic Code (Instr. 8)	orDerivative Securities Acquired (A)	Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4,		7. Title and Amo Underlying Secu (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	An or Nu of
Performance Stock Option	\$ 31.815	08/02/2007		M	6,000	10/27/2006(3)	01/24/2011	Common Stock	6
Performance Stock Option	\$ 32.315	08/02/2007		M	7,534	01/03/2007(4)	01/23/2012	Common Stock	7
Employee Stock Option	\$ 44.45	08/02/2007		M	15,75	05/13/2005(5)	05/13/2012	Common Stock	15

Reporting Owners

Reporting Owner Name / Address	Keiauolisinps						
	Director	10% Owner	Officer	Other			
KEEBAUGH MICHAEL D							

870 WINTER STREET WALTHAM, MA 02451

Vice President

Signatures

Dana Ng,

Attorney-in-fact 08/03/2007

**Signature of Reporting Date

Person

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).

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(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 February 20, 2007.

(2)

Reporting Owners 2

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The Reporting Person indirectly beneficially owns 1,279 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 \$58.75, the closing price of the Issuer's Common Stock on August 2, 2007.

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

- (3) 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.
 - 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
- (4) 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.
- (5) The option became exercisable in three annual installments beginning on May 13, 2003.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.