

RAYTHEON CO/  
Form 8-K  
December 14, 2006

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (date of earliest event reported): December 8, 2006

**RAYTHEON COMPANY**

(Exact name of registrant as specified in its charter)

Delaware

1-13699

95-1778500

(State of Incorporation)

(Commission File Number)

(IRS Employer

Identification Number)

870 Winter Street, Waltham, Massachusetts 02451

(Address of Principal Executive Offices) (Zip Code)

(781) 522-3000

(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers**

*(e) Compensatory Arrangements of Certain Officers*

*Approval of Performance Metrics for the 2007 Results-Based Incentive Program*

On December 8, 2006, the Management Development and Compensation Committee (the Committee) of the Board of Directors of Raytheon Company (the Company) approved the performance metrics for the Company's 2007 Results-Based Incentive Program (the 2007 RBI Program). The performance metrics, which are independent of each other and equally weighted, are as follows: bookings, net sales, operating profit, free cash flow and return on invested capital. These metrics and weightings are the same as for the Company's 2006 RBI Program. A summary of the Company's RBI Program is attached hereto as Exhibit 10.1 and incorporated herein by reference.

*Approval of Performance Metrics for 2007 Long-Term Performance Plan*

The Committee also provided preliminary guidance regarding the three-year performance metrics for the Company's 2007-2009 Long-Term Performance Plan (the 2007-2009 LTPP). The proposed three-year performance metrics for the 2007-2009 LTPP, which are independent of each other, and the proposed weighting for each of these metrics are as follows: free cash flow (50%), total shareholder return relative to the Company's peer group (25%), and return on invested capital (25%). These proposed metrics and weightings are the same as those adopted for the Company's 2006-2008 LTPP. A summary of the LTPP is attached hereto as Exhibit 10.2 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

*(d) Exhibits*

10.1 Summary of the Raytheon Company Results-Based Incentive Program.

10.2 Summary of the Raytheon Company Long-Term Performance Plan.

**SIGNATURES**

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

**RAYTHEON COMPANY**

Date: December 14, 2006

By: /s/ Jay B. Stephens  
Jay B. Stephens  
Senior Vice President and General Counsel