

SWANSON WILLIAM H
Form 4
March 19, 2008

FORM 4

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

OMB APPROVAL

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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 *
SWANSON WILLIAM H

(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)
03/17/2008

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)
Chairman and CEO

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 (A) or (D) Price | | |
| Common Stock | 03/17/2008 | | M | | 3,576 (1) \$ 55.9063 | D | |
| Common Stock | 03/17/2008 | | M | | 96,424 (1) \$ 55.9063 | D | |
| Common Stock | 03/17/2008 | | M | | 3,368 (1) \$ 29.685 | D | |
| Common Stock | 03/17/2008 | | M | | 96,632 (1) \$ 29.685 | D | |
| Common Stock | 03/17/2008 | | M | | 90,300 (1) \$ 29.48 | D | |

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| | | | | | | | |
|--------------|------------|---|----------------------|---|------------|---------|---|
| Common Stock | 03/17/2008 | S | <u>3,576</u> (1) | D | \$ 63.43 | 843,994 | D |
| Common Stock | 03/17/2008 | S | <u>96,424</u> (1) | D | \$ 63.4864 | 747,570 | D |
| Common Stock | 03/17/2008 | S | <u>3,368</u> (1) | D | \$ 63.3 | 744,202 | D |
| Common Stock | 03/17/2008 | S | <u>96,632</u> (1) | D | \$ 63.3575 | 647,570 | D |
| Common Stock | 03/17/2008 | S | <u>90,300</u> (1) | D | \$ 63.0397 | 557,270 | D |

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

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(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 | Amount or Number of |
| Employee Stock Option | \$ 55.9063 | 03/17/2008 | | M | | 3,576 | | 06/24/2000 ⁽²⁾ | 06/23/2008 | Common Stock | 3 |
| Employee Stock Option | \$ 55.9063 | 03/17/2008 | | M | | 96,424 | | 06/24/2000 ⁽²⁾ | 06/24/2008 | Common Stock | 96 |
| Employee Stock Option | \$ 29.685 | 03/17/2008 | | M | | 3,368 | | 05/23/2004 | 05/22/2011 | Common Stock | 3 |
| Employee Stock Option | \$ 29.685 | 03/17/2008 | | M | | 96,632 | | 05/23/2004 ⁽³⁾ | 05/23/2011 | Common Stock | 96 |
| Performance Stock Option | \$ 29.48 | 03/17/2008 | | M | | 90,300 | | 09/19/2007 ⁽⁴⁾ | 01/22/2013 | Common Stock | 90 |

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

SWANSON WILLIAM H
870 WINTER STREET
WALTHAM, MA 02451

X

Chairman and CEO

Signatures

Jay B. Stephens,
Attorney-in-fact

03/19/2008

__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 February 15, 2008.

(2) The option became exercisable in two annual installments beginning on June 24, 1999.

(3) The option became exercisable in three annual installments beginning on May 23, 2002.

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

(4) 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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