

CULLIGAN THOMAS M
Form 4
March 19, 2007

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 *
CULLIGAN THOMAS M

(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)
03/15/2007

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	(A) or (D)	Price
Common Stock	03/15/2007		M		50,000	A	\$ 29.685
Common Stock	03/15/2007		M		45,000	A	\$ 44.45
Common Stock	03/15/2007		M		30,000	A	\$ 31.445
Common Stock	03/15/2007		M		6,500	A	\$ 29.685
Common Stock	03/15/2007		M		11,333	A	\$ 32.315

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Common Stock	03/15/2007	M	12,966	A	\$ 29.48	221,133	D	
Common Stock	03/15/2007	S	155,799	D	\$ 52.1677	65,334	D	
Common Stock						2,983 ⁽¹⁾	I	401(k)

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)	Amount or Number of Underlying Securities	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option	\$ 29.685	03/15/2007		M	10,104	05/23/2004 ⁽²⁾	05/22/2011	Common Stock	10
Employee Stock Option	\$ 29.685	03/15/2007		M	39,896	05/23/2004 ⁽²⁾	05/23/2011	Common Stock	39
Employee Stock Option	\$ 44.45	03/15/2007		M	42,751	05/13/2005 ⁽³⁾	05/13/2012	Common Stock	42
Employee Stock Option	\$ 44.45	03/15/2007		M	2,249	05/13/2005	05/12/2012	Common Stock	2
Employee Stock Option	\$ 31.445	03/15/2007		M	26,820	05/14/2006 ⁽⁴⁾	05/14/2013	Common Stock	26
Employee Stock Option	\$ 31.445	03/15/2007		M	3,180	05/14/2006	05/13/2013	Common Stock	3
Performance Stock Option	\$ 29.685	03/15/2007		M	6,500	02/22/2002 ⁽⁵⁾	05/23/2011	Common Stock	6
Performance Stock Option	\$ 32.315	03/15/2007		M	11,333	05/16/2002 ⁽⁶⁾	01/23/2012	Common Stock	11
Performance Stock Option	\$ 29.48	03/15/2007		M	12,966	12/02/2004 ⁽⁷⁾	01/22/2013	Common Stock	12

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CULLIGAN THOMAS M 870 WINTER STREET WALTHAM, MA 02451			Senior Vice President	

Signatures

Jay B. Stephens,
Attorney-in-fact

03/19/2007

__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).

The Reporting Person indirectly beneficially owns 2,983 shares of the Issuer's Common Stock based on funds in the Reporting Person's

(1) Savings and Investment Plan/Excess Savings Plan Account divided by \$52.64, the closing price of the Issuer's Common Stock on March 15, 2007.

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

(3) The options became exercisable in three annual installments beginning on May 13, 2003.

(4) The options became exercisable in three annual installments beginning on May 14, 2004.

The options become exercisable in three equal installments. The first installment became exercisable on February 22, 2002, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$34.14 per share; the

(5) second installment became exercisable on May 16, 2002, upon the Issuer's Common Stock sustaining a market price of at least \$39.26 per share; and the third installment became exercisable on September 11, 2006, upon the Issuer's Common Stock sustaining a market price of at least \$45.15 per share.

The options become 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

(6) 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.

The options become 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

(7) 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 becomes exercisable upon the date that the Issuer's Common Stock sustains a market price of at least \$57.578 per share. Notwithstanding the foregoing vesting schedule, all shares under option shall become exercisable upon the sixth anniversary of the grant date.

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.