

STEPHENS JAY B
Form 4
March 11, 2011

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 *
STEPHENS JAY B

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)
870 WINTER STREET

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/09/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP, GC & Secretary

WALTHAM, MA 02451

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

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

(City) (State) (Zip)

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 | 03/09/2011 | | M | | 16,820 (1) | A | \$ 31.445 165,757 | D | |
| Common Stock | 03/09/2011 | | S | | 16,820 (1) | D | \$ 52.8897 (2) | 148,937 | D |
| Common Stock | | | | | | | 89 (3) | 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)

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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 Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option | \$ 31.445 | 03/09/2011 | | M | 16,820 | 05/14/2006 ⁽⁴⁾ 05/14/2013 | Common Stock | 16,820 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|--|
| STEPHENS JAY B 870 WINTER STREET WALTHAM, MA 02451 | Director 10% Owner Officer Sr. VP, GC & Secretary |

Signatures

Dana Ng,
Attorney-in-fact 03/11/2011
**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 exercise and sale reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on November 29, 2010.
The reported price is based on a weighted average of multiple same-day transactions with prices ranging from \$52.85 to \$52.9476 per share. Full information regarding the number of shares sold at each separate price is available to the Securities and Exchange Commission, the Issuer or any security holder of the Issuer upon request.
- (3) The Reporting Person indirectly beneficially owns 89 shares of the Issuer's Common Stock based on funds in the Reporting Person's Savings and Investment Plan Account divided by \$52.51, the closing price of the Issuer's Common Stock on March 9, 2011.
- (4) The options became exercisable in three annual installments beginning on May 14, 2004.

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.