

FRANKLIN CHARLES E
Form 4
August 11, 2005

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 *
FRANKLIN CHARLES E

(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)
08/09/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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 or Price		
Common Stock	08/09/2005		M		8,100 A \$ 29.48	12,300	D
Common Stock	08/09/2005		M		8,423 A \$ 29.685	20,723	D
Common Stock	08/09/2005		S		16,523 D \$ 39.25	4,200	D
Common Stock						4,029 ⁽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 (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
Performance Stock Option	\$ 29.48	08/09/2005		M	8,100	12/02/2004 ⁽²⁾ 01/22/2013	Common Stock	24,000
Employee Stock Option	\$ 29.685	08/09/2005		M	3,896	05/23/2002 05/23/2011	Common Stock	3,896
Employee Stock Option	\$ 29.685	08/09/2005		M	3,895	05/23/2003 05/23/2011	Common Stock	3,895
Employee Stock Option	\$ 29.685	08/09/2005		M	632	05/23/2004 05/23/2011	Common Stock	632

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FRANKLIN CHARLES E 870 WINTER STREET WALTHAM, MA 02451			Vice President	

Signatures

John W. Kapples, 08/11/2005
Attorney-in-fact

__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 Reporting Person indirectly beneficially owns 4,029 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 \$39.33, the closing price of the Issuer's Common Stock on August

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9, 2005.

- (2) 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 installment becomes exercisable upon the date that the Issuer's Common Stock sustains 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.