RAYTHEON CO/
Form 4
March 21, 2007

FORM 4

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

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

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(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)
03/19/2007

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman and CEO

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	(A) or (D)	Price			
Common Stock	03/19/2007		M		223,800	A	$ 19.375	695,021	D	
Common Stock	03/19/2007		S		223,800	D	$ 53.3427	471,221	D	

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

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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 Am Underlying Sec (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	A N S
Employee Stock Option	$ 19.375	03/19/2007		M			10,322	02/25/2003(1)	02/24/2010	Common Stock	
Employee Stock Option	$ 19.375	03/19/2007		M			177,178	02/25/2003(2)	02/25/2010	Common Stock	
Performance Stock Option	$ 19.375	03/19/2007		M			36,300	02/22/2002(3)	02/25/2010	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SWANSON WILLIAM H 870 WINTER STREET WALTHAM, MA 02451	X		Chairman and CEO	

Signatures

William H. Swanson	03/21/2007
**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).

(1) The options became exercisable in two annual installments beginning on February 25, 2002.

(2) The options became exercisable in three annual installments beginning on February 25, 2001.

(3) The options became exercisable in three equal installments. The first installment became exercisable on August 25, 2000, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least $23.27 per share; the second installment became exercisable on October 30, 2000, upon the Issuer's Common Stock sustaining a market price of at least $27.91 per share; and the third installment became exercisable on February 22, 2002, upon the Issuer's Common Stock sustaining a market price of at least $33.49 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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