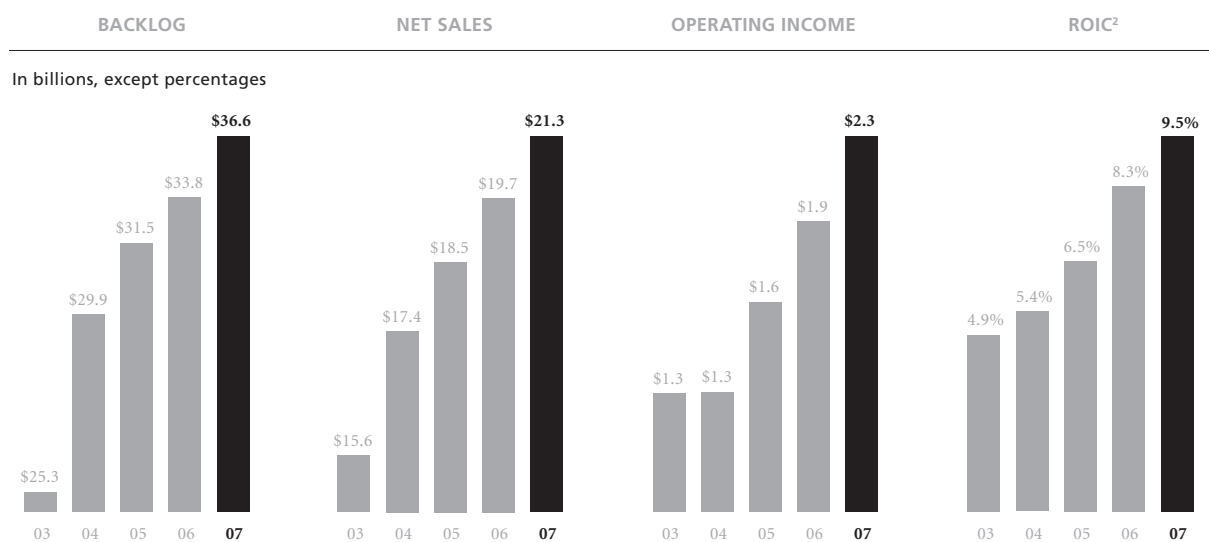


Raytheon Financial Highlights

Years ended December 31	2005	2006	2007
In millions, except per share amounts			
Backlog	\$ 31,528	\$ 33,838	\$ 36,614
Sales	18,491	19,707	21,301
Operating Income	1,619	1,944	2,328
Income from Continuing Operations <small>(Adjusted in 2007)</small>	898	1,187	1,474 ¹
Diluted EPS from Continuing Operations <small>(Adjusted in 2007)</small>	1.98	2.63	3.31 ¹
Operating Cash Flow from Continuing Operations	2,352	2,477	1,249
Dividends Declared per Share	0.88	0.96	1.02
Debt to Capital	29.3 %	26.3 %	15.3 %
Return on Invested Capital ² <small>(Adjusted in 2007)</small>	6.5 %	8.3 %	9.5 % ¹



¹ Excludes \$219 million or \$0.49 per diluted share tax-related benefit as described on page 39 of the Form 10K included within this report. 2007 Income from Continuing Operations was \$1,693 million and 2007 Diluted EPS from Continuing Operations was \$3.80. Adjusted 2007 Income from Continuing Operations and Adjusted 2007 Diluted EPS from Continuing Operations are not measures of financial performance under GAAP. For a reconciliation of such measures to the comparable GAAP measures, see the page preceding the back cover of this report.

² ROIC is not a measure of financial performance under GAAP. For details on the company's calculation of ROIC, see the page preceding the back cover of this report.