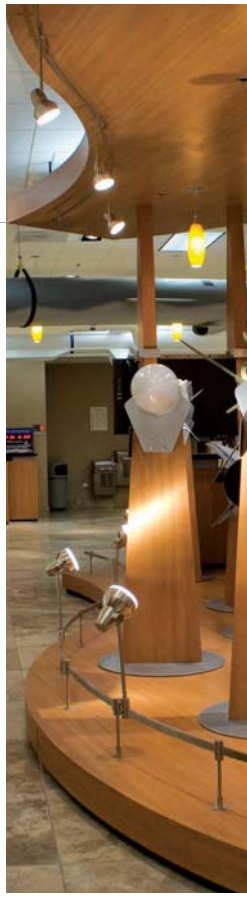
Missile Systems



Taylor Lawrence, President

Missile Systems (MS), with 2008 sales of $5.4 billion, is the world's leading producer of missile systems for U.S. and allied forces. From global missile defense to directed energy solutions, it provides revolutionary technologies to meet customer needs in the evolving battlespace.

In 2008, Raytheon technology played the pivotal role in destroying a non-functioning satellite. A modified Standard Missile-3 performed beyond its intended capabilities to intercept the target in space.

MS also won the Aviation Week Program Excellence Award for Program Management for its Miniature Air Launched Decoy,™ which also received a U.S. Air Force contract for low-rate initial production. MALD™ protects aircraft by neutralizing enemy air defenses.

With its combat-proven Excalibur precision guided artillery round and selection by the U.S. Army to develop the Mid-Range Munition for the Future Combat System, MS established itself as the leader in the new and growing precision munitions market.

MS also continued to grow its business worldwide with a record $2 billion in orders from 40 international customers.

Network Centric Systems

Colin Schottlaender, President

Network Centric Systems (NCS), with 2008 sales of $4.5 billion, achieved significant increases in sales, operating profits and return on invested capital (ROIC). The business ended the year with a record backlog of $5.7 billion, up 12.4% from 2007.

These excellent results reflect strength across the entire business, including strong demand for netted reconnaissance, fire control, and weapon locating radar systems. In new programs, NCS won the contract for the Joint Precision Approach and Landing System, an advanced pinpoint shipboard landing capability for the U.S. Navy.

On the technology front, NCS made major advances in developing the U.S. Army's Active Protection System, an innovative technology that will protect manned ground vehicles by intercepting and defeating rocket propelled grenades and other threats. NCS also received important patents in advanced imaging for electro-optics and intrusion detection for security systems.

NCS continued developing its position in international and adjacent markets with key initiatives in air traffic and highway management systems, border security and critical infrastructure protection, and civil communication solutions.

Missile Systems
showcase in Tucson, AZ

Perimeter Intrusion
Detection System (PIDS)