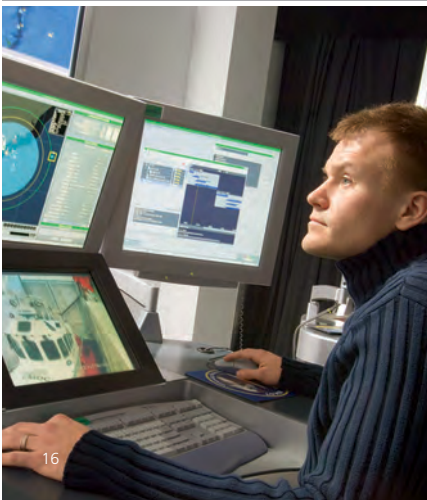


Raytheon supports approximately 14,000 contracts through a unique level of technology and innovation in three areas: our core markets, a commitment to Mission Assurance, and our Mission Systems Integration capability.

In our core markets, Raytheon's Sensing, C3I, Effects and Mission Support capabilities all serve a single purpose — to help our customers overcome every challenge and achieve success on their own terms.

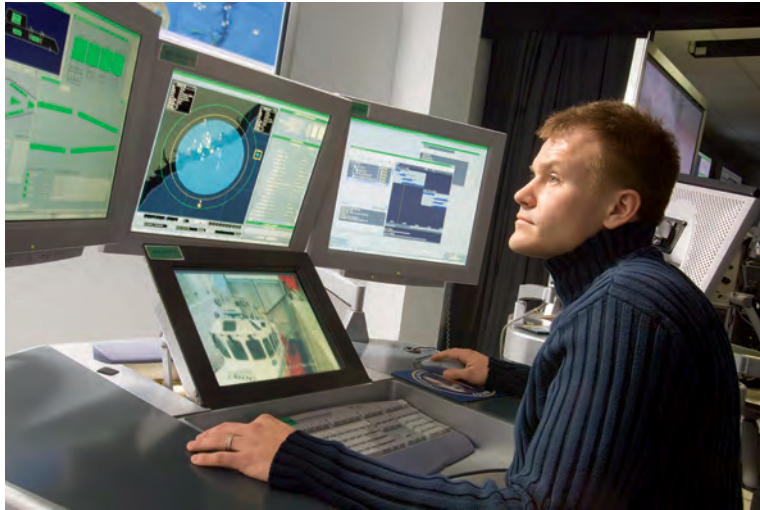
By taking an integrated approach across the company, we have brought our Mission Assurance promise of NoDoubt™ performance to unprecedented levels.



Mission Systems Integration refers to the integration of multiple systems to deliver a single solution that meets our customers' most urgent mission needs. As a leader in technologies that are critical to customer success, our domain knowledge enables solutions that allow us to identify the elements that need to be connected, while our systems engineering capabilities help our customers connect the elements to achieve the mission.

On the following pages, you will learn more about each of our businesses and the services and solutions they provide to meet the diverse needs of our customers.





Integrated Defense Systems

Dan Smith, President

Integrated Defense Systems (IDS), with 2006 sales of \$4.2 billion, is a leading provider of integrated joint battlespace and homeland security solutions.

IDS' largest single program is the Zumwalt Class Destroyer. Raytheon serves as the national team integrator for the ship, integrating Zumwalt's sensing; command, control, communications and intelligence; and effects capabilities with Mission Support.

Raytheon has successfully designed and proven key technologies for Zumwalt. The Zumwalt destroyer will carry Raytheon-designed high-tech sonar, radar,

computing and communications systems. The Raytheon Total Ship Computing Environment (TSCE) is the foundation of the Navy's Family of Ships strategy and will be implemented to improve the capability of the U.S. Navy fleet. TSCE is reflected in the Ship Mission Center, the "nerve center" of Zumwalt.

Raytheon IDS is also providing mission solutions for a multilayered Ballistic Missile Defense System, integrating surveillance, intelligence and missile defense solutions to protect the U.S., deployed forces, friends and allies. Critical Raytheon capabilities include discrimination solutions and X-Band radar technologies.



Intelligence and Information Systems

Mike Keebaugh, *President*

Intelligence and Information Systems (IIS), with 2006 sales of \$2.6 billion, provides U.S. government and international customers with innovative Command, Control, Communications and Intelligence (C3I) solutions to meet the demands for modern intelligence, surveillance and reconnaissance technologies to support military operations.

IIS is rapidly establishing itself as the premier provider of actionable environmental intelligence, as shown in 2006 by its work for the National Polar-orbiting Operational Environmental Satellite System (NPOESS). This advanced system will monitor global environmental conditions for weather analysis and forecasting in

support of military operations, civil applications and scientific research. IIS' role spans the entire NPOESS ground segment, including command, control and communications, interface data processing and field terminals — all the way from design and development through operations and sustainment.

Another 2006 milestone was IIS' attainment of a Capability Maturity Model® Integration Level 3 rating for systems engineering, software engineering, integrated product and process development, and supplier sourcing. By achieving this rating, IIS placed in the top 3.5 percent of all appraisals recorded by the Carnegie Mellon Software Engineering Institute.



Missile Systems

Louise Francesconi, President

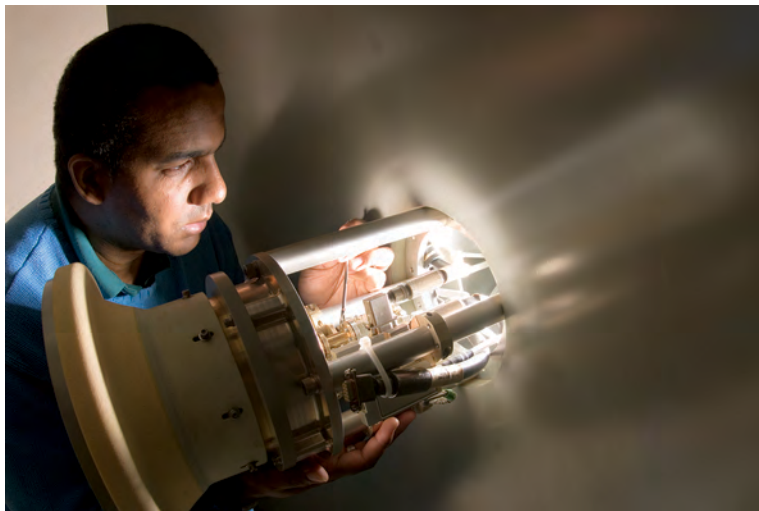
Missile Systems (MS), with 2006 sales of \$4.5 billion, is a leading producer of missile systems for U.S. and allied forces. Focusing on rapid, high-quality, affordable solutions, the business provides revolutionary technologies to increase warfighting capability in the evolving battlespace.

MS' Advanced Medium-Range Air-to-Air Missile (AMRAAM) continues to be one of the most carried air-to-air missiles in the U.S. arsenal and is now deployed in 32 countries around the world. Last year, MS also delivered the first production rounds of the GPS-guided Excalibur projectile, providing unprecedented accuracy for U.S. Army and

Marine Corps artillery, and it responded to urgent warfighter needs with a Land-Based Phalanx Weapon System to counter rockets, artillery and mortars.

The business again demonstrated its advanced missile defense technologies with successful tests of its Exoatmospheric Kill Vehicle (EKV) and Standard Missile-3.

Applying its technologies to new markets, Raytheon earned a homeland security contract award for MS' Vigilant Eagle system, which uses directed energy to protect aircraft from shoulder-fired missiles.



Network Centric Systems

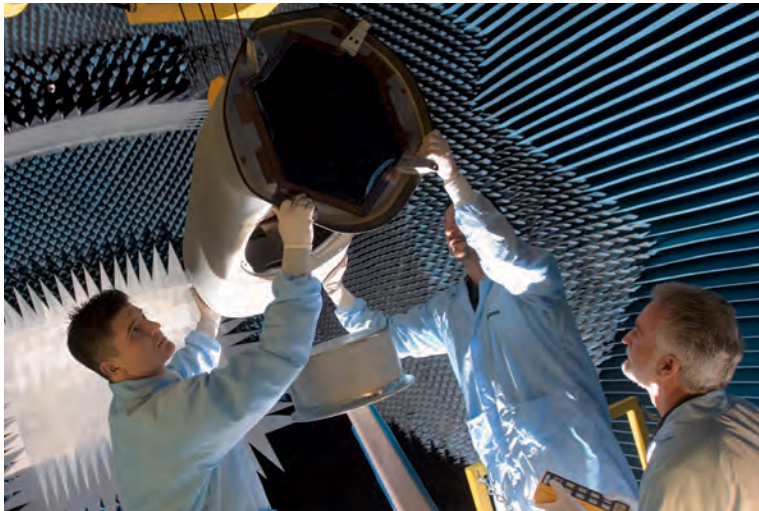
Colin Schottlaender, *President*

Network Centric Systems (NCS), with 2006 sales of \$3.6 billion, is driving transformation by providing networked systems and net-centric integration to military, federal and civil customers worldwide.

This year's results reflect high demand for the reconnaissance and fire control systems NCS provides to support the warfighter in Iraq and Afghanistan. NCS also enjoyed success in developing new capabilities, including an active protection system, which will protect military vehicles against rocket-propelled grenades and other threats. Considerable progress continues in other defense markets and in

applying NCS' innovative technology and capabilities in new markets, including highway tolling and border and homeland security.

Another success that reinforces NCS' overall Command, Control, Communications and Intelligence (C3I) and network-centric operations capabilities is the Battle Control System fielded in 2006. This program modernizes and expands NORAD's (North American Aerospace Defense Command) ability to monitor all air traffic entering and flying within North America's airspace to better protect against possible terrorist threats.



Space and Airborne Systems

Jon Jones, President

Space and Airborne Systems (SAS), with 2006 sales of \$4.3 billion, is a world leader in space and aviation sensing technology for radar and electro-optical infrared systems and a major provider of integrated solutions for domestic and international customers.

SAS offers unmatched situational awareness to aviators, integrating the Active Electronically Scanned Array (AESA) radar, the digital radar warning receiver, and the Advanced Targeting Forward-Looking Infrared (ATFLIR) pod.

Strength as a systems integrator positions SAS to lead an international team that recently delivered the first

units of the Airborne Stand-Off Radar (ASTOR) program to the United Kingdom. The terrain-following and avoidance radars SAS provides for special operations aircraft further showcase the business as a customer-focused mission systems integrator and innovator.

A world leader in advanced electro-optical and infrared space sensors, SAS provides unparalleled actionable intelligence to Department of Defense, national and civil customers. Integrated with surveillance radar capabilities, SAS' sensor suite makes the Global Hawk unmanned aircraft one of the world's most effective providers of reliable, time-critical data to our nation's warfighters.



Technical Services

Bryan Even, President

Technical Services (TS), with 2006 sales of \$2 billion, provides technology solutions for defense, federal and commercial customers worldwide. The business specializes in counter-proliferation and counter-terrorism, base and range operations, customized engineering and manufacturing services, and Mission Support.

Working closely with the customer for more than 20 years, TS has provided systems and software engineering solutions to ensure that the V-22 tiltrotor aircraft is ready to meet evolving mission requirements. Developing mission planning and maintenance-processing systems in concert with integrating additional hardware and software capabilities into the aircraft are part of the TS role in ensuring V-22 mission readiness.

TS' multilingual, worldwide experience across a spectrum of training environments provides the capability to sense and predict customer needs and design effective training solutions. Scenario-driven, force-on-force training systems, part of the Live Training Program for the U.S. Army, provide realistic combat training for deploying soldiers.

A proven depot-level reparables management solution provides increased readiness, reliability and quality for warfighters across the globe. TS' state-of-the-art business-to-business technologies are used to efficiently manage materiel and improve response and delivery time on the Secondary Repairable work for the U.S. Marine Corps.