

Raytheon is a global technology company that provides innovative solutions to customers in 80 nations.

Our domain knowledge and technological leadership have created expanding opportunities in four core defense markets:

- **Sensing:** technologies that acquire data and create the information needed for effective battlespace decisions.
- **C3I (Command, Control, Communications and Intelligence):** integrated systems that optimize operational planning and execution.
- **Effects:** technologies that achieve specific actions or outcomes.
- **Mission Support:** total life-cycle solutions that ensure NoDoubt™ performance.

Through strategic vision, disciplined management and world-class talent, Raytheon is delivering operational advantages for customers every day while helping them prepare for the missions of tomorrow.



Sensing

Sensing technologies are the foundation of effective battlespace decisions. Sensors acquire precise situational data across air, space and underwater domains, providing timely information for battlefield commanders and defense systems to take appropriate action.

At Raytheon, Sensing technologies span the full electromagnetic spectrum to provide a broad range of capabilities, including traditional Radio Frequency (RF) and Electro-optical (EO) sensors, as well as hyperspectral, acoustic and ultraviolet sensors. Our RF capabilities are used in radars, missile seekers, communications, electronic warfare and directed-energy

weapons. Current examples include our Active Electronically Scanned Array (AESA) radars being produced for the U.S. Air Force's F-15 and B-2 aircraft and for the U.S. Navy's F/A-18 fighter jet. We are also preparing for the next-generation radar through our continuing development of gallium nitride semiconductor technology. Our EO technologies expand the visible battlespace, enable night vision and support precision strike missions. In 2006 Raytheon passed a major milestone in the use of EO technology for space-based missile tracking with the delivery of the first Block VI infrared sensor payload for the Missile Defense Agency's Space Tracking and Surveillance System.



Airborne Stand-Off Radar (ASTOR) System

The Airborne Stand-Off Radar (ASTOR) program, for which Raytheon is prime contractor to the U.K.'s Ministry of Defence, is expected to provide the most advanced airborne ground surveillance capability in the world when it enters service. ASTOR's

dual-mode radar detects both moving and static targets from long standoff distances, protecting aircraft and crew while providing 24-hour, all-weather surveillance and reconnaissance. Shown publicly for the first time at last year's Farnborough International

Air Show, ASTOR performed superbly in extensive airborne testing during 2006, with precise in-flight imagery exceeding expectations. In 2006, Raytheon also delivered the ASTOR training system and the first ground station units.



C3I

C3I (Command, Control, Communications and Intelligence) systems provide integrated, multidimensional support to decision makers on and off the battlefield, enhancing their ability to direct and control assigned resources to accomplish a mission. C3I systems transform raw data into actionable intelligence for a better, safer world.

Raytheon's C3I capabilities are extensive and continue to expand. They include situational awareness, surveillance, intelligence and analysis, communications, mission planning, battle management command and control, sensors and

payloads, and integrated ground solutions. A major C3I landmark in 2006 was our successful demonstration of our Communications Network Radio System (CNRS), a mobile ad hoc network that can establish itself autonomously on a battlefield and heal itself if damaged. We also successfully simulated the command and control of three unmanned vehicles from a single ground station. And as an example of our expansion into adjacent markets, Raytheon was awarded a contract to provide the Florida Turnpike Enterprise with an open-road tolling system on its highways based on our command and control technologies.

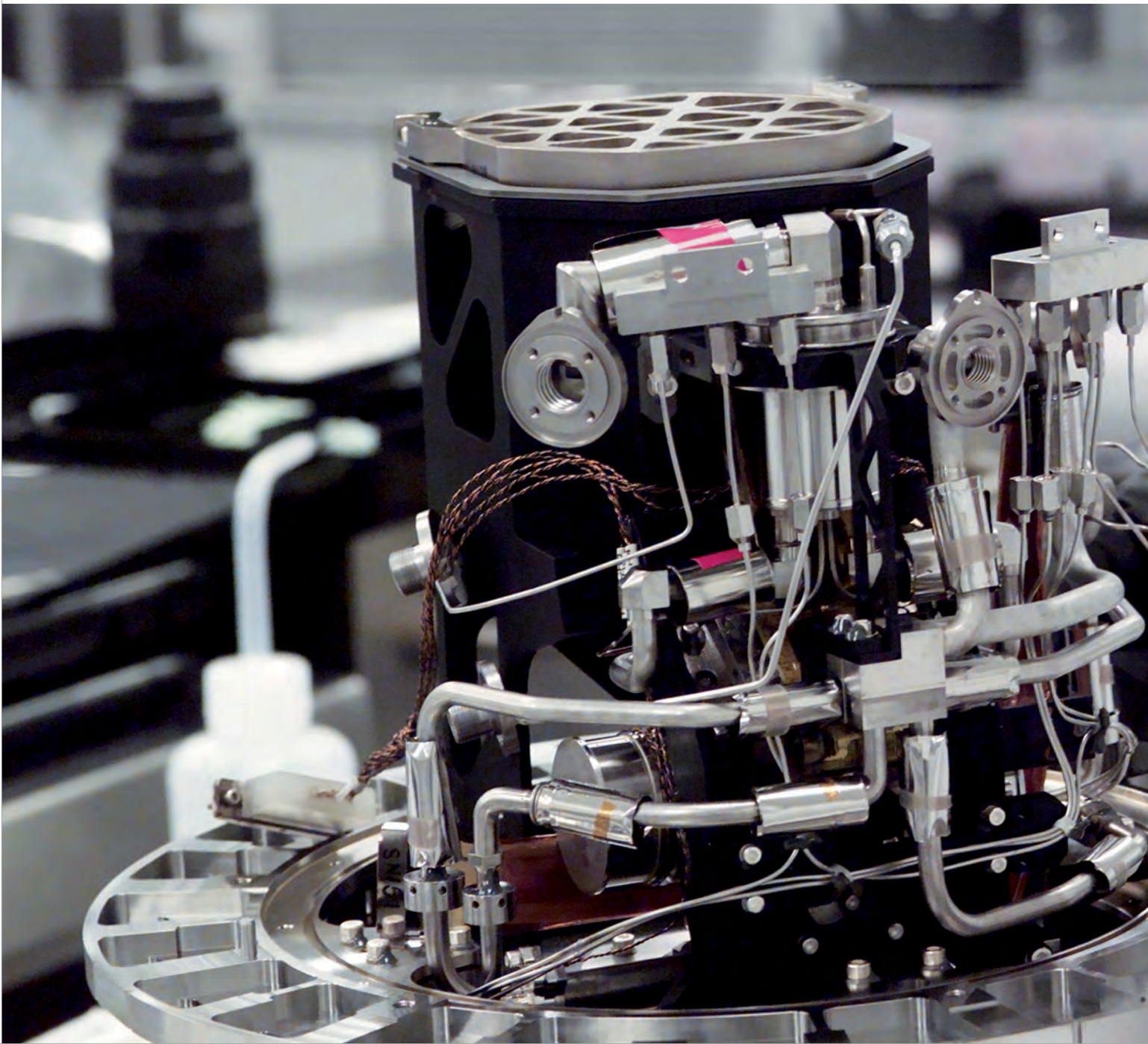


Distributed Common Ground System (DCGS)

Through our U.S. Air Force Distributed Common Ground System (DCGS) Block 10.2 program, Raytheon supports U.S. and coalition forces with continuous and secure on-demand intelligence brokering that can help change the course of events in hours,

minutes or even seconds. The DCGS program marks a significant step forward in distributed intelligence, surveillance and reconnaissance systems, enabling worldwide, real-time information sharing. The system's open architecture and Web-based DCGS Integration

Backbone (DIB) will allow all military services to share intelligence seamlessly, no matter where forces are located.



Effects

Military missions achieve their objectives through a variety of Effects, from striking targets to disabling hostile information systems. The specificity of the Effects generated requires sophisticated and highly tailored supporting technology. This includes directed-energy weapons in addition to traditional missiles and precision-guided munitions.

Raytheon capabilities span the gamut of current and emerging Effects technologies. Our technologies range from using missiles as a node on a network to directed-energy urban warfare and other lethal

and nonlethal systems and applications. Supporting capabilities include advanced airframes, guidance and navigation systems, high-resolution sensors, and targeting and netted systems. Examples of Raytheon's innovative Effects technologies include our 2006 development of a vertically launched loitering missile and the development of an active protection system that will destroy rocket-propelled grenades at close range. We also won an award to deliver wireless versions of the Tube-launched, Optically-tracked, Wire-guided (TOW) anti-tank missile.



Exoatmospheric Kill Vehicle (EKV)

The Exoatmospheric Kill Vehicle (EKV) was one of two Raytheon components that played key roles in the hit-to-kill destruction of a ballistic missile target in last year's test of the Missile Defense Agency's Ground-based Midcourse Defense (GMD) system. The EKV intercepted a ballistic missile target in space over the eastern Pacific Ocean. The test marked the first launch from

an operational GMD site and demonstrated the EKV's ability to successfully detect, track, discriminate and destroy a target in space. The other Raytheon component, an Upgraded Early Warning Radar (UEWR) system at Beale Air Force Base in California, supported the intercept by successfully providing information to the GMD Ground Fire Control. The GMD system is designed

to protect all 50 U.S. states against limited ballistic missile attack by intercepting long-range ballistic missiles during the midcourse or ballistic phase of their flight, before reentry into the earth's atmosphere. GMD interceptors are in silos today in Fort Greely, Alaska, and Vandenberg Air Force Base, California.



Mission Support

Today's technology makes it possible to accomplish extraordinary missions, but technology alone cannot guarantee success. The crucial role of Mission Support starts long before operations are conceived and encompasses every aspect of execution. Only through total life-cycle support can customers be sure that each mission will have the right products, systems and capabilities at the right place, at the right time, every time.

Raytheon Mission Support services provide integrated, customized solutions that span the entire mission life cycle — including not only the full breadth of

Raytheon technologies, but also third-party and next-generation readiness support. Our ReadiLog™ Integrated Solution Sets draw on a combination of technology and business process engineering disciplines. Condition-Based Maintenance; Integrated Supply Chain Management; Obsolescence Management; Training and Performance Support; Total Asset Visibility; Integrated Information Management; Logistics Modeling, Simulation and Visualization; and Performance-Based Logistics all work together in a net-enabled manner to help customers stay on top of every issue and ensure mission success.



Land-Based Phalanx Weapon System

For the U.S. Army's ground forces, mission success of Raytheon's Land-Based Phalanx Weapon System depends heavily on preparation, support and development. Our design engineering and Mission Support engineers enhance customer acceptance testing, installation and initial checkout.

Raytheon's distance support to the Army includes a full warranty—backed by replacement parts—and technical expertise to maximize system availability. Near real-time reporting from the theater continually flows through our corrective action channels resulting in process, design

and software enhancements. Remote equipment monitoring of the deployed systems allows us to correctly analyze and update software and hardware in spiral development.