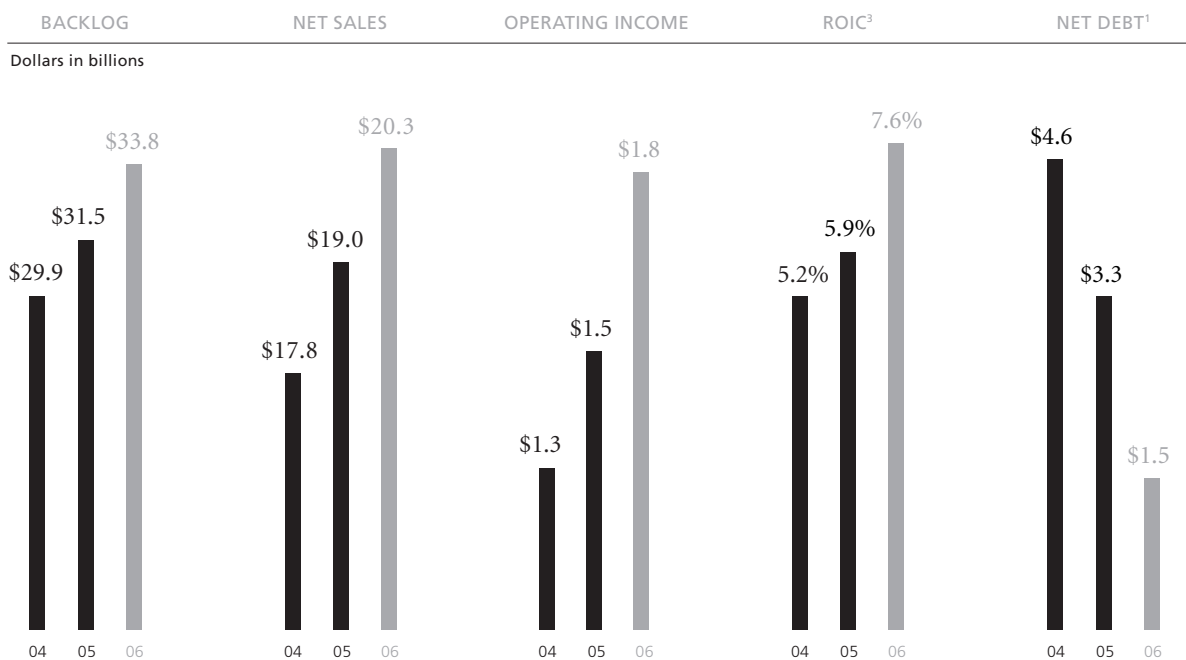


Raytheon Financial Highlights

Years ended December 31	2004	2005	2006
Dollars in millions, except per share amounts			
Backlog	\$29,905	\$31,528	\$33,838
Net Sales	17,825	19,038	20,291
Operating Income	1,301	1,512	1,840
Net Income	417	871	1,283
Diluted EPS from Continuing Operations	0.85	1.80	2.46
Operating Cash Flow from Continuing Operations	1,689	2,313	2,469
Dividends Declared per Share	0.80	0.88	0.96
Net Debt ¹	4,595	3,254	1,505
Net Debt to Net Capital ²	30.3%	23.3%	11.9%
Return on Invested Capital ³	5.2%	5.9%	7.6%



¹ Net debt is defined as total debt less cash and cash equivalents.

² Net capital is defined as net debt plus equity.

³ ROIC is not a measure of financial performance under GAAP. For details about the company's calculation of ROIC, see page 106 of this report.