

RAYTHEON CO/
 Form 424B5
 December 01, 2011
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
1.40% Notes due 2014	\$ 575,000,000	99.879%	\$574,304,250	\$ 65,815.27
4.70% Notes due 2041	\$ 425,000,000	99.520%	\$422,960,000	\$ 48,471.22
Total	\$1,000,000,000		\$997,264,250	\$114,286.49

(1) This registration fee is calculated pursuant to Rule 457(o) under the Securities Act.

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-170196

PROSPECTUS SUPPLEMENT

(To prospectus dated October 28, 2010)

\$1,000,000,000

\$575,000,000 1.40% Notes due 2014

\$425,000,000 4.70% Notes due 2041

We are offering \$575,000,000 principal amount of 1.40% notes due 2014, which we refer to as the 2014 notes, and \$425,000,000 principal amount of 4.70% notes due 2041, which we refer to as the 2041 notes. We refer to the 2014 notes and the 2041 notes collectively as the notes. We will pay interest on the 2014 notes and the 2041 notes on June 15 and December 15 of each year, beginning June 15, 2012.

We may redeem the notes, in whole or in part, at any time prior to their maturity at the redemption prices described in this prospectus supplement.

The notes will be unsecured and will rank equally with all our other unsecured indebtedness from time to time outstanding.

See **Risk Factors** on page S-2 for a discussion of certain risks that you should consider in connection with an investment in the notes.

	Per 2014 Note	Total	Per 2041 Note	Total
Price to Public (1)	99.879%	\$ 574,304,250	99.520%	\$ 422,960,000
Underwriting Discounts and Commissions	0.350%	\$ 2,012,500	0.875%	\$ 3,718,750
Proceeds, Before Expenses	99.529%	\$ 572,291,750	98.645%	\$ 419,241,250

(1) Plus accrued interest from December 6, 2011 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

The underwriters expect to deliver the notes to purchasers through the book-entry delivery system of The Depository Trust Company for the benefit of its participants, including Euroclear and Clearstream, on or about December 6, 2011.

Joint Book-Running Managers

**BofA Merrill Lynch
Credit Suisse**

**Citigroup
RBS**
Senior Co-Managers

**J.P. Morgan
Wells Fargo Securities**

**Barclays Capital
Deutsche Bank Securities**

**BNP PARIBAS
Morgan Stanley**
Co-Managers

**Credit Agricole CIB
UBS Investment Bank**

ANZ Securities

Scotia Capital

The date of this prospectus supplement is November 29, 2011

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You should read this prospectus supplement along with the accompanying prospectus carefully before you invest in the notes. These documents contain or incorporate by reference important information you should consider before making your investment decision. This prospectus supplement contains specific information about the notes being offered and the accompanying prospectus contains a general description of the notes. This prospectus supplement may add, update or change information in the accompanying prospectus. You should rely only on the information provided or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone else to provide you with any different or additional information. We and the underwriters take no responsibility for, and provide no assurance as to the reliability of, any different or additional information. You should not assume that the information contained in this prospectus supplement and the accompanying prospectus, as well as the information incorporated by reference, is accurate as of any date other than the date on the front cover of this prospectus supplement, or the date of such incorporated information.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or the solicitation of an offer to buy, any securities other than the registered securities to which they relate, nor do this prospectus supplement and the accompanying prospectus constitute an offer to sell or a solicitation of an offer to buy these securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

References to we, us, our, Raytheon or the Company are to Raytheon Company and its consolidated subsidiaries or any part or division thereof unless expressly indicated otherwise.

References to dollars or \$ in this prospectus supplement and the accompanying prospectus are to U.S. dollars.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet site at www.sec.gov that contains reports, proxy statements and other information regarding registrants that file electronically, including Raytheon Company. Except as expressly set forth in the paragraph below, we are not incorporating the contents of the SEC website into this prospectus supplement.

The SEC allows us to incorporate by reference into this prospectus supplement the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference into this prospectus supplement the documents listed below that we have filed with the SEC (File No. 001-13699) and any future filings made with the SEC by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until we sell all of the securities (other than filings or portions of filings that are furnished under applicable SEC rules rather than filed):

Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on February 23, 2011;

Quarterly Report on Form 10-Q for the fiscal quarters ended April 3, 2011 filed on April 28, 2011, July 3, 2011 filed on July 28, 2011 and October 2, 2011, filed on October 27, 2011; and

Current Report on Form 8-K filed on June 1, 2011, as amended by Current Report on Form 8-K/A filed on July 28, 2011. You may request a copy of these filings at no cost, by writing or telephoning us at the following office:

Office of the Corporate Secretary

Raytheon Company

870 Winter Street

Waltham, Massachusetts 02451

Telephone: (781) 522-3000

You may also find additional information about us, including the documents mentioned above, on our website at <http://www.raytheon.com>. The information included on or linked to this website or any website referred to in any document incorporated by reference into this prospectus supplement is not a part of this prospectus supplement.

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RISK FACTORS

Investing in the notes involves risk. Certain of these risks are described below, as well as under **Risk Factors** in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. See **Where You Can Find More Information** in this prospectus supplement. Before making a decision to invest in the notes, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks relating to the notes

Changes in our credit ratings may adversely affect the value of the notes.

We cannot provide assurance as to the credit ratings that may be assigned to the notes or that any such credit ratings will remain in effect for any given period of time or that any such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances warrant such an action. Further, any such ratings will be limited in scope and will not address all material risks relating to an investment in the notes, but rather will reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could adversely affect the market value of the notes and increase our corporate borrowing costs.

We are permitted to incur more debt, which may intensify the risks associated with our current leverage, including the risk that we will be unable to service our debt.

The indenture governing the notes does not limit the amount of additional debt that we may incur. If we incur additional debt, the risks associated with our leverage, including the risk that we will be unable to service our debt, will increase.

An active trading market for the notes may not develop.

We cannot assure you that an active trading market for the notes will develop or give you any assurances as to the liquidity or sustainability of any such market, the ability of the holders to sell their notes or the price at which holders of the notes will be able to sell their notes. Future trading prices of the notes will also depend on many other factors, including, among other things, prevailing interest rates, the market for similar securities, our credit ratings and our performance. We do not intend to apply for listing of the notes on any securities exchange.

Our financial performance and other factors could adversely impact our ability to make payments on the notes.

Our ability to make scheduled payments with respect to our indebtedness, including the notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

An increase in market rates could result in a decrease in the value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

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RAYTHEON COMPANY

Raytheon Company, together with its subsidiaries, is a technology and innovation leader specializing in defense, homeland security and other government markets throughout the world. We provide state-of-the-art electronics, mission systems integration and other capabilities in the areas of sensing, effects, and command, control, communications and intelligence systems, as well as a wide range of mission support services. We serve both domestic and international customers, principally as a prime contractor on a broad portfolio of defense and related programs for government customers.

We currently operate in six business segments:

Integrated Defense Systems;

Intelligence and Information Systems;

Missile Systems;

Network Centric Systems;

Space and Airborne Systems; and

Technical Services.

Integrated Defense Systems (IDS) IDS, headquartered in Tewksbury, Massachusetts, is a leader in global capabilities integration, providing affordable, integrated solutions to a broad international and domestic customer base. IDS leverages its core domain knowledge and capabilities in sensors, command, control and communication (C3), persistent surveillance/intelligence, surveillance and reconnaissance (ISR), effects and mission support, to provide integrated naval, air and missile defense and civil security response solutions.

Intelligence and Information Systems (IIS) IIS, headquartered in Garland, Texas, is a leader in intelligence, surveillance and reconnaissance (ISR), advanced cyber solutions, weather and environmental solutions, and information-based solutions for law enforcement and homeland security.

Missile Systems (MS) MS, headquartered in Tucson, Arizona, is a premier developer and producer of missile systems for the armed forces of the U.S. and other allied nations. Leveraging its key capabilities in advanced airframes, guidance and navigation systems, high-resolution sensors, targeting, and netted systems, MS develops and supports a broad range of cutting-edge weapon systems, including missiles, smart munitions, close-in weapon systems, projectiles, kinetic kill vehicles and directed energy effectors.

Network Centric Systems (NCS) NCS, headquartered in McKinney, Texas, is a leading provider of net-centric mission solutions for federal, state and local government and civil customers. NCS leverages its capabilities in networking, sensors, command and control, and communications to develop and produce solutions for customers.

Space and Airborne Systems (SAS) SAS, headquartered in El Segundo, California, is a leader in the design and development of integrated systems and solutions for advanced missions, including traditional and non-traditional intelligence, surveillance and reconnaissance (ISR), precision engagement, unmanned aerial operations and space. Leveraging advanced concepts, state-of-the-art technologies and mission systems knowledge, SAS provides electro-optical/infrared sensors, airborne radars for surveillance and fire control applications, lasers, precision guidance systems, processors, electronic warfare systems and space-qualified systems for civil and military applications.

Technical Services (TS) TS, headquartered in Dulles, Virginia, provides a full spectrum of technical, scientific and professional services to defense, federal, international and commercial customers worldwide. TS specializes in training, logistics, engineering services and solutions, product support and operational support services. TS provides solutions for mission support, homeland security, space, civil aviation, counterproliferation and counterterrorism markets.

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The estimated net proceeds of the offering of the notes, after deducting underwriting discounts and our expenses, are expected to be \$990,033,000. The net proceeds from the offering will be used for general corporate purposes, including discretionary pension contributions.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows our ratio of earnings to fixed charges for each of the periods indicated:

	Nine Months Ended October 2, 2011		Year Ended December 31,			
	2010	2009	2008	2007	2006	
Ratio of earnings to fixed charges	10.5x	11.3x	14.0x	11.8x	8.6x	5.9x

For the purposes of calculating these ratios, earnings consists of pre-tax income from continuing operations attributable to Raytheon Company common stockholders because our noncontrolling interests do not incur fixed charges, increased by fixed charges and the amortization of capitalized interest and reduced by total capitalized interest. Fixed charges consists of interest expense (including amortization of debt discount or premium and expenses), capitalized interest and the interest component of our rent expense, which we estimate as one-third of total rent expense. All amounts associated with our discontinued operations and interest on our unrecognized tax benefits have been excluded.

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The following table sets forth our unaudited cash and cash equivalents and capitalization at October 2, 2011 (a) on a historical basis and (b) as adjusted to give effect to the offering of the notes. You should read this table in conjunction with the consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2010 and our Quarterly Reports on Form 10-Q for the periods ended April 3, 2011, July 3, 2011 and October 2, 2011, which are incorporated by reference into this prospectus supplement.

(In millions)	Actual	As Adjusted
Cash and cash equivalents	\$ 2,405	\$ 3,395
Long-term debt	\$ 3,612	\$ 3,612
Notes offered hereby		\$ 1,000
Total long-term debt	3,612	\$ 4,612
Equity		
Common stock	3	3
Additional paid-in capital	11,640	11,640
Accumulated other comprehensive loss	(4,808)	(4,808)
Treasury stock, at cost	(7,838)	(7,838)
Retained earnings	11,258	11,258
Noncontrolling interest in subsidiaries	152	152
Total equity	10,407	10,407
Total capitalization	\$ 14,019	\$ 15,019

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DESCRIPTION OF THE NOTES

General

We will issue (i) \$575,000,000 aggregate principal amount of 2014 notes and (ii) \$425,000,000 aggregate principal amount of 2041 notes. Each of the notes will be senior unsecured obligations of Raytheon and will rank equally with all of our existing and future senior unsecured debt and will be senior to all of our existing and future subordinated debt, if any. Each of the notes will be issued pursuant to an indenture, dated as of July 3, 1995, as supplemented or modified by supplement dated December 17, 1997 between us and The Bank of New York Mellon Trust Company, N.A., as trustee. Interest on the notes will be payable in United States dollars at our office or agency in the Borough of Manhattan, The City of New York, New York or, at our option, by check mailed to the address of the registered holder. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. See *Description of Our Debt Securities* in the accompanying prospectus for additional information concerning the notes and the indenture.

2014 notes. The 2014 notes will bear interest from December 6, 2011, at 1.40% per year, payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2012, to the person in whose name the 2014 note is registered, subject to certain exceptions as provided in the indenture, at the close of business on June 1 or December 1 immediately preceding such June 15 or December 15. The 2014 notes will mature on December 15, 2014 and are not subject to any sinking fund provision.

2041 notes. The 2041 notes will bear interest from December 6, 2011, at 4.70% per year, payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2012, to the person in whose name the 2041 note is registered, subject to certain exceptions as provided in the indenture, at the close of business on June 1 or December 1 immediately preceding such June 15 or December 15. The 2041 notes will mature on December 15, 2041 and are not subject to any sinking fund provision.

The notes will not be listed on any securities exchange. The notes will be issued only in registered form without coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will be available in book-entry form only. No service charge will be made for any registration of transfer or any exchange of notes but we may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

Optional Redemption

The notes will be redeemable as a whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the notes being redeemed; and
- (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed from the redemption date to the maturity date of the notes discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus (i) 20 basis points, in the case of the 2014 notes or (ii) 30 basis points, in the case of the 2041 notes.

plus, in either case, any interest accrued but not yet paid to the date of redemption.

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Treasury Rate means, with respect to any redemption date for the notes,

- (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the maturity date for the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or
- (2) if the release referred to above (or any successor release) is not published during the week preceding the calculation date or does not contain the yields referred to above, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date. The Treasury Rate will be calculated on the third business day preceding the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us.

Comparable Treasury Price means with respect to any redemption date for the notes,

- (1) the average of three Reference Treasury Dealer Quotations (as defined below) for the redemption date, or
- (2) if the trustee obtains fewer than three Reference Treasury Dealer Quotations, the average of all quotations obtained.

Reference Treasury Dealer means each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated. If any Reference Treasury Dealer ceases to be a primary U.S. Government Securities dealer in the United States (each, a Primary Treasury Dealer), we will substitute another Primary Treasury Dealer for that dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date for the notes, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by that Reference Treasury Dealer at 5:00 p.m. on the third business day preceding the redemption date.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions of the notes called for redemption.

If fewer than all of the notes are to be redeemed, the trustee will select the notes for redemption on a pro rata basis, by lot or by such other method as the trustee deems appropriate and fair. No notes of \$2,000 or less will be redeemed in part.

Notice of any redemption will be mailed at least 30 days but no more than 60 days before the redemption date to each holder of notes to be redeemed.

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Certain Covenants of the Company

The covenants listed in the accompanying prospectus under the heading "Description of our Debt Securities - Covenants" shall apply to the notes. Additional information about the covenants placing limitations on liens and on sale and lease-back transactions follows.

Limitation on Liens Raytheon will not create, incur, assume or permit to exist nor will Raytheon permit any Significant Subsidiary to create, incur, assume or permit to exist any Lien on any property or assets including stock or other securities of any person, including any Significant Subsidiary, whether owned at July 3, 1995 or thereafter acquired, without equally and ratably securing the Notes. This restriction will not apply to certain permitted liens, including the following:

- (a) Liens on property or assets of Raytheon and its subsidiaries existing on July 3, 1995;
- (b) any Lien existing on any property or asset prior to its acquisition by Raytheon or any subsidiary;
- (c) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves, to the extent required by GAAP, have been set aside;
- (d) carriers', warehousemen's, mechanics', materialsmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not due and payable or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves, to the extent required by GAAP, have been set aside;
- (e) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;
- (f) deposits to secure the performance of bids, trade contracts (other than for indebtedness), leases (other than capital leases), statutory obligations, surety and appeal bonds, advance payment bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (g) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of Raytheon or any of its subsidiaries;
- (h) Liens upon any property acquired, constructed or improved by Raytheon or any subsidiary which are created or incurred within 360 days of such acquisition, construction or improvement to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement;
- (i) Liens on the property or assets of any subsidiary in favor of Raytheon;
- (j) extensions, renewals and replacements of Liens referred to in paragraphs (a) through (i) above;
- (k)

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certain purchase options, call and similar rights on securities imposed pursuant to an agreement entered into for the sale or disposition of such securities pending the closing of such sale or disposition;

(l) Liens arising in connection with certain receivables securitization programs;

(m) Liens on the capital stock or assets of any subsidiary that is not a Significant Subsidiary; and

(n) Liens to secure indebtedness if, immediately after the grant thereof, the aggregate amount of all indebtedness secured by Liens other than Liens permitted as described in clauses (a) through (m) above does not exceed 15% of the stockholders' equity as shown on the most recent consolidated balance sheet of Raytheon and the subsidiaries filed with the Securities and Exchange Commission.

Limitations on Sale and Lease-Back Transactions Raytheon will not, and will not permit any Significant Subsidiary to, enter into any arrangement to sell or transfer any Principal Property and rent back or lease that Principal Property. This restriction shall not apply to:

(a) entering into any transaction not involving a lease with a term of more than three (3) years;

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- (b) entering into any transaction to the extent the Lien on any such property subject to such sale and leaseback would be permitted as described under **Limitation on Liens** above;
- (c) entering into any transaction for the sale and leaseback of any property if such lease is entered into within 180 days after the later of the acquisition, completion of construction or commencement of operation of such property; and
- (d) entering into any sale and leaseback transaction if Raytheon or such Significant Subsidiary within 120 days after the effective date of the lease, applies an amount equal to the greater of (i) the net proceeds of the sale of the property leased in such sale and leaseback transaction or (ii) the fair market value (as determined in good faith by the Board of Directors) of such property on any date within 90 days prior to the effective date of the lease, to the retirement of Funded Debt of Raytheon or any Significant Subsidiary.

Funded Debt of any person means all indebtedness of such person that will mature, pursuant to a mandatory sinking fund or prepayment provision or otherwise, and all installments of indebtedness that will fall due, more than one year from the date of determination. In calculating the maturity of any indebtedness, there shall be included the term of any unexercised right of the debtor to renew or extend such indebtedness existing at the time of determination.

Lien means, with respect to any asset of any person, (i) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset, (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (iii) in the case of securities that constitute assets of such person, any purchase option, call or similar right of a third party with respect to such securities.

Principal Property means (i) Raytheon's principal office building and (ii) any manufacturing plant or principal research facility of Raytheon or any Significant Subsidiary which is located within the United States of America or Canada, except any such principal office building, plant or facility which the Board of Directors by resolution declares is not of material importance to the total business conducted by Raytheon and its subsidiaries as an entirety.

Significant Subsidiary means, at any time, any subsidiary that would be a Significant Subsidiary at such time, as such term is defined in Regulation S-X promulgated by the Securities and Exchange Commission as in effect on May 15, 1995.

Further Issues

We may, without the consent of the holders of the notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes issued pursuant to this offering. Any additional notes, together with the notes issued pursuant to this offering, will constitute a single series of notes under the indenture. No additional notes of this series may be issued if an Event of Default has occurred with respect to the notes.

Defeasance

Under certain circumstances, we will be deemed to have discharged the entire indebtedness on all the outstanding notes by defeasance, or to be discharged from certain covenants otherwise applicable to the notes and described in the accompanying prospectus under the heading **Description of Our Debt Securities**. See **Description of Our Debt Securities Defeasance and Covenant Defeasance** in the accompanying prospectus for a description of the terms of any such defeasance. We have made these defeasance provisions applicable to the notes.

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Global Securities

The notes will each initially be represented by global securities deposited with The Depository Trust Company and registered in the name of a nominee of The Depository Trust Company, except in certain circumstances. See "Description of Our Debt Securities—Global Securities" in the accompanying prospectus for a description of the terms of such global securities and the availability of certificated debt securities. A holder may hold beneficial interests in the global securities directly through The Depository Trust Company if such holder has an account with The Depository Trust Company or indirectly through organizations which have accounts with The Depository Trust Company. Outside of the United States, investors may hold beneficial interests in the global securities through Clearstream Banking, Société Anonyme, which we refer to as "Clearstream," or Euroclear Bank S.A./N.V., as operator of the Euroclear System, which we refer to as "Euroclear," if they are participants in these systems, or indirectly through organizations which are participants in these systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories, which in turn will hold these interests in customers' securities accounts in the names of their respective U.S. depositories on the books of The Depository Trust Company.

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CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following summary of the material federal income tax consequences of the acquisition, ownership and disposition of the notes is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), the final and temporary regulations promulgated thereunder (Treasury Regulations), and published administrative rulings and judicial decisions now in effect, all of which are subject to change (possibly with retroactive effect) or different interpretations. The following summary is not binding on the Internal Revenue Service (the IRS). We have not sought any ruling from the IRS or any opinion of counsel with respect to the tax consequences described below, and there can be no assurance that the IRS will not take a position inconsistent with the tax consequences described below or that any such position taken by the IRS would not be sustained.

This discussion is for general information only and does not purport to address all of the possible federal income tax consequences or any state, local, foreign or non-income tax consequences or consequences under any tax treaty of the acquisition, ownership or disposition of the notes. It is limited to investors who purchase the notes in this offering at the offering price and who will hold the notes as capital assets. It does not address the federal income tax consequences that may be relevant to particular investors in light of their unique circumstances or to investors that are subject to special federal income tax rules, such as: dealers in securities; traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; investors who elect to accrue all interest on the notes on a constant yield method; insurance companies, banks, and other financial institutions; regulated investment companies, real estate investment trusts, and real estate mortgage investment conduits; S corporations, partnerships or other pass-through entities; governments or agencies or instrumentalities thereof; tax-exempt entities and retirement plans, individual retirement accounts and tax-deferred accounts; investors that will hold the notes as a part of a straddle, hedge, wash sale, constructive sale, conversion transaction or other risk reduction transaction or synthetic security; investors who are subject to the alternative minimum tax; investors who are subject to taxation as U.S. expatriates; or investors whose functional currency is not the U.S. dollar.

Prospective investors are urged to consult their tax advisors regarding the federal tax consequences of purchasing, owning and disposing of the notes, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.

For purposes of this summary of certain U.S. federal income tax consequences, a United States person is:

an individual who is a citizen or resident of the United States, as determined for U.S. federal income tax purposes;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in or organized under the law of the United States or any state thereof or the District of Columbia;

an estate that is subject to United States federal income taxation without regard to the source of its income; or

a trust (a) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

If an entity treated as a partnership for U.S. federal income tax purposes holds notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding notes, you should consult your tax advisor.

As used herein, the term U.S. holder means a holder that is a United States person and the term non-U.S. holder means a holder that is not a United States person and that is not treated as a partnership or other pass-through entity for U.S. federal income tax purposes.

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U.S. Holders

Payments of Interest. A U.S. holder of a note will be required to report stated interest on the note as interest income at the time such payments are accrued or received in accordance with such holder's method of accounting for federal income tax purposes. Generally, interest on the notes will constitute investment income for purposes of the limitations on the deductibility of investment interest expense provided under the Code.

Disposition of Notes. The sale, exchange, redemption, retirement, repurchase or other disposition of a note generally will be a taxable event. A U.S. holder generally will recognize gain or loss equal to the difference between (a) the amount of cash plus the fair market value of any property other than cash received upon such sale, exchange, redemption, retirement, repurchase or other taxable disposition of the note (except to the extent attributable to accrued interest) and (b) the U.S. holder's adjusted tax basis in the note. A U.S. holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. holder decreased by the amount of any payments of principal on the note previously received by the U.S. holder. Any such gain or loss will be capital gain or loss, and will be long term capital gain or loss if the notes have been held for more than one year at the time of the disposition. Payments attributable to accrued interest which the U.S. holder has not yet included in income will be taxed as ordinary interest income. The deductibility of capital losses is subject to certain limitations.

Unearned Income Medicare Tax. For taxable years beginning after December 31, 2012, a 3.8% Medicare contribution tax will generally apply to all or some portion of the net investment income of a U.S. holder that is an individual with adjusted gross income that exceeds a threshold amount (\$250,000 if married filing jointly or if considered a surviving spouse for federal income tax purposes, \$125,000 if married filing separately, and \$200,000 in other cases). This 3.8% tax will also apply to all or some portion of the undistributed net investment income of certain U.S. holders that are estates and trusts. For these purposes, interest on the notes and gain from the taxable disposition of the notes will generally be taken into account in computing such a U.S. holder's net investment income.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to certain payments of principal and interest on the notes and the proceeds of sale, redemption, retirement, or repurchase of the notes unless the U.S. holder is an exempt recipient, such as a corporation. A U.S. holder will be subject to backup withholding if the U.S. holder fails to provide its taxpayer identification number or certification of exempt status or if we have been notified by the IRS that the U.S. holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld from a U.S. holder under the backup withholding rules may be refunded to the U.S. holder or credited against the U.S. holder's federal income tax liability, if any, if the required information is furnished to the IRS in a timely manner.

Non-U.S. Holders

Payments of Interest. Subject to the discussion below concerning backup withholding, interest paid to a non-U.S. holder on a note will not be subject to federal income or withholding tax provided that:

the interest is not effectively connected with the conduct of a trade or business within the United States by the non-U.S. holder, or, if an applicable tax treaty applies, the interest is not effectively connected with a permanent establishment or fixed base maintained by the non-U.S. holder in the United States;

the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

the non-U.S. holder is not, for federal income tax purposes, a controlled foreign corporation that is related to us through stock ownership or a foreign private foundation;

the non-U.S. holder is not a