SCHOTTLAENDER COLIN

Form 4

February 23, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

3235-0287

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Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

subject to

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SCHOTTLAENDER COLIN			2. Issuer Name and Ticker or Trading Symbol RAYTHEON CO/ [RTN]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
870 WINTER STREET			(Month/Day/Year) 02/21/2006	Director 10% Owner _X_ Officer (give title Other (specify below) Vice President		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
WALTHAM, MA 02451			Filed(Month/Day/Year)			

(City)	(State)	${\bf (Zip)} \qquad \qquad {\bf Table~I-Non-Derivative~Securities~Acquired, Disposed~of, or~Beneficially~Owned}$								
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit ord Dispos (Instr. 3, 4)	ed of (` ′	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
Common Stock	02/21/2006		M	2,444	A	\$ 38.779	35,885	D		
Common Stock	02/21/2006		M	1,250	A	\$ 19.375	37,135	D		
Common Stock	02/21/2006		M	7,000	A	\$ 19.375	44,135	D		
Common Stock	02/21/2006		S	10,694	D	\$ 42.9996	33,441	D		
Common Stock							3,201 (1)	I	401(k)	

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	Secur Acqu (A) or Dispo	erivative Expiration Date Under urities (Month/Day/Year) (Instr. uired or cosed of		Expiration Date		and Amou ying Securi 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Nun of Shar	
Employee Stock Option	\$ 38.779	02/21/2006		M		611	01/15/1998	01/14/2007	Common Stock	6	
Employee Stock Option	\$ 38.779	02/21/2006		M		611	01/15/1999	01/14/2007	Common Stock	6	
Employee Stock Option	\$ 38.779	02/21/2006		M		611	01/15/2000	01/14/2007	Common Stock	6	
Employee Stock Option	\$ 38.779	02/21/2006		M		611	01/15/2001	01/14/2007	Common Stock	6	
Employee Stock Option	\$ 19.375	02/21/2006		M		1,250	02/25/2001	02/25/2010	Common Stock	1,2	
Performance Stock Option	\$ 19.375	02/21/2006		M		7,000	08/25/2000(2)	02/25/2010	Common Stock	7,0	

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
SCHOTTLAENDER COLIN 870 WINTER STREET WALTHAM, MA 02451			Vice President					

Signatures

John W. Kapples, Attorney-in-fact 02/23/2006

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**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The Reporting Person indirectly beneficially owns 3,201 shares of the Issuer's Common Stock based on funds in the Reporting Person's (1) Savings and Investment Plan/Excess Savings Plan Account divided by \$42.77, the closing price of the Issuer's Common Stock on February 21, 2006.
 - The options become exercisable in three equal installments. The first installment became exercisable on August 25, 2000, upon the Issuer's Common Stock sustaining (for a period of twenty (20) consecutive trading days) a market price of at least \$23.27 per share; the
- (2) second installment became exercisable on October 30, 2000, upon the Issuer's Common Stock sustaining a market price of at least \$27.91 per share; and the third installment became exercisable on February 22, 2002, upon the Issuer's Common Stock sustaining a market price of at least \$33.49 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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