

SCHOTTLAENDER COLIN
 Form 4
 February 23, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SCHOTTLAENDER COLIN

(Last) (First) (Middle)
 870 WINTER STREET
 (Street)

WALTHAM, MA 02451

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 RAYTHEON CO/ [RTN]

3. Date of Earliest Transaction (Month/Day/Year)
 02/21/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

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. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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)
			Code	V	Amount	Price	
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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(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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option	\$ 38.779	02/21/2006		M	611	01/15/1998 01/14/2007	Common Stock	611
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Employee Stock Option	\$ 38.779	02/21/2006		M	611	01/15/2000 01/14/2007	Common Stock	611
Employee Stock Option	\$ 38.779	02/21/2006		M	611	01/15/2001 01/14/2007	Common Stock	611
Employee Stock Option	\$ 19.375	02/21/2006		M	1,250	02/25/2001 02/25/2010	Common Stock	1,250
Performance Stock Option	\$ 19.375	02/21/2006		M	7,000	08/25/2000 ⁽²⁾ 02/25/2010	Common Stock	7,000

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

__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.

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