

customers' budgetary constraints; government import and export policies; termination of government contracts; financial and governmental risks related to international transactions; the integration of acquisitions; the impact of competitive products and pricing; the availability of raw materials, particularly at Commercial Electronics; and risks associated with the continuing project obligations and retained assets and liabilities of Raytheon Engineers & Constructors, among other things. Further information regarding the factors that could cause actual results to differ materially from projected results can be found in the Company's reports filed with the Securities and Exchange Commission, including "Item 1-Business" in the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 1, 2000

RAYTHEON COMPANY

By: /s/Franklyn A. Caine
Franklyn A. Caine
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit

Number

Description

99.1	Presentation to be made at the Lehman Brothers Industrial Conference on December 1, 2000
------	--

EXHIBIT 99.1

	C3I	[PHOTO]	
	[PHOTO]	Aircraft	
		Integration Systems	
Electronic Systems			[PHOTO]
[PHOTO]			Raytheon
			Technical Services

Raytheon
Lehman Industrial Conference

[PHOTO]	[PHOTO]	Raytheon Commercial
Raytheon Systems Limited	Raytheon Aircraft	Electronics
		[PHOTO]

December 1, 2000

Disclosure Regarding Forward-Looking Statements

Certain statements made in this presentation contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act, regarding the company's future plans, objectives and expected performance. Specifically, statements that are not historical facts, including statements accompanied by words such as "believe," "expect," "anticipate," "estimate," "intend," or "plan," are intended to identify forward-looking statements and convey the uncertainty of future events or outcomes.

The company cautions readers that any such forward-looking statements are based on assumptions that the company believes are reasonable, but are subject to a wide-range of risks, and there is no assurance that actual results may not differ materially. Information regarding the factors that could cause actual results to differ from projected results can be found in the company's reports filed with the SEC, including Raytheon's most recent Forms 10-K and 10-Q.

Major Strategic Initiatives

- | | |
|---------------------------------|---|
| Focus on
Fundamentals | 1. Significantly increase focus on cash and productivity |
| | 2. Drive a culture of performance and accountability |
| Strengthen the
balance sheet | 3. Manage the business to generate cash flow |
| | 4. Monetize poorly-positioned businesses |
| Achieve real
growth | 5. Grow businesses faster than their markets |
| | 6. Exploit potential of the commercial electronics businesses |

Initiatives for improved shareholder value

Progress to Date

- o Seeing results from Raytheon Six Sigma
- o Improving our basic processes
- o Meeting our financial management goals
- o Dealing with portfolio issues
- o Building strong backlog for the future

Focus and execution producing tangible results

Focus on Fundamentals
Raytheon Six Sigma

- o Trained 448 experts with another 136 in training
- o Qualified 620 specialists with another 4,300 on the way
- o Started 830 projects with 315 already completed
- o Potential `00 benefits:
 - \$50+ million in operating income
 - \$75+ million in cash flow

Raytheon Six Sigma is driving productivity

Focus on Fundamentals
Supply Chain Management

- o \$7.1 billion annual spend
- o \$100 million through reverse auction process:

Reverse Auctions:	Historic Spend	
Relocation	\$58 M	
International Freight	\$ 7 M	15 - 20% Expected Savings
Industrial Gas	\$ 6 M	
Property & Maintenance Svcs.	\$29 M	

-
- o Targeting \$200+ million through additional channels with potential 20-25% savings

Unlocking the power of enterprise leverage

Focus on Fundamentals
Driving a New Culture

- o 40% of top 250 people new to job within the last year
- o Reduced 1-2 layers of management
- o New senior executives:
 - Finance, Human Resources
 - Manufacturing, Supply Chain
- o Launched extensive learning initiatives with RLI

Lean, agile culture to drive future results

Focus on Fundamentals
Improving Basic Processes

- o Integrated Product Development System
- o Earned Value Management System
- o ECAC disciplines
- o Investment in systems and tools

Process discipline contributes to reliability

EVMS Program Analysis

Behind Schedule and Underspent	Ahead of Schedule and Underspent
C	
P	Target Area
I	
Behind Schedule and Overspent	Ahead of Schedule and Overspent

(SPI)

Strengthen the Balance Sheet
Increased Focus on Cash

o Improved DFAS processing time by 3 days	\$ 75 million
o Increased use of electronic billing process enhancements	\$ 25 million
o Greater use of milestone payments	\$150 million
o Benefit from Paid Cost Rule change	\$ 60 million

Over 5,000 people will be trained in
cash and balance sheet awareness this year

Strengthen the Balance Sheet
Financial Management Initiatives

- o Monetize non-core businesses to reduce debt:
 - expected divestiture proceeds \$400+ million in '00
 - additional opportunities exist for \$250+ million
- o Reduce off-balance sheet debt:
 - down \$1.2 billion through September
 - finding alternative financing for RAC customers

Improving credit quality and financial flexibility
remains a top priority

Achieve Real Growth
DoD Procurement + R&D Outlays

[LINE GRAPH]

4% CAGR
`00-'04

* Raytheon Company estimates relative to FY `99 Actual and expected FY `01 budget

Outlays, our best "proxy" for revenues, showing modest growth

Achieve Real Growth
Building a Strong Backlog

- o Up 14% year-over-year through September
- o Significant contributors over past 18 months:
 - THAAD
 - ASTOR
 - EKV
 - Horizon
 - Javelin
 - Antarctica
 - Classified
 - NRO
- o Average backlog life now extended to over 3 years

Ensuring our base for future revenue streams

Raytheon

Achieve Real Growth
 Top 10 DoD Modernization Programs

DoD Program -----	Raytheon Participation -----	5-Year Bookings Potential -----
BMD	SM-3 LEAP, EKV	\$2-5 B
CVN-77	Multi-Function Radar, Volume Search	1-3 B
F-22	Core Integrated Processor	2-4 B
DDG-51	Electronics Integration, Tomahawk	1-3 B
F/A-18 E/F	Radar, EW, AMRAAM	1-3 B
C-17	-- none --	0
NSSN	Command & Control, Torpedoes	1-2 B
V-22	Airborne EO Systems	1-2 B
LPD-17	Surface Ship System Integration	1-2 B
JSF	Integrated Radar, EO Targeting, EW	1-2 B

Raytheon plays in 9 of DoD's top 10 programs

Achieve Real Growth

Raytheon's Role in Missile Defense

- o National Missile Defense
 - Providing EKV, X-Band and Early Warning Radars
 - Development and testing continue, despite delay in deployment

[PHOTO]

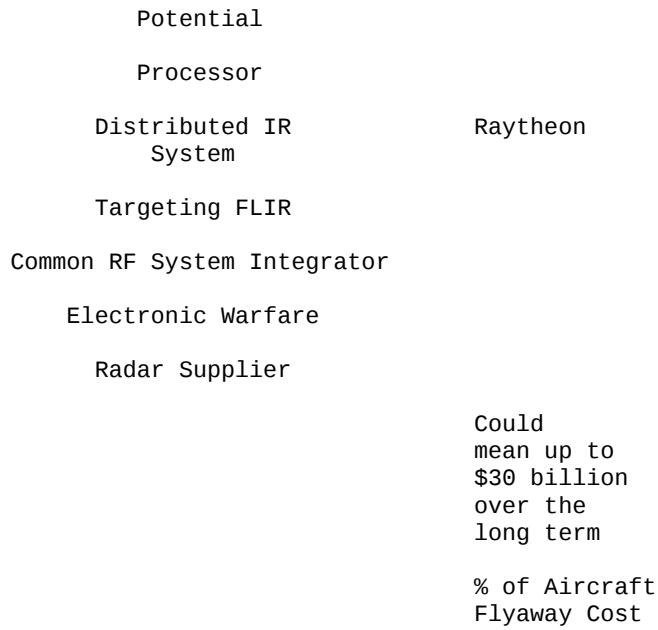
Up to \$5 billion
total potential

- o Theater Missile Defense
 - Major player in all aspects of TMD
 - FY `01 budget at full funding, with some plus ups

Raytheon will play a major role in a key strategic program

Achieve Real Growth
Raytheon's Role in JSF Electronics

[GRAPHIC]



Wide-ranging capabilities = Larger role

Achieve Real Growth
Raytheon's Role in Command & Control
Cooperative Engagement Capability

- o Transmit information gathered from shipboard sensors to aircraft and other ships
- o 26 prototype systems have been delivered to U.S. Navy
- o 156 production units planned
- o Potential for other U.S. services and international naval applications

[PHOTO]

\$3 billion potential
over 10 years

Proven capability to expand the vision of the fleet

Leveraging Defense Technologies
in Commercial Markets

- o IR sensors and imagery
- o Optical components
- o Wireless communications
- o Information assurance and security

[PHOTO]

[PHOTO]

[PHOTO]

Opportunities to create significant shareholder value

Raytheon Aircraft Company

Market

- o Continued strength in general aviation
- o Some weakness in commuter market

[PHOTO]

Competitive Position/Performance

- o Well regarded product/brand
- o Modernizing its product line with composite technology
- o Balance of products and services
- o Production cost issues being closely monitored
- o Premier I certification delay

Significant cash flow returns from
new product introductions

Premier I Certification Progress
Flight Test Summary

[LINE GRAPH]

Certification now 95% complete as we work through
tire burst and rudder centering issues

Our Goals for Year 2000

Earnings per Share	\$1.40 - 1.50
Net debt at year-end	\$9.2 B
Off balance sheet financing	Sell \$0.5B
Operating income and cash flow	Sequential improvement

Risks and Opportunities

Risks

- o International bookings
- o Cost issues:
 - BBJ
 - RAC
- o 1900D market outlook
- o Premier I delay
- o RE&C retained contracts

Opportunities

- o Productivity initiatives flowing to bottom line
- o Cash management efforts:
 - Collection practice improvements
 - Timing on international collections
 - Real process productivity gains
- o Divestitures

Working to maintain the balance

A Preliminary View of 2001

- o Top line growth in line with markets:
 - Defense markets @ 2-4%
 - Commercial markets @ 8+
 - General aviation market @ 0-2%
- o EPS of \$1.55 - 1.70
 - Stabilized defense margins
 - Improving commercial margins
 - No increase in international mix
 - No material change in interest expense
- o Improvement in operating cash flow
 - Minimal restructuring spending
 - Raytheon Six Sigma focuses on the cash cycle
 - Modest proceeds from non-core divestitures

Improving fundamentals produce better financial results

Lehman Industrial Conference

December 1, 2000