

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A- No.1

/X/ Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 1998.

/ / Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from..... to
Commission File Number 1-13699

RAYTHEON COMPANY
(Exact Name of Registrant as Specified in its Charter)

DELAWARE 95-1778500
(State or Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)

141 SPRING STREET, LEXINGTON, MASSACHUSETTS 02421
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (781) 862-6600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, \$.01 par value	New York Stock Exchange
Class B Common Stock, \$.01 par value	Chicago Stock Exchange
Series A Junior Participating Preferred Stock purchase rights	Pacific Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes .X. No ...

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

The aggregate market value of the voting stock held by non-affiliates of the Registrant, as of February 28, 1999, was approximately \$17,823,904,334. For purposes of this disclosure, non-affiliates are deemed to be all persons other than members of the Board of Directors of the Registrant.

Number of shares of Common Stock outstanding as of February 28, 1999: 336,184,525, consisting of 101,255,005 shares of Class A Common Stock and 234,929,520 shares of Class B Common Stock.

Documents incorporated by reference and made a part of this Form 10-K:

Portions of Raytheon's Annual Report to Stockholders for the fiscal year ended December 31, 1998. Part I, Part II, Part IV

Portions of the Proxy Statement for Raytheon's 1999 Annual Meeting filed with the Commission within 120 days after the close of Raytheon's fiscal year. Part III

The sole purpose of this Form 10-K/A is to file Annual Reports for the Registrant's various savings and investment plans.

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

RAYTHEON COMPANY (REGISTRANT)

By: /s/ Thomas D. Hyde
Thomas D. Hyde
Senior Vice President and
General Counsel

Date: June 30, 1999

Exhibit Index

Exhibit No.	Description of Documents
99.1	Annual Report for the Raytheon Savings and Investment Plan.
99.1a	Consent of Independent Accountants
99.1b	Raytheon Savings and Investment Plan, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
99.2	Annual Report for the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees.
99.2a	Consent of Independent Accountants
99.2b	Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
99.3	Annual Report for the Raytheon Employee Savings and Investment Plan.
99.3a	Consent of Independent Accountants
99.3b	Raytheon Employee Savings and Investment Plan, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
99.4	Annual Report for the Raytheon Savings and Investment Plan for Puerto Rico Based Employees.
99.4a	Consent of Independent Accountants
99.4b	Raytheon Savings and Investment Plan for Puerto Rico Based Employees, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
99.5	Annual Report for the E-Systems, Inc. Employee Savings Plan.
99.5a	Consent of Independent Accountants
99.5b	E-Systems, Inc. Employee Savings Plan, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
99.6	Annual Report for the Raytheon TI Systems Savings Plan.
99.6a	Consent of Independent Accountants
99.6b	Raytheon TI Systems Savings Plan, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.

- 99.7 Annual Report for the Raytheon Salaried Savings and Investment Plan.
99.7a Consent of Independent Accountants
99.7b Raytheon Salaried Savings and Investment Plan, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
- 99.8 Annual Report for the Raytheon California Hourly Savings and Investment Plan.
99.8a Consent of Independent Accountants
99.8b Raytheon California Hourly Savings and Investment Plan, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
- 99.9 Annual Report for the Raytheon Tucson Bargaining Savings and Investment Plan.
99.9a Consent of Independent Accountants
99.9b Raytheon Tucson Bargaining Savings and Investment Plan, heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.
- 99.10 Annual Report for the Raytheon Savings and Investment Plan (10014).
99.10a Consent of Independent Accountants
99.10b Raytheon Savings and Investment Plan (10014), heretofore filed as an exhibit to the Company's S-8 Registration Statement No. 333-56117 on June 5, 1998, is hereby incorporated by reference.

RAYTHEON SAVINGS AND INVESTMENT PLAN
FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of
the Raytheon Savings and Investment Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon Savings and Investment Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON SAVINGS AND INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$ 791,829,132	\$ 772,455,041
At fair value (Notes B, F and I)	2,147,582,028	1,887,852,039
	-----	-----
	2,939,411,160	2,660,307,080
	-----	-----
Receivables:		
Accrued investment income and other receivables	3,214,568	3,765,409
Transfer receivables (Note H)	3,824,865,272	-
Cash and cash equivalents	80,249,335	18,482,006
	-----	-----
Total assets	6,847,740,335	2,682,554,495
	-----	-----
Liabilities:		
Payable for outstanding purchases	861,953	3,213,981
Accrued expenses and other payables	1,415,440	1,766,653
	-----	-----
Total liabilities	2,277,393	4,980,634
	-----	-----
Net assets available for plan benefits	\$6,845,462,942	\$2,677,573,861
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS

AVAILABLE FOR PLAN BENEFITS

for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 274,186,504
Interest & Dividends	125,514,753

	399,701,257
Contributions and deferrals:	
Employee deferrals	139,261,693
Employer contributions	40,567,458
Transfers (Note G and H)	3,844,113,615

	4,023,942,766
 Total additions	 4,423,644,023

Deductions from net assets attributable to:	
Distributions to participants	226,235,565
Administrative expenses	228,714
Transfers (Note G)	29,290,663

Total deductions	255,754,942

 Increase in net assets	 4,167,889,081
Net assets, beginning of year	2,677,573,861

Net assets, end of year	\$6,845,462,942
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

The following description of the Raytheon Savings and Investment Plan (the "Plan"), provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions. As more fully described in Note H, effective January 1, 1999, the participants and related account balances of several defined contribution plans (collectively referred to as "Prior Plans") were merged into the Plan.

The Plan is a defined contribution plan covering certain employees of Raytheon Company (the "Company"). To participate in the Plan, eligible employees must have three months of service and may enter the Plan only on the first day of each month. Effective January 1, 1999, eligible employees may join the Plan immediately, including employees from prior plans. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). In addition, effective January 1, 1999, the merger of the Raytheon Stock Ownership Plan and the Raytheon Stock Ownership Plan for Specified Hourly Payroll Employees (collectively referred to as "prior ESOP plans") creates an additional employee stock ownership portion (ESOP) of the Plan. The ESOP is intended to be an employee stock ownership arrangement in compliance with all of the related requirements for a qualified stock bonus plan as defined in the Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are held in the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust") with the assets of other defined contribution plans of the Company. The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plan based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 17% of their salaries. The Company contributes amounts equal to 50% of each participant's deferral, up to a maximum of 3% of salary. The employee and Company contributions are invested based on participant elections. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan.

Effective January 1, 1999, employees are allowed to defer up to 20% of their compensation to the Plan, except for certain employees from Prior Plans who are limited to 17%. Employee contributions, including rollovers, are invested based on participant elections. The Company will match contribution amounts equal to 100% of each participant's deferral, up to a maximum of 4% of compensation. The Company match shall be made to the Raytheon Common Stock Fund and must be held in that fund until the beginning of the fifth Plan Year following the Plan Year for which the contribution was made. The Company will also make an ESOP contribution equal to one-half of one percent of the participant's compensation. The ESOP portion of the Plan provides for investment, primarily in Raytheon Company Class B common stock; however, as required by the Code, the Plan permits limited diversification after a participant attains age 55 or completes 10 years of plan participation (including participation in the prior ESOP plans).

Participants may invest their deferrals in increments of 1% in any combination of seven funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests in shares of a mutual fund consisting primarily of equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, and (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies. In addition, certain employees who transferred into the Plan were allowed to maintain small balances in other fund options that become available to all participants in 1999. Dividends and distributions from investments of all fund options are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Effective January 1, 1999, the Plan will offer several additional fund options that were available in Prior Plans. These options include:

Templeton Foreign I Fund - a long-term capital growth fund which invests in stocks and debt obligations of companies and governments of any nation.

Vanguard Morgan Growth Fund - investments consist primarily of common stocks of corporations with either established growth patterns, emerging growth potential, or cyclical growth patterns.

Vanguard Windsor Fund - investments consist of a portfolio of common stocks, the objective of which is primarily long-term growth and secondarily, current income through dividends.

Vanguard Wellesley Income Fund - investments consist of about 60% fixed-income securities and 40% common stocks. The Fund objective is primarily current income through dividends, and secondarily, moderate capital growth.

T. Rowe Price Small Cap Stock Fund - invests in equity securities of small, high growth potential companies.

RTN-A Wasting Fund and GMH Wasting Fund - hold shares of Raytheon Company Class A common stock or General Motors Class H common stock, respectively, that were transferred into the Plan from Prior Plans. These options will not be open for additional contributions and will only be available through December 31, 2002.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately vested in their voluntary deferrals plus actual earnings thereon. Vesting requirements for employer contributions plus earnings thereon may vary depending upon when an employee became eligible to participate in the Plan. Vesting generally occurs upon completion of five years of service or upon three years of Plan participation or upon retirement, death, disability, or attainment of normal retirement age. Forfeitures of the non-vested portions of terminated participants' accounts are used to reduce required contributions of the Company.

Effective January 1, 1999, all employee and employer contributions and earnings thereon are fully and immediately 100% vested.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500, (\$5,000 effective January 1, 1999) and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's account balance or \$50,000. The minimum loan, which may be granted, is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to five years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

The Plan participants pay substantially all expenses of administering the Plan.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net employee contributions plus interest earned on the underlying investments at contracted rates. Contract values approximate fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades, which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded on an accrual basis. Investment income includes both dividends and interest income.

Benefits are recorded when paid.

Certain items in the 1997 financial statements have been reclassified to conform to the 1998 presentation.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated July 1995 that the Plan and related trust are designed in accordance with applicable sections of the Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, after payment of all expenses and proportional adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations, each participant shall be entitled to receive any amounts then credited to his or her account.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios (with no expiration date), which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in-groups, between the Plan and all other plans included in the Raytheon Company Master Trust for those participants and/or groups of participants who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in-groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

H. Transfer Receivables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances from several Prior Plans into the Plan. The Prior Plans ceased to exist on December 31, 1998 and effective January 1, 1999 the plan provisions of the Plan govern. The transfer receivable by Prior Plan is as follows:

Raytheon Salaried Savings and Investment Plan	\$2,188,796,696
E-Systems, Inc. Employee Savings Plan	744,493,356
Raytheon TI Systems Savings Plan	255,787,439
Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees	233,308,197
Raytheon Stock Ownership Plan	219,416,215
Raytheon STX Corporation 401(k) Retirement Plan	89,317,908
Raytheon California Hourly Savings and Investment Plan	59,818,911
Raytheon Stock Ownership Plan for Specified Hourly Payroll Employees	29,965,013
Standard Missile 401(k) Plan	3,961,537

Total	\$3,824,865,272
	=====

I. Fund Data:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1998:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund	Blue Chip Fund
Assets:							
Master trust investments:							
At contract value:							
Bankers Trust	\$278,760,941						
Prudential Insurance Company of America	139,592,355						
Metropolitan Life Insurance Company*	350,379,445						
Fidelity Connecticut General Monumental Life Insurance Company	15,198,859 3,851,325 4,046,207						
At fair value:							
Fidelity Equity Income Fund*		\$691,209,765					
Raytheon Company Common Stock Fund*			\$356,701,412				
BT Pyramid Equity Index Fund*				\$519,296,605			
Fidelity Balanced Fund					\$126,343,413		
Fidelity Magellan Fund						\$135,325,150	
Fidelity Blue Chip Fund							\$191,248,790
Fidelity Retirement Money Market							
Vanguard Winsor Vanguard Wellesley TRP Small Cap Stock Loans receivable from participants							
Total investments	791,829,132	691,209,765	356,701,412	519,296,605	126,343,413	135,325,150	191,248,790
Receivables:							
Accrued investment income and other receivables			2,118,587	1,095,981			
Transfer receivables							
Cash and cash equivalents	73,020,876		4,909,081	2,319,378			
Total assets	864,850,008	691,209,765	363,729,080	522,711,964	126,343,413	135,325,150	191,248,790
Liabilities:							
Payable for outstanding purchases			861,953				
Accrued expenses and other payables			826,930	588,510			
Total liabilities	-	-	1,688,883	588,510	-	-	-
Net assets available for plan benefits	\$864,850,008	\$691,209,765	\$362,040,197	\$522,123,454	\$126,343,413	\$135,325,150	\$191,248,790

	Templeton Foreign I Fund	Retirement Money Market Fund	Vanguard Winsor Fund	Vanguard Wellesley Fund	TRP Cap Stock Fund
Assets:					
Investments:					
At contract value:					
Bankers Trust					
Prudential Life Insurance Company of America					
Metropolitan Life Insurance Company*					
Fidelity Connecticut General Monumental Life Insurance Company					
At fair value:					
Fidelity Equity Income Fund*					
Raytheon Company Common Stock Fund*					
BT Pyramid Equity Index Fund*					
Fidelity Balanced Fund					
Fidelity Magellan Fund					
Templeton Foreign I Fund	\$ 52				
Fidelity Retirement Money Market		\$ 82,195			
Vanguard Winsor			\$ 41		
Vanguard Wellesley				\$ 18	
TRP Small Cap Stock					\$ 348
Loans receivable from participants					
	-----	-----	-----	-----	-----
Total investments	52	82,195	41	18	348
	-----	-----	-----	-----	-----
Receivables:					
Accrued investment income and other receivables Transfer receivables					
Cash and cash equivalents					
	-----	-----	-----	-----	-----
Total assets	52	82,195	41	18	348
	-----	-----	-----	-----	-----
Liabilities:					
Payables for outstanding purchases Accrued expenses and other payables					
	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-
	-----	-----	-----	-----	-----
Net assets available for plan benefits					
	\$ 52	\$ 82,195	\$ 41	\$ 18	\$ 348
	=====	=====	=====	=====	=====

	Loan Fund	Other (1)	Total
Assets:			
Investments:			
At contract value:			
Bankers Trust			\$ 278,760,941
Prudential Life Insurance Company of America			139,592,355
Metropolitan Life Insurance Company*			350,379,445
Fidelity Connecticut General Monumental Life Insurance Company			15,198,859 3,851,325 4,046,207
At fair value:			
Fidelity Equity Income Fund*			691,209,765
Raytheon Company Common Stock Fund*			356,701,412
BT Pyramid Equity Index Fund*			519,296,605
Fidelity Balanced Fund			126,343,413
Fidelity Magellan Fund			135,325,150
Fidelity Blue Chip Fund			191,248,790
Templeton Foreign I Fund			52
Fidelity Retirement Money Market			82,195
Vanguard Winsor			41
Vanguard Wellesley			18
TRP Small Cap Stock			348
Loans receivable from participants	\$127,374,239		127,374,239
	-----	-----	-----
Total investments	127,374,239	-	2,939,411,160
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables			3,214,568
Transfer receivables		\$3,824,865,272	3,824,865,272
Cash and cash equivalents			80,249,335
	-----	-----	-----
Total assets	127,374,239	3,824,865,272	6,847,740,335
	-----	-----	-----
Liabilities:			
Payables for outstanding purchases			861,953
Accrued expenses and other payables			1,415,440
	-----	-----	-----
Total liabilities	-	-	2,277,393
	-----	-----	-----
Net assets available for plan benefits	\$127,374,239	\$3,824,865,272	\$6,845,462,942
	=====	=====	=====

(1) See Note H.

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust*	\$288,500,627					
Prudential Insurance Company of America*	178,944,318					
Metropolitan Life Insurance Company*	305,010,096					
At fair value:						
Fidelity Equity Income Fund*		\$702,811,931				
Raytheon Company Common Stock*			\$378,088,027			
BT Pyramid Equity Index Fund*				\$410,284,635		
Fidelity Balanced Fund					\$99,624,204	
Fidelity Magellan Fund						\$73,972,306
Fidelity Blue Chip Fund*						
Loans receivable from participants						
Total investments	772,455,041	702,811,931	378,088,027	410,284,635	99,624,204	73,972,306
Receivables:						
Accrued investment income and other receivables			2,782,739	982,670		
Cash and cash equivalents	7,610,141		6,842,320	4,029,545		
Total assets	780,065,182	702,811,931	387,713,086	415,296,850	99,624,204	73,972,306
Liabilities:						
Payable for outstanding purchases			3,213,981			
Accrued expenses and other payables			750,673	1,015,980		
Total liabilities	-	-	3,964,654	1,015,980	-	-
Net assets available for plan benefits	\$780,065,182	\$702,811,931	\$383,748,432	\$414,280,870	\$99,624,204	\$73,972,306

*Represents more than 5% of net assets available for plan benefits

	Blue Chip Fund	Loan Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust*			\$ 288,500,627
Prudential Insurance Company of America*			178,944,318
Metropolitan Life Insurance Company*			305,010,096
At fair value:			
Fidelity Equity Income Fund*			702,811,931
Raytheon Company Common Stock*			378,088,027
BT Pyramid Equity Index Fund*			410,284,635
Fidelity Balanced Fund			99,624,204
Fidelity Magellan Fund			73,972,306
Fidelity Blue Chip Fund*	\$104,583,449		104,583,449
Loans receivable from participant		\$118,487,487	118,487,487
	-----	-----	-----
Total investments	104,583,449	118,487,487	2,660,307,080
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables			3,765,409
Cash and cash equivalents			18,482,006
	-----	-----	-----
Total assets	104,583,449	118,487,487	2,682,554,495
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases			3,213,981
Accrued expenses and other payables			1,766,653
	-----	-----	-----
Total liabilities	-	-	4,980,634
	-----	-----	-----
Net assets available for plan benefits	\$104,583,449	\$118,487,487	\$2,677,573,861
	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

I. Fund Data, Continued:

The following is a summary of changes in net assets available for plan benefits by fund for the year ended December 31, 1998:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund	Blue Chip Fund
Additions to net assets attributable to:							
Investment income:							
Net appreciation of investments	\$ 7,968	\$ 39,869,117	\$ 46,093,769	\$116,015,605	\$ 8,737,847	\$ 23,704,822	\$ 35,513,033
Interest & Dividends	52,236,404	40,677,644	487		11,799,209	5,735,292	7,005,152
	52,244,372	80,546,761	46,094,256	116,015,605	20,537,056	29,440,114	42,518,185
Contributions and deferrals:							
Employee deferrals	34,393,979	30,611,637	19,742,509	24,215,193	7,352,853	10,245,680	12,699,583
Employer contributions	9,772,937	9,247,861	6,058,288	7,160,853	2,130,456	2,735,723	3,461,156
Transfers	688,904	433,952		390,442	81,659	292,867	
	44,855,820	40,293,450	25,800,797	31,766,488	9,564,968	13,274,270	16,160,739
Total additions	97,100,192	120,840,211	71,895,053	147,782,093	30,102,024	42,714,384	58,678,924
Deductions from net assets attributable to:							
Distributions to participants	92,915,405	47,496,188	20,966,864	29,985,617	7,923,978	6,806,225	8,887,855
Administrative expenses	68,305	61,171	34,400	37,925	9,103	7,397	10,413
Transfers	9,832,382	6,519,835	3,644,315	4,904,260	1,139,553	1,464,607	1,785,711
Total deductions	102,816,092	54,077,194	24,645,579	34,927,802	9,072,634	8,278,229	10,683,979
Interfund transfers	90,500,726	(78,365,183)	(68,957,709)	(5,011,707)	5,689,819	26,916,689	38,670,396
Increase(decrease) in net assets	84,784,826	(11,602,166)	(21,708,235)	107,842,584	26,719,209	61,352,844	86,665,341
Net assets, beginning of year	780,065,182	702,811,931	383,748,432	414,280,870	99,624,204	73,972,306	104,583,449
Net assets, end of year	\$864,850,008	\$691,209,765	\$362,040,197	\$522,123,454	\$126,343,413	\$135,325,150	\$191,248,790

	Templeton Foreign I Fund	Retirement Money Market Fund	Vanguard Winsor Fund	Vanguard Wellesley Fund	TRP Cap Stock Fund
Assets:					
Additions to net assets					
attributable to:					
Investment income:					
Net appreciation of investments	\$ -	\$ 1,231	\$ 2,864,378	\$ 1,379,950	\$ 15
Interest & Dividends	-	1,231	2,864,378	1,379,950	15
Contributions and deferrals:					
Employee deferrals	32		18	18	191
Employer contributions	20		22		142
Transfers		10,958	(2,864,377)	(1,379,950)	
	52	10,958	(2,864,337)	(1,379,932)	333
Total additions	52	12,189	41	18	348
Deductions from net assets					
attributable to:					
Distributions to					
participants		(84)			
Administrative expenses					
Transfers					
Total deductions	-	(84)	-	-	-
Interfund transfers					
		69,922			
Increase/(Decrease) in net assets	52	82,195	41	18	348
Net assets, beginning of year					
Net assets, end of year	\$ 52	\$ 82,195	\$ 41	\$ 18	\$ 348

	Loan Fund	Other(1)	Total
Additions to net assets attributable to:			
Investment income:			
Net appreciation of investments			\$ 274,186,504
Interest & Dividends	\$ 8,059,334		125,514,753
	-----	-----	-----
	8,059,334		399,701,257
	-----	-----	-----
Contributions and deferrals:			
Employee deferrals			139,261,693
Employer contributions			40,567,458
Transfers	21,593,888	\$3,824,865,272	3,844,113,615
	-----	-----	-----
	21,593,888	3,824,865,272	4,023,942,766
	-----	-----	-----
Total additions	29,653,222	3,824,865,272	4,423,644,023
	-----	-----	-----
Deductions from net assets attributable to:			
Distributions to participants	11,253,517		226,235,565
Administrative expenses			228,714
Transfers			29,290,663
	-----	-----	-----
Total deductions	11,253,517	-	255,754,942
	-----	-----	-----
Interfund transfers	(9,512,953)		
	-----	-----	-----
Increase/(Decrease) in net assets	8,886,752	3,824,865,272	4,167,889,081
Net assets, beginning of year	118,487,487		2,677,573,861
	-----	-----	-----
Net assets, end of year	\$127,374,239	\$3,824,865,272	\$6,845,462,942
	=====	=====	=====

(1) See Note H

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General Monumental Life Insurance Company						25,803,449
						6,538,482
						6,869,338
At fair value:						
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 95.9%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						
						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are plan assets - 76.2%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	\$ 15 =====	\$ (35,268) =====	\$44,604,025 =====	\$15,334,403 =====	\$713,220,755 =====

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon Savings and Investment Plan, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

RAYTHEON TI SYSTEMS SAVINGS PLAN

FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of
the Raytheon TI Systems Savings Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon TI Systems Savings Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes A and H to the financial statements, the Board of Directors of Raytheon Company voted on December 16, 1998, to merge the Plan into the Raytheon Savings and Investment Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON TI SYSTEMS SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$ 36,008,015	\$ 27,129,250
At fair value (Notes B, F and I)	215,389,507	151,647,372
	-----	-----
	251,397,522	178,776,622
	-----	-----
Receivables:		
Accrued investment income and other receivables	422,047	528,072
Cash and cash equivalents	4,278,946	1,673,631
	-----	-----
Total assets	256,098,515	180,978,325
	-----	-----
Liabilities:		
Payable for outstanding purchases	132,047	533,996
Accrued expenses and other payables	179,030	192,678
Transfer payables (Note H)	255,787,438	
	-----	-----
Total liabilities	256,098,515	726,674
	-----	-----
Net assets available for plan benefits	\$ -	\$180,251,651
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON TI SYSTEMS SAVINGS PLAN
 STATEMENT OF CHANGES IN NET ASSETS
 AVAILABLE FOR PLAN BENEFITS
 for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 25,229,092
Interest & Dividends	8,294,811

	33,523,903
Contributions and deferrals:	
Employee deferrals	43,369,679
Employer contributions	8,443,415
Transfers (Note G)	32,797

	51,845,891
 Total additions	 85,369,794

Deductions from net assets attributable to:	
Distributions to participants	9,757,925
Administrative expenses	16,103
Transfers (Note G and H)	255,847,417

Total deductions	265,621,445

Decrease in net assets	(180,251,651)
Net assets, beginning of year	180,251,651

Net assets, end of year	\$ -
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON TI SYSTEMS SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

As more fully described in Note H, the Raytheon TI Systems Savings Plan (the "Plan") ceased to exist as of December 31, 1998 and effective January 1, 1999, was merged into the Raytheon Savings and Investment Plan (RAYSIP). The following description of the Plan provides only general information that is applicable through December 31, 1998. Participants should refer to the plan document for a complete description of the Plan's provisions.

The Plan was established on July 11, 1997 for former employees of Texas Instruments. The Plan is a defined contribution plan covering certain employees of Raytheon Company (the "Company"). An employee becomes eligible to participate in the Plan on the date he or she becomes an employee and may enter the Plan any day thereafter during his or her employment. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are combined with the investments of other similar defined contribution plans of the Company into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 17% of their salaries. The Company contributes amounts equal to 50% of each participant's deferral, up to a maximum of 2% of the participant's salary. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan. Participants may invest their deferrals in any combination of nine funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests

in shares of a mutual fund consisting primarily of equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies, (h) the Templeton Foreign I Fund, a long-term capital growth fund which invests in stocks and debt obligations of companies and governments of any nation and (i) the Fidelity Investment Grade Bond Fund which invests primarily in U.S. government and corporate bonds including, without limitation, index funds and mutual funds. The Fidelity Investment Grade Bond Fund was eliminated as an option during 1998 and balances were transferred into the Fixed Income Fund. Dividends and distributions from investments of the Fidelity Equity Income Fund, the Raytheon Common Stock Fund, the Stock Index Fund, the Fidelity Balanced Fund, the Fidelity Magellan Fund, the Fidelity Blue Chip Fund, the Templeton Foreign I Fund and the Fidelity Investment Grade Bond Fund are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are fully and immediately vested in their entire account balance including voluntary deferrals, employer contributions and all investment earnings thereon.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to five years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Substantially all expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net contributions and deferrals plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividends and interest income.

Benefits are recorded when paid.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated March 1999 that the Plan, as adopted on July 11, 1997, and related trust are designed in accordance with applicable sections of the Code. The Plan has been amended since applying for the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, plan assets shall be distributed among all participants in proportion to their interest and employee contributions shall be distributed in accordance with the provisions contained in the Code.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in-groups, between the Plan and other plans included in the Raytheon Company Master Trust for those participants, and/or groups of participants, who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in-groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

H. Transfer Payables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances into the RAYSIP. The Plan ceased to exist on December 31, 1998 and effective January 1, 1999, the plan provisions of the RAYSIP govern. The transfer payable amount represents a complete transfer of assets to the RAYSIP.

	Templeton Foreign I Account	Loan Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 12,676,508
Prudential Insurance Company of America			6,347,889
Metropolitan Life Insurance Company			15,933,322
Fidelity			691,160
Connecticut General Monumental Life Insurance Company			175,137
			183,999
At fair value:			
Fidelity Equity Income Fund			17,276,885
Raytheon Company Common Stock Fund			54,644,741
BT Pyramid Equity Index Fund			46,192,796
Fidelity Balanced Fund			13,627,478
Fidelity Magellan Fund			19,552,160
Fidelity Blue Chip Fund			41,109,867
Templeton Foreign I Fund	\$ 6,966,650		6,966,650
Loans receivable from participants		\$16,018,930	16,018,930
	-----	-----	-----
Total investments	6,966,650	16,018,930	251,397,522
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables			422,047
Cash and cash equivalents			
			4,278,946
	-----	-----	-----
Total assets	6,966,650	16,018,930	256,098,515
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases			132,047
Accrued expenses and other payables			179,030
Transfer payables	6,966,650	16,018,930	255,787,438
	-----	-----	-----
Total liabilities	6,966,650	16,018,930	256,098,515
	-----	-----	-----
Net assets available for plan benefits			
	\$ 0	\$ 0	\$ 0
	=====	=====	=====

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust*	\$ 10,132,377					
Prudential Insurance Company of America	6,284,670					
Metropolitan Life Insurance Company*	10,712,203					
At fair value:						
Fidelity Equity Income Fund		\$ 8,254,100				
Raytheon Company Common Stock*			\$62,818,459			
BT Pyramid Equity Index Fund*				\$27,442,258		
Fidelity Balanced Fund					\$7,638,642	
Fidelity Magellan Fund						\$6,635,153
Fidelity Blue Chip Fund*						
Templeton Foreign I Fund						
Fidelity Investment Grade Bond Fund						
Loans receivable from participants*						
Total investments	27,129,250	8,254,100	62,818,459	27,442,258	7,638,642	6,635,153
Receivables:						
Accrued investment income and other receivables			462,345	65,727		
Cash and cash equivalents	267,275		1,136,836	269,520		
Total assets	27,396,525	8,254,100	64,417,640	27,777,505	7,638,642	6,635,153
Liabilities:						
Payable for outstanding purchases			533,996			
Accrued expenses and other payables			124,723	67,955		
Total liabilities	-	-	658,719	67,955	-	-
Net assets available for plan benefits	\$ 27,396,525	\$ 8,254,100	\$63,758,921	\$27,709,550	\$7,638,642	\$6,635,153

*Represents more than 5% of net assets available for plan benefits

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Loan Fund	Total
Assets:					
Investments:					
At contract value:					
Bankers Trust*					\$ 10,132,377
Prudential Life Insurance Company of America					6,284,670
Metropolitan Life Insurance Company*					10,712,203
At fair value:					
Fidelity Equity Income Fund					8,254,100
Raytheon Company Common Stock Fund*					62,818,459
BT Pyramid Equity Index Fund*					27,442,258
Fidelity Balanced Fund					7,638,642
Fidelity Magellan Fund					6,635,153
Fidelity Blue Chip Fund*	\$ 18,760,639				18,760,639
Templeton Foreign I Fund		\$5,471,176			5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125		1,548,125
Loans receivable from participants*				\$ 13,078,820	13,078,820
	-----	-----	-----	-----	-----
Total investments	18,760,639	5,471,176	1,548,125	13,078,820	178,776,622
	-----	-----	-----	-----	-----
Receivables:					
Accrued investment income and other receivables					528,072
Cash and cash equivalents					1,673,631
	-----	-----	-----	-----	-----
Total assets	18,760,639	5,471,176	1,548,125	13,078,820	180,978,325
	-----	-----	-----	-----	-----
Liabilities:					
Payable for outstanding purchases					533,996
Accrued expenses and other payables					192,678
	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	726,674
	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$ 18,760,639	\$5,471,176	\$1,548,125	\$ 13,078,820	\$180,251,651
	=====	=====	=====	=====	=====

*Represent more than 5% of net assets available for plan benefits

	Templeton Foreign I Fund	Investment Grade Bond Fund	Loan Fund	Total
Additions to net assets attributable to:				
Investment income:				
Net appreciation (depreciation) of investments	\$ (1,095,967)	\$ 17,634		\$ 25,229,092
Interest & Dividends	752,610	162,858	\$ 1,255,665	8,294,811
	-----	-----	-----	-----
	(343,357)	180,492	1,255,665	33,523,903
	-----	-----	-----	-----
Contributions and deferrals:				
Employee deferrals	2,897,062	856,960		43,369,679
Employer contributions	598,350	103,492		8,443,415
Transfers			(12,088)	32,797
	-----	-----	-----	-----
	3,495,412	960,452	(12,088)	51,845,891
	-----	-----	-----	-----
Total additions	3,152,055	1,140,944	1,243,577	85,369,794
	-----	-----	-----	-----
Deductions from net assets attributable to:				
Distributions to participants	274,069	123,832	775,228	9,757,925
Administrative expenses	514	174		16,103
Transfers			(16,562)	59,978
Transfers plan mergers	6,966,650		16,018,930	255,787,439
	-----	-----	-----	-----
Total deductions	7,241,233	124,006	16,777,596	265,621,445
	-----	-----	-----	-----
Interfund transfers	(1,381,998)	(2,565,063)	2,455,199	
	-----	-----	-----	-----
Decrease in net assets	(5,471,176)	(1,548,125)	(13,078,820)	(180,251,651)
	-----	-----	-----	-----
Net assets, beginning of year	5,471,176	1,548,125	13,078,820	180,251,651
	-----	-----	-----	-----
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General						25,803,449
Monumental Life Insurance Company						6,538,482
						6,869,338
At fair value:						
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 0.00%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

J. Master Trust, Continued:

The following is a summary of net assets available for plan benefits by fund under the Master Trust as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Investments:						
At contract value:						
Bankers Trust*	\$351,035,073					
Prudential Life Insurance Company of America*	217,731,699					
Metropolitan Life Insurance Company*	371,123,080					
At fair value:						
Fidelity Equity Income Fund*		\$782,799,011				
Raytheon Company Common Stock Fund*			\$745,980,294			
BT Pyramid Equity Index Fund*				\$484,781,406		
Fidelity Balanced Fund					\$117,556,481	
Fidelity Magellan Fund						\$91,863,155
Fidelity Blue Chip Fund						
Templeton Foreign I Fund						
Fidelity Investment Grade Bond Fund						
Fidelity Retirement Money Market Fund						
Loans receivable from participants						
Total investments	939,889,852	782,799,011	745,980,294	484,781,406	117,556,481	91,863,155
Receivables:						
Employer contribution Accrued investment income and other receivables			5,489,592	1,161,112		
Cash and cash equivalents	9,232,100		13,498,051	4,761,268		
Total assets	949,121,952	782,799,011	764,967,937	490,703,786	117,556,481	91,863,155
Liabilities:						
Payable for outstanding purchases			6,340,318			
Accrued expenses and other payables			1,480,875	1,200,471		
Total liabilities	-	-	7,821,193	1,200,471	-	-
Net assets available for plan benefits	\$949,121,952	\$782,799,011	\$757,146,744	\$489,503,315	\$117,556,481	\$91,863,155

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are Plan assets - 5.1%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	=====	=====	=====	=====	=====

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

RAYTHEON EMPLOYEE SAVINGS
AND INVESTMENT PLAN

FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of
the Raytheon Employee Savings and Investment Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon Employee Savings and Investment Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON EMPLOYEE SAVINGS AND INVESTMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$ 21,118,702	\$ 20,126,493
At fair value (Notes B, F and I)	57,350,890	41,496,932
	-----	-----
	78,469,592	61,623,425
	-----	-----
Receivables:		
Accrued investment income and other receivables	75,163	79,759
Transfer receivables (Note H)	210,313,280	-
Cash and cash equivalents	2,117,237	422,687
	-----	-----
Total assets	290,975,272	62,125,871
	-----	-----
Liabilities:		
Payable for outstanding purchases	21,566	72,220
Accrued expenses and other payables	32,586	34,682
	-----	-----
Total liabilities	54,152	106,902
	-----	-----
Net assets available for plan benefits	\$290,921,120	\$ 62,018,969
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON EMPLOYEE SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS

AVAILABLE FOR PLAN BENEFITS

for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 7,179,846
Interest & Dividends	3,401,424

	10,581,270
Contributions and deferrals:	
Employee deferrals	10,671,948
Employer contributions	5,466,458
Transfers (Note G and H)	211,989,472

	228,127,878
Total additions	238,709,148

Deductions from net assets attributable to:	
Distributions to participants	9,761,895
Administrative expenses	5,356
Transfers (Note G)	39,746

Total deductions	9,806,997
Increase in net assets	228,902,151
Net assets, beginning of year	62,018,969

Net assets, end of year	\$290,921,120
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON EMPLOYEE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

The following description of the Raytheon Employee Savings and Investment Plan (the "Plan") provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions. As more fully described in Note H, effective January 1, 1999, the participants and related account balances of several defined contribution plans (collectively referred to as "Prior Plans") were merged into the Plan.

The Plan is a defined contribution plan and covers the employees of the Raytheon Support Services Company and the Range Systems Engineer Support Company, respectively, wholly-owned subsidiaries of Raytheon Company (the "Company"). To participate in the Plan, eligible employees must have three months of service and may enter the Plan only on the first day of each month. Effective January 1, 1999, certain union employees of Raytheon Systems Company, Cedarapids, Inc. and Raytheon Aircraft Company who participated in Prior Plans were merged into the Plan and all eligible employees, including those from Prior Plans, may join the Plan immediately. In addition, the Raytheon Stock Ownership Plan for Specified Hourly Payroll Employees (referred to as the "Prior ESOP Plan") was merged into the Plan and created an additional employee stock ownership portion (ESOP) of the Plan.

The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). The ESOP is intended to be an employee stock ownership arrangement in compliance with all of the related requirements for a qualified stock bonus plan as defined in the Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are combined with the investments of other similar defined contribution plans of Raytheon Company and subsidiaries into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Master Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plan based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 17% of their salaries. In 1995, the Company began to make qualified non-elective contributions (QNECs) to certain accounts based on specific employee agreements. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan.

Effective January 1, 1999, eligible employees at certain divisions of Raytheon Systems Company have different deferral limitations ranging from 10% to 20%, depending upon division. In addition, for certain union employees at Raytheon Systems Company, Cedarapids, Inc. and Raytheon Aircraft Company, the Company will match amounts at 100%, 50% of the first 6% or 50% of the first 3% of elective deferrals. The maximum match varies by division and is 4%, 3% or 1.5% of compensation. The Company match is participant directed at certain divisions. At divisions where the Company match is not participant directed, the match shall be made to the Raytheon Common Stock Fund and must be held in that fund until the beginning of the fifth Plan Year following the Plan Year for which the contribution was made. For certain divisions, the Company will also make QNECs, employer contributions based on hours of service or percent of pay and/or ESOP contributions. When applicable, ESOP contributions are equal to one-half of one percent of the participant's compensation. The ESOP portion of the Plan provides for investment, primarily in Raytheon Company Class B common stock; however, as required by the Code, the Plan permits limited diversification after a participant attains age 55 or completes 10 years of plan participation (including participation in the Prior ESOP Plan).

Participants may invest their deferrals in increments of 1% in any combination of seven funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests in shares of a mutual fund consisting primarily of equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, and (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies. Dividends and distributions from all fund options are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Effective January 1, 1999, the Plan will offer several additional fund options that were available in prior plans. These options include:

Templeton Foreign I Fund - a long-term capital growth fund which invests in stocks and debt obligations of companies and governments of any nation.

Vanguard Morgan Growth Fund - investments consist primarily of common stocks of corporations with either established growth patterns, emerging growth potential, or cyclical growth patterns.

Vanguard Windsor Fund - investments consist of a portfolio of common stocks, the objective of which is primarily long-term growth and secondarily, current income through dividends.

Vanguard Wellesley Income Fund - investments consist of about 60% fixed-income securities and 40% common stocks. The Fund objective is primarily current income through dividends, and secondarily, moderate capital growth.

T. Rowe Price Small Cap Stock Fund - invests in equity securities of small, high growth potential companies.

RTN-A Wasting Fund and GMH Wasting Fund - hold shares of Raytheon Company Class A common stock or General Motors Class H common stock, respectively, that were transferred into the Plan from Prior Plans. These options will not be open for additional contributions and will only be available through December 31, 2002.

Participant Accounts

Each participant's account is credited with the participant's deferral, any applicable employer contributions (QNECs, matching contributions, employer or ESOP) and an allocation of Plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately vested in their voluntary deferrals and employer contributions plus actual earnings thereon.

Certain union employees at Raytheon Systems Company, Cedarapids, Inc. and Raytheon Aircraft Company, whose accounts merged into the Plan effective January 1, 1999, will retain the vesting schedule from their Prior Plans. Vesting requirements for employer contributions plus earnings thereon may vary depending upon when an employee became eligible to participate in the Prior Plans. Vesting generally occurs upon completion of five years of service or upon three years of Plan participation or upon retirement, death, disability, or attainment of normal retirement age. Forfeitures of the non-vested portions of terminated participants' accounts are used to reduce required contributions of the Company.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 (\$5,000 effective January 1, 1999) and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to five years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

The Plan participants pay substantially all expenses of administering the Plan.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net employee contributions plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividend and interest income.

Benefits are recorded when paid.

Certain items in the 1997 financial statements have been reclassified to conform to the 1998 presentation.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated June 1995 that the Plan and related trust are designed in accordance with applicable sections of the Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, after payment of all expenses and proportional adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations, each participant shall be entitled to receive any amounts then credited to his or her account.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements, the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in groups, between the Plan and all other plans included in the Raytheon Company Master Trust for those participants and/or groups of participants who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in-groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

H. Transfer Receivables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances from several Prior Plans into the Plan. The Prior Plans ceased to exist on December 31, 1998 and effective January 1, 1999, the provisions of the Plan govern. The transfer receivable by Prior Plan is as follows:

Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees	\$109,994,457
Raytheon Tucson Bargaining Unit Employees Savings and Investment Plan	46,783,076
Raytheon Savings and Investment Plan (10014)	18,676,997
Serv-Air, Inc. Savings and Retirement Plan	18,053,874
Raytheon Stock Ownership Plan for Specified Hourly Payroll Employees	16,804,876

Total	\$210,313,280
	=====

I. Fund Data:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1998:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund	Blue Chip Fund
Assets:							
Master trust investments:							
At contract value:							
Bankers Trust	\$ 7,434,772						
Prudential Life Insurance Company of America	3,723,037						
Metropolitan Life Insurance Company	9,344,894						
Fidelity	405,365						
Connecticut General Monumental Life Insurance Company	102,718						
	107,916						
At fair value:							
Fidelity Equity Income Fund		\$10,975,776					
Raytheon Company Common Stock Fund			\$8,925,215				
BT Pyramid Equity Index Fund				\$10,496,295			
Fidelity Balanced Fund					\$4,014,520		
Fidelity Magellan Fund						\$7,549,319	
Fidelity Blue Chip Fund							\$9,160,057
Loans receivable from participants							
Total investments	21,118,702	10,975,776	8,925,215	10,496,295	4,014,520	7,549,319	9,160,057
Receivables:							
Accrued investment income and other receivables			53,010	22,153			
Cash and cash equivalents	1,947,524		122,833	46,880			
Total assets	23,066,226	10,975,776	9,101,058	10,565,328	4,014,520	7,549,319	9,160,057
Liabilities:							
Payable for outstanding purchases			21,566				
Accrued expenses and other payables			20,691	11,895			
Total liabilities	-	-	42,257	11,895	-	-	-
Net assets available for plan benefits	\$ 23,066,226	\$10,975,776	\$9,058,801	\$10,553,433	\$4,014,520	\$7,549,319	\$9,160,057

	Loan Fund	Other (1)	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 7,434,772
Prudential Insurance Company of America			3,723,037
Metropolitan Life Insurance Company			9,344,894
Fidelity			405,365
Connecticut General Monumental Life Insurance Company			102,718
			107,916
At fair value:			
Fidelity Equity Income Fund			10,975,776
Raytheon Company Common Stock Fund			8,925,215
BT Pyramid Equity Index Fund			10,496,295
Fidelity Balanced Fund			4,014,520
Fidelity Magellan Fund			7,549,319
Fidelity Blue Chip Fund			9,160,057
Loans receivable from participants	\$ 6,229,708		6,229,708
	-----	-----	-----
Total investments	6,229,708	-	78,469,592
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables			75,163
Transfer Receivables		\$210,313,280	210,313,280
Cash and cash equivalents			
			2,117,237
	-----	-----	-----
Total assets	6,229,708	210,313,280	290,975,272
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases			21,566
Accrued expenses and other payables			32,586
	-----	-----	-----
Total liabilities	-	-	54,152
	-----	-----	-----
Net assets available for plan benefits	\$ 6,229,708	\$210,313,280	\$290,921,120
	=====	=====	=====

(1) See Note H.

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust*	\$ 7,516,950					
Prudential Insurance Company of America*	4,662,435					
Metropolitan Life Insurance Company*	7,947,108					
At fair value:						
Fidelity Equity Income Fund*		\$ 9,742,698				
Raytheon Company Common Stock*			\$ 8,495,820			
BT Pyramid Equity Index Fund*				\$ 7,213,874		
Fidelity Balanced Fund					\$2,923,744	
Fidelity Magellan Fund*						\$3,910,859
Fidelity Blue Chip Fund*						
Loans receivable from participants*						
Total investments	20,126,493	9,742,698	8,495,820	7,213,874	2,923,744	3,910,859
Receivables:						
Accrued investment income and other receivables			62,529	17,230		
Cash and cash equivalents	198,284		153,750	70,653		
Total assets	20,324,777	9,742,698	8,712,099	7,301,757	2,923,744	3,910,859
Liabilities:						
Payable for outstanding purchases			72,220			
Accrued expenses and other payables			16,868	17,814		
Total liabilities	-	-	89,088	17,814	-	-
Net assets available for plan benefits	\$ 20,324,777	\$ 9,742,698	\$ 8,623,011	\$ 7,283,943	\$2,923,744	\$3,910,859

*Represents more than 5% of net assets available for plan benefits

	Blue Chip Fund	Loan Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust*			\$ 7,516,950
Prudential Insurance Company of America*			4,662,435
Metropolitan Life Insurance Company*			7,947,108
At fair value:			
Fidelity Equity Income Fund*			9,742,698
Raytheon Company Common Stock*			8,495,820
BT Pyramid Equity Index Fund*			7,213,874
Fidelity Balanced Fund			2,923,744
Fidelity Magellan Fund*			3,910,859
Fidelity Blue Chip Fund*	\$4,599,412		4,599,412
Loans receivable from participants*		\$ 4,610,525	4,610,525
	-----	-----	-----
Total investments	4,599,412	4,610,525	61,623,425
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables			79,759
Cash and cash equivalents			422,687
	-----	-----	-----
Total assets	4,599,412	4,610,525	62,125,871
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases			72,220
Accrued expenses and other payables			34,682
	-----	-----	-----
Total liabilities	-	-	106,902
	-----	-----	-----
Net assets available for plan benefits	\$4,599,412	\$ 4,610,525	\$ 62,018,969
	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

I. Fund Data, Continued:

The following is a summary of changes in net assets available for plan benefits by fund for the year ended December 31, 1998:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund	Blue Chip Fund
Additions to net assets attributable to:							
Investment income:							
Net appreciation of investments	\$ 783	\$ 549,040	\$ 995,655	\$ 2,336,298	\$ 267,944	\$ 1,350,108	\$ 1,680,018
Interest & Dividends	1,380,765	623,016			376,854	321,620	339,826
	1,381,548	1,172,056	995,655	2,336,298	644,798	1,671,728	2,019,844
Contributions and deferrals:							
Employee deferrals	1,717,217	1,720,660	1,619,094	1,708,027	627,263	1,570,913	1,708,774
Employer contributions	3,341,633	380,809	500,677	376,096	138,312	347,345	381,586
Transfers	329,389	23,545	203,917	173,239	986	25,517	47,976
	5,388,239	2,125,014	2,323,688	2,257,362	766,561	1,943,775	2,138,336
Total additions	6,769,787	3,297,070	3,319,343	4,593,660	1,411,359	3,615,503	4,158,180
Deductions from net assets attributable to:							
Distributions to participants	4,202,881	1,133,189	838,121	991,231	388,044	583,103	780,586
Administrative expenses	1,796	884	811	708	278	401	478
Transfers		6,061			21,342	12,343	
Total deductions	4,204,677	1,140,134	838,932	991,939	409,664	595,847	781,064
Interfund transfers	176,339	(923,858)	(2,044,621)	(332,231)	89,081	618,804	1,183,529
Increase in net assets	2,741,449	1,233,078	435,790	3,269,490	1,090,776	3,638,460	4,560,645
Net assets, beginning of year	20,324,777	9,742,698	8,623,011	7,283,943	2,923,744	3,910,859	4,599,412
Net assets, end of year	\$ 23,066,226	\$ 10,975,776	\$ 9,058,801	\$10,553,433	\$ 4,014,520	\$ 7,549,319	\$ 9,160,057

	Loan Fund	Other	Total
Additions to net assets attributable to:			
Investment income:			
Net appreciation of investments			\$ 7,179,846
Interest & Dividends	\$ 359,343		3,401,424
	-----	-----	-----
	359,343	-	10,581,270
	-----	-----	-----
Contributions and deferrals:			
Employee deferrals			10,671,948
Employer contributions			5,466,458
Transfers	871,623	\$210,313,280	211,989,472
	-----	-----	-----
	871,623	210,313,280	228,127,878
	-----	-----	-----
Total additions	1,230,966	210,313,280	238,709,148
	-----	-----	-----
Deductions from net assets attributable to:			
Distributions to participants	844,740		9,761,895
Administrative expenses			5,356
Transfers			39,746
	-----	-----	-----
Total deductions	844,740	-	9,806,997
	-----	-----	-----
Interfund transfers	1,232,957		
	-----	-----	-----
Increase in net assets	1,619,183	210,313,280	228,902,151
	-----	-----	-----
Net assets, beginning of year	4,610,525	-	62,018,969
	-----	-----	-----
Net assets, end of year	\$ 6,229,708	\$ 210,313,280	\$ 290,921,120
	=====	=====	=====

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General						25,803,449
Monumental Life Insurance Company						6,538,482
						6,869,338
At fair value:						
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 4.08%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

J. Master Trust, Continued:

The following is a summary of net assets available for plan benefits by fund under the Master Trust as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Investments:						
At contract value:						
Bankers Trust*	\$351,035,073					
Prudential Life Insurance Company of America*	217,731,699					
Metropolitan Life Insurance Company*	371,123,080					
At fair value:						
Fidelity Equity Income Fund*		\$782,799,011				
Raytheon Company Common Stock Fund*			\$745,980,294			
BT Pyramid Equity Index Fund*				\$484,781,406		
Fidelity Balanced Fund					\$117,556,481	
Fidelity Magellan Fund						\$91,863,155
Fidelity Blue Chip Fund						
Templeton Foreign I Fund						
Fidelity Investment Grade Bond Fund						
Fidelity Retirement Money Market Fund						
Loans receivable from participants						
Total investments	939,889,852	782,799,011	745,980,294	484,781,406	117,556,481	91,863,155
Receivables:						
Employer contribution Accrued investment income and other receivables			5,489,592	1,161,112		
Cash and cash equivalents	9,232,100		13,498,051	4,761,268		
Total assets	949,121,952	782,799,011	764,967,937	490,703,786	117,556,481	91,863,155
Liabilities:						
Payable for outstanding purchases			6,340,318			
Accrued expenses and other payables			1,480,875	1,200,471		
Total liabilities	-	-	7,821,193	1,200,471	-	-
Net assets available for plan benefits	\$949,121,952	\$782,799,011	\$757,146,744	\$489,503,315	\$117,556,481	\$91,863,155

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are Plan assets - 1.76%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	=====	=====	=====	=====	=====

EXHIBIT 99.3a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon Employee Savings and Investment Plan, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

RAYTHEON SAVINGS AND INVESTMENT PLAN
FOR PUERTO RICO BASED EMPLOYEES

FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

for the Year ended December 31, 1998

The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

Report of Independent Accountants

To the Participants and Administrator of
the Raytheon Savings and Investment Plan for Puerto Rico Based Employees

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon Savings and Investment Plan for Puerto Rico Based Employees (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON SAVINGS AND INVESTMENT PLAN FOR PUERTO RICO BASED EMPLOYEES

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and H)	\$ 89,386	\$ 77,879
At fair value (Notes B, F and H)	1,175,199	700,111
	-----	-----
	1,264,585	777,990
	-----	-----
Receivables:		
Accrued investment income and other receivables	2,417	1,775
Cash and cash equivalents	13,742	5,598
	-----	-----
Total assets	1,280,744	785,363
	-----	-----
Liabilities:		
Payable for outstanding purchases	776	1,723
Accrued expenses and other payables	1,019	696
	-----	-----
Total liabilities	1,795	2,419
	-----	-----
Net assets available for plan benefits	\$ 1,278,949	\$ 782,944
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SAVINGS AND INVESTMENT PLAN FOR PUERTO RICO BASED EMPLOYEES

STATEMENT OF CHANGES IN NET ASSETS

AVAILABLE FOR PLAN BENEFITS

for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and H):	
Net appreciation of investments	\$ 209,437
Interest & Dividends	34,823

	244,260
Contributions and deferrals:	
Employee deferrals	239,993
Employer contributions	87,083
Transfers (Note G)	55,305

	382,381

 Total additions	 626,641

Deductions from net assets attributable to:	
Distributions to participants	100,711
Administrative expenses	68
Transfers (Note G)	29,857

 Total deductions	 130,636

 Increase in net assets	 496,005
Net assets, beginning of year	782,944

Net assets, end of year	\$1,278,949
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SAVINGS AND INVESTMENT PLAN
FOR PUERTO RICO BASED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

The following description of the Raytheon Savings and Investment Plan for Puerto Rico Based Employees (the "Plan") provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions. The Plan is a defined contribution plan covering certain Puerto Rico based employees of Raytheon Catalytic, Inc., a wholly owned subsidiary of Raytheon Company (the "Company"). To participate in the Plan, eligible employees must have three months of service and may enter the Plan only on the first pay date of each month. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short- and long-term investment objectives. The Plan, effective as of January 1, 1995, is intended to comply with all the requirements for a "qualified profit sharing plan" under the Revenue Code of Puerto Rico (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

All of the Plan's investments are combined with the investments of other similar defined contribution plans of Raytheon Company into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 15% of their salaries. The Company contributes amounts equal to 50% of each participant's deferral, up to a maximum of 3% of the participant's salary. For 1998, the annual employee deferral for a participant cannot exceed the lesser of \$8,000 or 10% of a participant's annual compensation, minus any contributions to Puerto Rico qualified Individual Retirement Accounts. Rollover contributions from other qualified plans subject to the Code are accepted by the Plan. Participants may invest their deferrals in increments of 1% in any combination of seven funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests in shares of a mutual fund consisting primarily of equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, and (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies. Dividends and distributions from investments of the Fidelity Equity Income Fund, the Raytheon Common Stock Fund, the Stock Index Fund, the Fidelity Balanced Fund, the Fidelity Magellan Fund and the Fidelity Blue Chip Fund are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contributions and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately vested in their voluntary deferrals plus actual earnings thereon. Vesting requirements for employer contributions plus earnings thereon may vary depending upon when an employee became eligible to participate in the Plan. Vesting generally occurs upon completion of five years of service or after 3 years of participation or upon retirement, death, disability, or attainment of retirement age. Forfeitures of the nonvested portions of terminated participants' accounts are used to reduce required contributions of the Company.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the plan document, a participant may withdraw all or part of deferrals. On termination of employment, a participant will receive a lump-sum distribution. If the vested account is valued in excess of \$3,500, the participant has the option to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is one-half of the participant's account balance. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to five years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Certain expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net contributions and deferrals plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividend and interest income.

Benefits are recorded when paid.

Certain items in the 1997 financial statements have been reclassified to conform to the 1998 presentation.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Tax Status:

The Plan obtained its latest determination letter in August 1996, in which the Treasury department of the Commonwealth of Puerto Rico stated that the Plan, as submitted, was in compliance with the applicable requirements of the Puerto Rico Income Tax Act of 1954, as amended. Since receiving the determination letter, the plan has been amended. The Plan administrator and the Plan's legal counsel believe that the Plan is designed and being operated in compliance with the applicable requirements of the aforementioned Act. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, after payment of all expenses and proportional adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations, each participant shall be entitled to receive any amounts then credited to his or her account.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the "Trustee" acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in-groups, between the Plan and all other plans included in the Raytheon Company Master Trust for those participants and/or groups of participants who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in-groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

H. Fund Data:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1998:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund	Blue Chip Fund
Assets:							
Master trust investments:							
At contract value:							
Bankers Trust	\$ 31,468						
Prudential Insurance Company of America	15,758						
Metropolitan Life Insurance Company	39,552						
Fidelity	1,716						
Connecticut General Monumental Life Insurance Company	435						
	457						
At fair value:							
Fidelity Equity Income Fund*		\$ 287,340					
Raytheon Company Common Stock Fund*			\$ 321,152				
BT Pyramid Equity Index Fund*				\$ 241,676			
Fidelity Balanced Fund					\$ 61,028		
Fidelity Magellan Fund*						\$ 117,182	
Fidelity Blue Chip Fund*							\$ 109,521
Loans receivable from participants							
Total investments	89,386	287,340	321,152	241,676	61,028	117,182	109,521
Receivables:							
Accrued investment income and other receivables			1,907	510			
Cash and cash equivalents	8,243		4,420	1,079			
Total assets	97,629	287,340	327,479	243,265	61,028	117,182	109,521
Liabilities:							
Payable for outstanding purchases			776				
Accrued expenses and other payables			745	274			
Total liabilities	-	-	1,521	274	-	-	-
Net assets available for plan benefits	\$ 97,629	\$ 287,340	\$ 325,958	\$ 242,991	\$ 61,028	\$ 117,182	\$ 109,521

	Loan Fund	Total
Assets:		
Master trust investments:		
At contract value:		
Bankers Trust		\$ 31,468
Prudential Insurance Company of America		15,758
Metropolitan Life Insurance Company		39,552
Fidelity		1,716
Connecticut General Monumental Life Insurance Company		435
		457
At fair value:		
Fidelity Equity Income Fund*		287,340
Raytheon Company Common Stock Fund*		321,152
BT Pyramid Equity Index Fund*		241,676
Fidelity Balanced Fund		61,028
Fidelity Magellan Fund*		117,182
Fidelity Blue Chip Fund*		109,521
Loans receivable from participants	\$ 37,300	37,300
	-----	-----
Total investments	37,300	1,264,585
	-----	-----
Receivables:		
Accrued investment income and other receivables		2,417
Cash and cash equivalents		13,742
	-----	-----
Total assets	37,300	1,280,744
	-----	-----
Liabilities:		
Payable for outstanding purchases		776
Accrued expenses and other payables		1,019
	-----	-----
Total liabilities	-	1,795
	-----	-----
Net assets available for plan benefits	\$ 37,300	\$ 1,278,949
	=====	=====

H. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust	\$ 29,087					
Prudential Insurance Company of America	18,041					
Metropolitan Life Insurance Company	30,751					
At fair value:						
Fidelity Equity Income Fund*		\$ 214,116				
Raytheon Company Common Stock Fund*			\$ 202,655			
BT Pyramid Equity Index Fund*				\$ 118,530		
Fidelity Balanced Fund					\$ 32,784	
Fidelity Magellan Fund*						\$ 40,215
Fidelity Blue Chip Fund*						
Loans receivable from participants*						
Total investments	77,879	214,116	202,655	118,530	32,784	40,215
Receivables:						
Accrued investment income and other receivables			1,491	284		
Cash and cash equivalents	767		3,667	1,164		
Total assets	78,646	214,116	207,813	119,978	32,784	40,215
Liabilities:						
Payable for outstanding purchases			1,723			
Accrued expenses and other payables			402	294		
Total liabilities			2,125	294		
Net assets available for plan benefits	\$ 78,646	\$ 214,116	\$ 205,688	\$ 119,684	\$ 32,784	\$ 40,215

*Represents more than 5% of net assets available for plan benefits

	Blue Chip Fund	Loan Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 29,087
Prudential Insurance Company of America			18,041
Metropolitan Life Insurance Company			30,751
At fair value:			
Fidelity Equity Income Fund*			214,116
Raytheon Company Common Stock Fund*			202,655
BT Pyramid Equity Index Fund*			118,530
Fidelity Balanced Fund			32,784
Fidelity Magellan Fund*			40,215
Fidelity Blue Chip Fund*	\$ 35,416		35,416
Loans receivable from participants*		\$ 56,395	56,395
	-----	-----	-----
Total investments	35,416	56,395	777,990
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables			1,775
Cash and cash equivalents			5,598
	-----	-----	-----
Total assets	35,416	56,395	785,363
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases			1,723
Accrued expenses and other payables			696
	-----	-----	-----
Total liabilities			2,419
	-----	-----	-----
Net assets available for plan benefits	\$ 35,416	\$ 56,395	\$ 782,944
	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

	Blue Chip Fund	Loan Fund	Total
Additions to net assets attributable to:			
Investment income:			
Net appreciation of investments	\$ 21,082		\$ 209,437
Interest & Dividends	3,285	\$ 2,675	34,823
	-----	-----	-----
	24,367	2,675	244,260
	-----	-----	-----
Contributions and deferrals:			
Employee deferrals	34,909		239,993
Employer contributions	6,774		87,083
Transfers	7,974		55,305
	-----	-----	-----
	49,657		382,381
	-----	-----	-----
Total additions	74,024	2,675	626,641
	-----	-----	-----
Deductions from net assets attributable to:			
Distributions to participants	2,639	21,817	100,711
Administrative expenses	4	-	68
Transfers		16,562	29,857
	-----	-----	-----
Total deductions	2,643	38,379	130,636
	-----	-----	-----
Interfund transfers	2,724	16,609	
	-----	-----	-----
Increase/(Decrease) in net assets	74,105	(19,095)	496,005
Net assets, beginning of year	35,416	56,395	782,944
	-----	-----	-----
Net assets, end of year	\$ 109,521	\$ 37,300	\$ 1,278,949
	=====	=====	=====

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Vanguard Winsor Fund	Vanguard Wellesley Fund
Assets:						
Investments:						
At contract value:						
Bankers Trust*						
Prudential Life Insurance Company of America						
Metropolitan Life Insurance Company*						
Fidelity Connecticut General Monumental Life Insurance Company						
At fair value:						
Fidelity Equity Income Fund*						
Raytheon Company Common Stock Fund*						
BT Pyramid Equity Index Fund*						
Fidelity Balanced Fund*						
Fidelity Magellan Fund*						
Fidelity Blue Chip Fund*	\$ 391,787,509					
Templeton Foreign I Fund		\$ 6,966,704				
Fidelity Investment Grade Bond Fund			\$ -			
Fidelity Retirement Money Market				\$ 13,202,524		
Vanguard Winsor					\$ 41	
Vanguard Wellesley						\$ 18
TRP Small Cap Stock						
Raytheon Class A Wasting Stock Fund						
Raytheon GMH Wasting Stock Fund						
Loans receivable from participants						
	-----	-----	-----	-----	-----	-----
Total investments	391,787,509	6,966,704	-	13,202,524	41	18
Receivables:						
Employer contribution				3,595,261		
Accrued investment income and other receivables						
Transfer receivables	191,269,141	6,966,652		16,715,590		
Cash and cash equivalents						
	-----	-----	-----	-----	-----	-----
Total assets	583,056,650	13,933,356	-	33,513,375	41	18
Liabilities:						
Payable for outstanding purchases						
Accrued expenses and other payables						
Transfer payables	191,269,141	6,966,652		16,715,590		
	-----	-----	-----	-----	-----	-----
Total liabilities	191,269,141	6,966,652	-	16,715,590	-	-
Net assets available for plan benefits						
	=====	=====	=====	=====	=====	=====
	\$ 391,787,509	\$ 6,966,704	\$ -	\$ 16,797,785	\$ 41	\$ 18

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General						25,803,449
Monumental Life Insurance Company						6,538,482
						6,869,338
At fair value:						
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 0.02%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						
						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payables for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are Plan assets - 0.02%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	=====	=====	=====	=====	=====

EXHIBIT 99.4a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon Savings and Investment Plan for Puerto Rico Based Employees, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

E-SYSTEMS, INC. EMPLOYEE SAVINGS PLAN

FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

Certain supplemental schedules that are required by the Employee Retirement Income Security Act of 1974 (ERISA) are not presented because they are not applicable.

Report of Independent Accountants

To the Participants and Administrator of
the E-Systems, Inc. Employee Savings Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of The E-Systems, Inc. Employee Savings Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Reportable Transactions is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As discussed in Notes A and G to the financial statements, the Board of Directors of Raytheon Company voted on December 16, 1998, to merge the Plan into the Raytheon Savings and Investment Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

E-SYSTEMS, INC. EMPLOYEE SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 1998 and 1997

ASSETS	1998	1997
Investments--at fair value:		
Mutual funds	\$633,702,737	\$613,860,560
Collective investment fund	57,431,843	61,180,556
Raytheon common stock fund	31,793,467	35,787,508
Participant loans	21,561,171	22,992,597
	-----	-----
	744,489,218	733,821,221
	-----	-----
Receivables:		
Employee contributions	798	2,135,509
Employer contributions	755	9,520,806
Other	2,585	
	-----	-----
Total assets	744,493,356	745,477,536
	-----	-----
Liabilities:		
Transfer payables (Note G)	744,493,356	
	-----	-----
Total liabilities	744,493,356	-
	-----	-----
Net assets available for benefits	\$ -	\$745,477,536
	=====	=====

The accompanying notes are an integral part of the financial statements.

E-SYSTEMS, INC. EMPLOYEE SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

for the year ended December 31, 1998

	1998
Additions to net assets attributable to:	
Investment income (Notes B, E and H):	
Net appreciation of investments	\$ 38,648,777
Interest & dividends	46,828,458

	85,477,235
Contributions and deferrals:	
Employee deferrals	50,750,177
Employer contributions	8,219,008
Transfers (Note F)	100,188

	59,069,373
Total additions	144,546,608

Deductions from net assets attributable to:	
Distributions to participants	145,309,738
Administrative expenses	117,034
Transfers (Note F and G)	744,597,372

Total deductions	890,024,144

Decrease in net assets	(745,477,536)
Net assets, beginning of year	745,477,536

Net assets, end of year	\$ 0
	=====

The accompanying notes are an integral part of the financial statements.

E-SYSTEMS, INC. EMPLOYEE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

As more fully described in Note G, the E-Systems Inc. Employee Savings Plan (the "Plan") ceased to exist as of December 31, 1998 and effective January 1, 1999, the Plan was merged into the Raytheon Savings and Investment Plan (RAYSIP). The following description of the Plan provides only general information that is applicable through December 31, 1998. A detailed description of the Plan is contained in the Plan document.

The Plan is a defined contribution plan sponsored by Raytheon E-Systems, Inc. ("E-Systems" or the "Company"), a wholly owned subsidiary of Raytheon Company, which became effective January 1, 1995. Employees are immediately eligible to participate in the Plan. The Plan provides an individual account for each participant. Amounts disbursed to participants or transfers between funds are based solely upon amounts contributed to each participant's account adjusted to reflect any withdrawals and distributions, investment earnings attributable to such fund balances and appreciation or depreciation of the market value of the fund. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 10% of their salaries. The Company contributes amounts equal to 50% of each participant's deferral, up to a maximum of 3% of the participant's salary. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan.

The Plan also provides for Regular Discretionary Employer Contributions ("E-CAP") up to 1-1/2% of the lesser of (1) base rate of pay, or (2) W-2 pay plus elected reductions. To be eligible for this contribution, the participant must be an active employee on December 31. Certain Company subsidiaries may make Optional Employer Contributions. If employed by one of these subsidiaries on December 31, the participants receives an allocation equal to a certain percentage, determined by the Board of Directors of Raytheon Company, of the lesser of (1) base rate of pay, or (2) W-2 pay plus elected reductions.

Employee contributions are invested by the trustee as directed by participants and can be invested in any combination of the funds listed below. Company matching contributions, and other discretionary contributions, if any may be invested in a different combination of funds than the employee contributions. If a separate election for the Company contributions is not made by the participant, these contributions are then invested in the same fund or funds selected by the participant for their pre-tax contributions.

Participants have the option of investing their contributions in any of the following funds:

The Vanguard Retirement Savings Trust: investments seek the highest level of current income consistent with safety and stability of principal by investing primarily in contracts issued by life insurance companies, investment contracts issued by domestic commercial banks or United States branches of foreign banks, and other similar types of fixed-principal investments. The Trust may also hold no more than 15% of its assets in short-term obligations, money market funds, or federally insured deposits.

The Vanguard/Morgan Growth Fund: investments consist primarily of common stocks of corporations with either established growth patterns, emergin growth potential, or cyclical growth deposits.

The Vanguard/Windsor Fund: investments consist of a portfolio of common stocks, the objective of which is primarily long-term growth and secondly, current income through dividends.

The Vanguard Money Market reserves Prime Portfolio: investments consist of high-quality money market instruments that mature in one year or less.

The Vanguard Short-Term Corporate Bond Portfolio: investments consist of investment grade bonds with maturities from less than one to four years, including United States Treasury and agency obligations, the objective of which is primarily to conserve principal and secondly, to maximize current income.

The Vanguard Index Trust 500 Portfolio: investments consist of a portfolio of stocks designed to match the performance of Standard & Poor's 500 Corporate stock Price Index.

The Vanguard/Wellesley Income Fund: investments consist of about 60% in fixed-income securities and 40% in common stocks. The Fund objective is primarily current income through dividends, and secondly, moderate capital growth.

The Vanguard International Value Portfolio: investments seek maximum long-term total return consistent with reasonable risk by investing in a diversified group of large and medium-sized companies based outside of the United States. Total return includes both income and capital appreciation.

The Raytheon Common Stock Fund: investments consist of Raytheon Class B common stock. However, contributions may be invested in the Vanguard Money Market Reserves Prime Portfolio until a stock purchase is made.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately 100% vested in their account balances derived from Company contributions, employee contributions and any amounts rolled over to the Plan from another eligible plan.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the Plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the last business day of each quarter. Loans must be repaid over a period of up to 5 years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Substantially all expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The valuation of the Plans investments in all funds is based on the market value of the assets held in the funds. The Plan's relative interest in the funds is determined on a unit-method basis. The valuation of the Vanguard Funds is based on the closing market price of the assets which comprise the funds on the last business day of the Plan year. Investments in the Vanguard Retirement Savings Trust are carried at market value (which equals original cost plus accrued interest less any distribution). Contract value approximates market value. The valuation of Class B common stock in the Raytheon Common Stock Fund is based on closing market price as reported on the New York Stock Exchange on the last business day of the Plan year. Participant loans are valued at cost which approximates fair value.

Security transactions are recorded on trade date. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividend and interest income.

Benefits are recorded when paid.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the change in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated December 1996 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (the "Code"). The Plan has been amended since the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, amounts in participants' accounts will be distributed in a single lump sum; if the participant does not consent to an immediate distribution, the amount can be transferred to another defined contribution plan sponsored by the Company.

E. Related Party Transactions:

The Plan's trustee is Vanguard Fiduciary Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of Raytheon Company Common Stock. For the year ended December 31, 1998, purchases amounted to \$14,712,663 and sales amounted to \$20,317,082.

F. Transfers:

Transfers include transfers of participant accounts, individually and/or in-groups, between the Plan and other plans included in the Raytheon Company Master Trust for those participants, and/or groups of participants, who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in-groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

G. Transfer Payables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances from the Plan into the RAYSIP. Effective January 1, 1999, the plan provisions of the RAYSIP govern. The transfer payables represent a complete transfer of assets.

H. Net Assets Available for Plan Benefits by Fund:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1998:

	Raytheon Common Stock Fund	Vanguard Retirement Savings Trust	Vanguard Morgan Growth Fund	Vanguard Windsor Fund	Vanguard Money Market Reserves	Vanguard Short Term Corporate Bond
Assets:						
Investments at fair value:						
Mutual Funds			\$113,211,987	\$179,362,915	\$90,549,186	\$17,953,500
Collective investment fund		\$57,431,843				
Raytheon Common Stock Fund	\$31,793,467					
Participant loans						
Total investments	31,793,467	57,431,843	113,211,987	179,362,915	90,549,186	17,953,500
Receivables:						
Employee contributions	588	131	(671)	(469)	275	43
Employer contributions	186	54	82	151	80	17
Other receivables	595	168	150	404	775	67
Total assets	31,794,836	57,432,196	113,211,548	179,363,001	90,550,316	17,953,627
Liabilities:						
Transfer payables (Note G)	31,794,836	57,432,196	113,211,548	179,363,001	90,550,316	17,953,627
Total liabilities	31,794,836	57,432,196	113,211,548	179,363,001	90,550,316	17,953,627
Net assets available for plan benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

	Vanguard Index Trust 500 Portfolio	Vanguard Wellesley Income Fund	Vanguard International Value	Participant Loan Fund	Total
Assets:					
Investments at fair value:					
Mutual Funds	\$175,613,111	\$41,019,572	\$15,992,466		\$633,702,737
Collective investment fund					57,431,843
Raytheon Common Stock Fund					31,793,467
Participant loans				\$21,561,171	21,561,171
	-----	-----	-----	-----	-----
Total investments	175,613,111	41,019,572	15,992,466	21,561,171	744,489,218
	-----	-----	-----	-----	-----
Receivables:					
Employee contributions	564	279	58		798
Employer contributions	135	32	18		755
Other receivables	364	11	51		2,585
	-----	-----	-----	-----	-----
Total assets	175,614,174	41,019,894	15,992,593	21,561,171	744,493,356
	-----	-----	-----	-----	-----
Liabilities:					
Transfer payables (Note G)	175,614,174	41,019,894	15,992,593	21,561,171	744,493,356
	-----	-----	-----	-----	-----
Total liabilities	175,614,174	41,019,894	15,992,593	21,561,171	744,493,356
	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

H. Net Assets Available for Plan Benefits by Fund:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Raytheon * Common Stock Fund	Vanguard* Retirement Savings Trust	Vanguard* Morgan Growth Fund	Vanguard* Windsor Fund	Vanguard* Money Market Reserves	Vanguard Short Term Corporate Bond
Assets:						
Investments at fair value:						
Mutual Funds			\$97,914,498	\$226,774,736	\$91,047,417	\$16,848,440
Collective investment fund		\$61,180,556				
Raytheon Common Stock Fund	\$35,787,508					
Participant loans						
Total investments	35,787,508	61,180,556	97,914,498	226,774,736	91,047,417	16,848,440
Receivables:						
Employee contributions	141,251	161,840	301,542	629,130	219,638	61,411
Employer contributions	1,597,516	225,700	905,920	1,566,103	2,542,782	142,667
Other Receivables						
Total assets	37,526,275	61,568,096	99,121,960	228,969,969	93,809,837	17,052,518
Liabilities:						
Total liabilities	-	-	-	-	-	-
Net assets available for plan benefits	\$37,526,275	\$61,568,096	\$99,121,960	\$228,969,969	\$93,809,837	\$17,052,518

	Vanguard* Index Trust 500 Portfolio	Vanguard Wellesley Income Fund	Vanguard International Value	Participant Loan Fund	Total
Assets:					
Investments at fair value:					
Mutual Funds	\$134,265,332	\$32,126,350	\$14,883,787		\$613,860,560
Collective investment fund					61,180,556
Raytheon Common Stock Fund					35,787,508
Participant loans				\$22,992,597	22,992,597
	-----	-----	-----	-----	-----
Total investments	134,265,332	32,126,350	14,883,787	22,992,597	733,821,221
Receivables:					
Employee contributions	434,798	109,353	76,546		2,135,509
Employer contributions	1,732,435	462,314	345,369		9,520,806
Other Receivables					
	-----	-----	-----	-----	-----
Total assets	136,432,565	32,698,017	15,305,702	22,992,597	745,477,536
Liabilities:					
	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-
	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,432,565	\$32,698,017	\$15,305,702	\$22,992,597	\$745,477,536
	=====	=====	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

H. Changes in Net Assets Available for Plan Benefits by Fund:

The following is a summary of changes in net assets available for plan benefits by fund as of December 31, 1998:

	Raytheon Common Stock Fund	Vanguard Retirement Savings Trust	Vanguard Morgan Growth Fund	Vanguard Windsor Fund	Vanguard Money Market Reserves	Vanguard Short Term Corporate Bond
Additions to net assets attributable to:						
Investment income						
Net appreciation (depreciation)	\$3,271,481		\$12,070,155	(\$16,306,145)		\$ 38,494
Interest & dividends	461,134	\$ 3,816,141	9,102,200	17,415,762	\$ 4,980,264	1,125,397
Contributions and transfers:						
Employee contributions	3,115,521	2,742,863	8,016,899	13,263,615	3,711,186	1,301,151
Employer contributions	596,771	560,049	1,206,693	2,229,943	763,562	231,953
Transfers (Note F and G)	439	39	598	986	204	37
Total additions	7,445,346	7,119,092	30,396,545	16,604,161	9,455,216	2,697,032
Deductions from net assets attributable to:						
Distributions to participants	3,859,905	17,094,278	16,579,289	34,765,672	22,270,456	3,464,245
Administrative expenses	12,228	3,329	14,525	24,010	25,207	2,725
Transfers (Notes F and G)	31,806,164	57,432,195	113,243,716	179,365,102	90,550,316	17,955,055
Total deductions	35,678,297	74,529,802	129,837,530	214,154,784	112,845,979	21,422,025
Interfund Transfers	(9,293,324)	5,842,614	319,025	(31,419,346)	9,580,926	1,672,475
Decrease in net assets	(37,526,275)	(61,568,096)	(99,121,960)	(228,969,969)	(93,809,837)	(17,052,518)
Net assets, beginning of year	37,526,275	61,568,096	99,121,960	228,969,969	93,809,837	17,052,518
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

	Vanguard Index Trust 500 Portfolio	Vanguard Wellesley Income Fund	Vanguard International Value	Participant Loan Fund	Total
Additions to net assets attributable to:					
Investment income					
Net appreciation (depreciation)	\$ 37,725,059	\$ 242,309	\$ 1,607,424		\$38,648,777
Interest & dividends	2,822,467	3,849,330	1,226,704	\$2,029,059	46,828,458
Contributions and transfers:					
Employee contributions	13,598,274	3,228,244	1,772,424		50,750,177
Employer contributions	1,859,070	485,963	285,004		8,219,008
Transfers (Note F and G)	1,288	168	460	95,969	100,188
Total additions	56,006,158	7,806,014	4,892,016	2,125,028	144,546,608
Deductions from net assets attributable to:					
Distributions to participants	35,011,683	7,372,390	2,479,399	2,412,421	145,309,738
Administrative expenses	24,800	6,739	3,471	0	117,034
Transfers (Notes F and G)	175,646,449	41,019,895	16,017,309	21,561,171	744,597,372
Total deductions	210,682,932	48,399,024	18,500,179	23,973,592	890,024,144
Interfund Transfers	18,244,209	7,894,993	(1,697,539)	(1,144,033)	0
Decrease in net assets	(136,432,565)	(32,698,017)	(15,305,702)	(22,992,597)	(745,477,536)
Net assets, beginning of year	136,432,565	32,698,017	15,305,702	22,992,597	745,477,536
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

E-SYSTEMS, INC. EMPLOYEE SAVINGS PLAN
 LINE 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
 for the year ended December 31, 1998

Description of Asset Category (iii)--Series of securities transactions	Cost of Purchase Price	Selling Price	Historical Cost of Asset	Current Value of Assets on Transaction Date	Historical Gain (Loss)
Vanguard 500 Index Fund	\$81,138,253			\$81,138,253	
Vanguard 500 Index Fund		\$77,516,822	\$60,408,602	77,516,822	\$17,108,220
Vanguard Morgan Growth Fund	40,366,110			40,366,110	
Vanguard Morgan Growth Fund		37,139,375	32,953,957	37,139,375	4,185,418
Vanguard Prime Money Market	77,930,088			77,930,088	
Vanguard Prime Money Market		78,428,524	78,428,524	78,428,524	
Vanguard Windsor Fund	49,282,450			49,282,450	
Vanguard Windsor Fund		80,389,112	77,116,825	80,389,112	3,272,287
Vanguard Retirement Savings Trust	27,412,254			27,412,254	
Vanguard Retirement Savings Trust		31,161,006	31,161,006	31,161,006	
Raytheon Common Stock Fund	25,752,750			25,752,750	
Raytheon Common Stock Fund		33,018,710	30,456,483	33,018,710	2,562,227

There were no category (i), (ii) or (iv) reportable transactions during 1998.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon E-Systems, Inc. Employee Savings Plan, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

RAYTHEON TI SYSTEMS SAVINGS PLAN

FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of
the Raytheon TI Systems Savings Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon TI Systems Savings Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes A and H to the financial statements, the Board of Directors of Raytheon Company voted on December 16, 1998, to merge the Plan into the Raytheon Savings and Investment Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON TI SYSTEMS SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$ 36,008,015	\$ 27,129,250
At fair value (Notes B, F and I)	215,389,507	151,647,372
	-----	-----
	251,397,522	178,776,622
	-----	-----
Receivables:		
Accrued investment income and other receivables	422,047	528,072
Cash and cash equivalents	4,278,946	1,673,631
	-----	-----
Total assets	256,098,515	180,978,325
	-----	-----
Liabilities:		
Payable for outstanding purchases	132,047	533,996
Accrued expenses and other payables	179,030	192,678
Transfer payables (Note H)	255,787,438	
	-----	-----
Total liabilities	256,098,515	726,674
	-----	-----
Net assets available for plan benefits	\$ -	\$180,251,651
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON TI SYSTEMS SAVINGS PLAN
 STATEMENT OF CHANGES IN NET ASSETS
 AVAILABLE FOR PLAN BENEFITS
 for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 25,229,092
Interest & Dividends	8,294,811

	33,523,903
Contributions and deferrals:	
Employee deferrals	43,369,679
Employer contributions	8,443,415
Transfers (Note G)	32,797

	51,845,891
 Total additions	 85,369,794

Deductions from net assets attributable to:	
Distributions to participants	9,757,925
Administrative expenses	16,103
Transfers (Note G and H)	255,847,417

Total deductions	265,621,445

Decrease in net assets	(180,251,651)
Net assets, beginning of year	180,251,651

Net assets, end of year	\$ -
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON TI SYSTEMS SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

As more fully described in Note H, the Raytheon TI Systems Savings Plan (the "Plan") ceased to exist as of December 31, 1998 and effective January 1, 1999, was merged into the Raytheon Savings and Investment Plan (RAYSIP). The following description of the Plan provides only general information that is applicable through December 31, 1998. Participants should refer to the plan document for a complete description of the Plan's provisions.

The Plan was established on July 11, 1997 for former employees of Texas Instruments. The Plan is a defined contribution plan covering certain employees of Raytheon Company (the "Company"). An employee becomes eligible to participate in the Plan on the date he or she becomes an employee and may enter the Plan any day thereafter during his or her employment. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are combined with the investments of other similar defined contribution plans of the Company into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 17% of their salaries. The Company contributes amounts equal to 50% of each participant's deferral, up to a maximum of 2% of the participant's salary. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan. Participants may invest their deferrals in any combination of nine funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests

in shares of a mutual fund consisting primarily of equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies, (h) the Templeton Foreign I Fund, a long-term capital growth fund which invests in stocks and debt obligations of companies and governments of any nation and (i) the Fidelity Investment Grade Bond Fund which invests primarily in U.S. government and corporate bonds including, without limitation, index funds and mutual funds. The Fidelity Investment Grade Bond Fund was eliminated as an option during 1998 and balances were transferred into the Fixed Income Fund. Dividends and distributions from investments of the Fidelity Equity Income Fund, the Raytheon Common Stock Fund, the Stock Index Fund, the Fidelity Balanced Fund, the Fidelity Magellan Fund, the Fidelity Blue Chip Fund, the Templeton Foreign I Fund and the Fidelity Investment Grade Bond Fund are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are fully and immediately vested in their entire account balance including voluntary deferrals, employer contributions and all investment earnings thereon.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to five years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Substantially all expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net contributions and deferrals plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividends and interest income.

Benefits are recorded when paid.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated March 1999 that the Plan, as adopted on July 11, 1997, and related trust are designed in accordance with applicable sections of the Code. The Plan has been amended since applying for the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, plan assets shall be distributed among all participants in proportion to their interest and employee contributions shall be distributed in accordance with the provisions contained in the Code.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in-groups, between the Plan and other plans included in the Raytheon Company Master Trust for those participants, and/or groups of participants, who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in-groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

H. Transfer Payables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances into the RAYSIP. The Plan ceased to exist on December 31, 1998 and effective January 1, 1999, the plan provisions of the RAYSIP govern. The transfer payable amount represents a complete transfer of assets to the RAYSIP.

	Templeton Foreign I Account	Loan Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 12,676,508
Prudential Insurance Company of America			6,347,889
Metropolitan Life Insurance Company			15,933,322
Fidelity			691,160
Connecticut General Monumental Life Insurance Company			175,137
			183,999
At fair value:			
Fidelity Equity Income Fund			17,276,885
Raytheon Company Common Stock Fund			54,644,741
BT Pyramid Equity Index Fund			46,192,796
Fidelity Balanced Fund			13,627,478
Fidelity Magellan Fund			19,552,160
Fidelity Blue Chip Fund			41,109,867
Templeton Foreign I Fund	\$ 6,966,650		6,966,650
Loans receivable from participants		\$16,018,930	16,018,930
	-----	-----	-----
Total investments	6,966,650	16,018,930	251,397,522
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables			422,047
Cash and cash equivalents			
			4,278,946
	-----	-----	-----
Total assets	6,966,650	16,018,930	256,098,515
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases			132,047
Accrued expenses and other payables			179,030
Transfer payables	6,966,650	16,018,930	255,787,438
	-----	-----	-----
Total liabilities	6,966,650	16,018,930	256,098,515
	-----	-----	-----
Net assets available for plan benefits			
	\$ 0	\$ 0	\$ 0
	=====	=====	=====

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust*	\$ 10,132,377					
Prudential Insurance Company of America	6,284,670					
Metropolitan Life Insurance Company*	10,712,203					
At fair value:						
Fidelity Equity Income Fund		\$ 8,254,100				
Raytheon Company Common Stock*			\$62,818,459			
BT Pyramid Equity Index Fund*				\$27,442,258		
Fidelity Balanced Fund					\$7,638,642	
Fidelity Magellan Fund						\$6,635,153
Fidelity Blue Chip Fund*						
Templeton Foreign I Fund						
Fidelity Investment Grade Bond Fund						
Loans receivable from participants*						
Total investments	27,129,250	8,254,100	62,818,459	27,442,258	7,638,642	6,635,153
Receivables:						
Accrued investment income and other receivables			462,345	65,727		
Cash and cash equivalents	267,275		1,136,836	269,520		
Total assets	27,396,525	8,254,100	64,417,640	27,777,505	7,638,642	6,635,153
Liabilities:						
Payable for outstanding purchases			533,996			
Accrued expenses and other payables			124,723	67,955		
Total liabilities	-	-	658,719	67,955	-	-
Net assets available for plan benefits	\$ 27,396,525	\$ 8,254,100	\$63,758,921	\$27,709,550	\$7,638,642	\$6,635,153

*Represents more than 5% of net assets available for plan benefits

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Loan Fund	Total
Assets:					
Investments:					
At contract value:					
Bankers Trust*					\$ 10,132,377
Prudential Life Insurance Company of America					6,284,670
Metropolitan Life Insurance Company*					10,712,203
At fair value:					
Fidelity Equity Income Fund					8,254,100
Raytheon Company Common Stock Fund*					62,818,459
BT Pyramid Equity Index Fund*					27,442,258
Fidelity Balanced Fund					7,638,642
Fidelity Magellan Fund					6,635,153
Fidelity Blue Chip Fund*	\$ 18,760,639				18,760,639
Templeton Foreign I Fund		\$5,471,176			5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125		1,548,125
Loans receivable from participants*				\$ 13,078,820	13,078,820
	-----	-----	-----	-----	-----
Total investments	18,760,639	5,471,176	1,548,125	13,078,820	178,776,622
	-----	-----	-----	-----	-----
Receivables:					
Accrued investment income and other receivables					528,072
Cash and cash equivalents					1,673,631
	-----	-----	-----	-----	-----
Total assets	18,760,639	5,471,176	1,548,125	13,078,820	180,978,325
	-----	-----	-----	-----	-----
Liabilities:					
Payable for outstanding purchases					533,996
Accrued expenses and other payables					192,678
	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	726,674
	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$ 18,760,639	\$5,471,176	\$1,548,125	\$ 13,078,820	\$180,251,651
	=====	=====	=====	=====	=====

*Represent more than 5% of net assets available for plan benefits

	Templeton Foreign I Fund	Investment Grade Bond Fund	Loan Fund	Total
Additions to net assets attributable to:				
Investment income:				
Net appreciation (depreciation) of investments	\$(1,095,967)	\$ 17,634		\$ 25,229,092
Interest & Dividends	752,610	162,858	\$ 1,255,665	8,294,811
	-----	-----	-----	-----
	(343,357)	180,492	1,255,665	33,523,903
	-----	-----	-----	-----
Contributions and deferrals:				
Employee deferrals	2,897,062	856,960		43,369,679
Employer contributions	598,350	103,492		8,443,415
Transfers			(12,088)	32,797
	-----	-----	-----	-----
	3,495,412	960,452	(12,088)	51,845,891
	-----	-----	-----	-----
Total additions	3,152,055	1,140,944	1,243,577	85,369,794
	-----	-----	-----	-----
Deductions from net assets attributable to:				
Distributions to participants	274,069	123,832	775,228	9,757,925
Administrative expenses	514	174		16,103
Transfers			(16,562)	59,978
Transfers plan mergers	6,966,650		16,018,930	255,787,439
	-----	-----	-----	-----
Total deductions	7,241,233	124,006	16,777,596	265,621,445
	-----	-----	-----	-----
Interfund transfers	(1,381,998)	(2,565,063)	2,455,199	
	-----	-----	-----	-----
Decrease in net assets	(5,471,176)	(1,548,125)	(13,078,820)	(180,251,651)
	-----	-----	-----	-----
Net assets, beginning of year	5,471,176	1,548,125	13,078,820	180,251,651
	-----	-----	-----	-----
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General						25,803,449
Monumental Life Insurance Company						6,538,482
At fair value:						6,869,338
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 0.00%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

J. Master Trust, Continued:

The following is a summary of net assets available for plan benefits by fund under the Master Trust as of December 31, 1997:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Investments:						
At contract value:						
Bankers Trust*	\$351,035,073					
Prudential Life Insurance Company of America*	217,731,699					
Metropolitan Life Insurance Company*	371,123,080					
At fair value:						
Fidelity Equity Income Fund*		\$782,799,011				
Raytheon Company Common Stock Fund*			\$745,980,294			
BT Pyramid Equity Index Fund*				\$484,781,406		
Fidelity Balanced Fund					\$117,556,481	
Fidelity Magellan Fund						\$91,863,155
Fidelity Blue Chip Fund						
Templeton Foreign I Fund						
Fidelity Investment Grade Bond Fund						
Fidelity Retirement Money Market Fund						
Loans receivable from participants						
Total investments	939,889,852	782,799,011	745,980,294	484,781,406	117,556,481	91,863,155
Receivables:						
Employer contribution Accrued investment income and other receivables			5,489,592	1,161,112		
Cash and cash equivalents	9,232,100		13,498,051	4,761,268		
Total assets	949,121,952	782,799,011	764,967,937	490,703,786	117,556,481	91,863,155
Liabilities:						
Payable for outstanding purchases			6,340,318			
Accrued expenses and other payables			1,480,875	1,200,471		
Total liabilities	-	-	7,821,193	1,200,471	-	-
Net assets available for plan benefits	\$949,121,952	\$782,799,011	\$757,146,744	\$489,503,315	\$117,556,481	\$91,863,155

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are Plan assets - 5.1%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	=====	=====	=====	=====	=====

EXHIBIT 99.6a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon TI Systems Savings Plan, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

RAYTHEON SALARIED SAVINGS
AND INVESTMENT PLAN

FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules required to accompany the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

Report of Independent Accountants

To the Participants and Administrator of
the Raytheon Salaried Savings and Investment Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon Salaried Savings and Investment Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes A and H to the financial statements, the Board of Directors of Raytheon Company voted on December 16, 1998, to merge the Plan into the Raytheon Savings and Investment Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON SALARIED SAVINGS AND INVESTMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$ 361,616,720	\$ 126,113
At fair value (Notes B, F and I)	1,782,619,180	3,228,259
	-----	-----
	2,144,235,900	3,354,372
	-----	-----
Receivables:		
Accrued investment income and other receivables	1,831,253	8,765
Cash and cash equivalents	43,313,582	24,181
	-----	-----
Total assets	2,189,380,735	3,387,318
	-----	-----
Liabilities:		
Payable for outstanding purchases	176,984	9,147
Accrued expenses and other payables	407,056	3,010
Transfer payables (Note H)	2,188,796,695	
	-----	-----
Total liabilities	2,189,380,735	12,157
	-----	-----
Net assets available for plan benefits	\$ -	\$3,375,161
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SALARIED SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS

for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 105,095,438
Interest & Dividends	96,090,429

	201,185,867
Contributions and deferrals:	
Employee deferrals	145,632,603
Employer contributions	62,277,760
Transfers (Note G)	1,889,867,093

	2,097,777,456
 Total additions	 2,298,963,323

Deductions from net assets attributable to:	
Distributions to participants	113,424,315
Administrative expenses	117,473
Transfers (Note G and H)	2,188,796,696

Total deductions	2,302,338,484

Decrease in net assets	(3,375,161)
Net assets, beginning of year	3,375,161

Net assets, end of year	\$ -
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SALARIED SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

As more fully described in Note H, the Raytheon Salaried Savings and Investment Plan (the "Plan") ceased to exist as of December 31, 1998 and effective January 1, 1999 the Plan was merged into the Raytheon Savings and Investment Plan (RAYSIP). The following description of the Plan provides only general information that is applicable through December 31, 1998.

The Plan, which was established on December 18, 1997, is a defined contribution plan covering certain employees of Raytheon Company (the "Company"). Participants should refer to the plan document for a complete description of the Plan's provisions. Effective December 18, 1997, General Motors Corporation employees assumed in connection with the merger of the defense business of Hughes Electronics Corporation with the Company (hereafter referred to as the "Hughes transaction"), that participated in the Hughes Salaried Employees' Thrift and Savings Plan, became eligible to participate in the Plan. Participants had the option to rollover amounts accumulated in plans sponsored by General Motors Corporation to the Plan. The option to make a rollover election extended until December 1, 1998. To participate in the Plan, eligible employees must have three months of service and may enter the Plan only on the first day of each month. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are combined with the investments of other similar defined contribution plans of the Company into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plan based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 12% of their salaries. The Company contributes amounts equal to 100% of each participant's deferral, up to a maximum of 4% of the participant's salary. The contributions are invested in Raytheon Company common stock for two full plan years following the plan year for which the contributions are made, and are then allocated to participants' accounts. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan. Participants may invest their deferrals in increments of 1% in any combination of seven funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests in shares of a mutual fund consisting primarily of equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, and (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies. Amounts held in the RTN-A Wasting Fund and GMH Wasting Fund are shares of Raytheon Company Class A common stock or General Motors Class H common stock, respectively, that were transferred into the Plan as a result of the Hughes transaction. These options are not open for additional contributions and will only be available through December 31, 2002.

Dividends and distributions from investments of the Fidelity Equity Income Fund, the Raytheon Common Stock Fund, the Stock Index Fund, the Fidelity Balanced Fund, the Fidelity Magellan Fund, the Fidelity Blue Chip Fund, the RTN-A Wasting Fund and the GMH Wasting Fund are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately vested in their voluntary deferrals plus actual earnings thereon. Vesting occurs upon the earliest of the completion of five years of service, three years of participation, retirement, death, disability, or attainment of normal retirement age. Forfeitures of the non-vested portions of terminated participants' accounts are used to reduce required contributions of the Company.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the Plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to 5 years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Substantially all expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net contributions and deferrals plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividend and interest income.

Benefits are recorded when paid.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the change in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated February 1999 that the Plan, as adopted on December 18, 1997, and related Trust are designed in accordance with applicable sections of the Code. The Plan has been amended since applying for the letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, amounts in participants' accounts will be distributed in a single lump sum; if the participant does not consent to an immediate distribution, the amount can be transferred to another defined contribution plan sponsored by the Company.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies or investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in groups, between the Plan and other plans included in the Raytheon Company Master Trust for those participants, and/or groups of participants, who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year. During the year, amounts rolled over by former employees of General Motors Corporation who participated in the Hughes Salaried Employees' Thrift and Savings Plan and who became eligible to participate in the Plan totaled \$1,600,650,947.

H. Transfer Payables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances into the RAYSIP. The Plan ceased to exist on December 31, 1998 and effective January 1, 1999, the plan provisions of the RAYSIP govern. The transfer payable amount represents a complete transfer of assets to the RAYSIP.

	Participant Directed		Non-Participant Directed		
	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Raytheon Common Stock Fund	Total
Assets:					
Master trust investments:					
At contract value:					
Bankers Trust					\$127,306,023
Prudential Insurance Company of America					63,749,776
Metropolitan Life Insurance Company					160,013,140
Fidelity Connecticut General Monumental Life Insurance Company					6,941,095 1,758,843 1,847,843
At fair value:					
Fidelity Equity Income Fund					651,737,328
Raytheon Company Common Stock Fund				\$58,683,500	73,241,166
BT Pyramid Equity Index Fund					120,795,352
Fidelity Balanced Fund					278,257,042
Fidelity Magellan Fund					197,090,660
Fidelity Blue Chip Fund					127,849,061
Raytheon Class A Wasting Stock Fund	\$108,893,951				108,893,951
Raytheon GMH Wasting Stock Fund		\$162,776,011			162,776,011
Loans receivable from participants			\$61,978,609		61,978,609
	-----	-----	-----	-----	-----
Total investments	108,893,951	162,776,011	61,978,609	58,683,500	\$2,144,235,900
	-----	-----	-----	-----	-----
Receivables:					
Accrued investment income and other receivables	1,119,046	22,261		348,544	1,831,253
Cash and cash equivalents	3,263,646	5,154,881		807,628	43,313,582
	-----	-----	-----	-----	-----
Total assets	113,276,643	167,953,153	61,978,609	59,839,672	\$2,189,380,735
	-----	-----	-----	-----	-----
Liabilities:					
Payable for outstanding purchases				141,806	176,984
Accrued expenses and other payables	39,112	61,256		136,044	407,056
Transfer payables	113,237,531	167,891,897	61,978,609	59,561,822	2,188,796,695
	-----	-----	-----	-----	-----
Total liabilities	113,276,643	167,953,153	61,978,609	59,839,672	2,189,380,735
	-----	-----	-----	-----	-----
Net assets available for plan benefits					
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Participant Directed					
	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust	\$47,101					
Prudential Insurance Company of America	29,215					
Metropolitan Life Insurance Company	49,797					
At fair value:						
Fidelity Equity Income Fund*		\$534,021				
Raytheon Company Common Stock*			\$92,888			
BT Pyramid Equity Index Fund*				\$353,515		
Fidelity Balanced Fund*					\$236,387	
Fidelity Magellan Fund*						\$616,257
Fidelity Blue Chip Fund*						
	-----	-----	-----	-----	-----	-----
Total investments	126,113	534,021	92,888	353,515	236,387	616,257
	-----	-----	-----	-----	-----	-----
Receivables:						
Accrued investment income and other receivables			684	846		
Cash and cash equivalents	1,239		1,681	3,469		
	-----	-----	-----	-----	-----	-----
Total assets	127,352	534,021	95,253	357,830	236,387	616,257
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payable for outstanding purchases			790			
Accrued expenses and other payables			184	874		
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	974	874	-	-
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$127,352	\$534,021	\$94,279	\$356,956	\$236,387	\$616,257
	=====	=====	=====	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

	Participant Directed	Non-Participant Directed	
	Blue Chip Fund	Raytheon Common Stock Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 47,101
Prudential Insurance Company of America			29,215
Metropolitan Life Insurance Company			49,797
At fair value:			
Fidelity Equity Income Fund*			534,021
Raytheon Company Common Stock*		\$ 983,125	1,076,013
BT Pyramid Equity Index Fund*			353,515
Fidelity Balanced Fund*			236,387
Fidelity Magellan Fund*			616,257
Fidelity Blue Chip Fund*	\$412,066		412,066
		-----	-----
Total investments	412,066	983,125	3,354,372
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables		7,235	8,765
Cash and cash equivalents		17,792	24,181
	-----	-----	-----
Total assets	412,066	1,008,152	3,387,318
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases		8,357	9,147
Accrued expenses and other payables		1,952	3,010
	-----	-----	-----
Total liabilities	-	10,309	12,157
	-----	-----	-----
Net assets available for plan benefits	\$412,066	\$997,843	\$3,375,161
	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

I. Fund Data, Continued:

The following is a summary of changes in net assets available for plan benefits by fund for the year ended December 31, 1998:

	Participant Directed						
	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund	Blue Chip Fund
Additions to net assets attributable to:							
Investment income:							
Net appreciation (depreciation) of investments	\$ 14,612	\$ 4,027,587	\$ 172,647	\$ 11,213,233	\$ 5,237,269	\$ 30,942,356	\$ 12,147,296
Interest & Dividends	17,386,177	38,542,830			27,342,164	5,686,772	4,023,655
	17,400,789	42,570,417	172,647	11,213,233	32,579,433	36,629,128	16,170,951
Contributions and deferrals:							
Employee deferrals	8,515,762	32,008,106	5,907,352	22,808,656	14,594,485	36,210,972	25,587,270
Employer contributions							
Transfers	361,302,774	766,124,647	1,672,702	37,465,894	278,383,055	67,931,458	25,984,279
	369,818,536	798,132,753	7,580,054	60,274,550	292,977,540	104,142,430	51,571,549
Total additions	387,219,325	840,703,170	7,752,701	71,487,783	325,556,973	140,771,558	67,742,500
Deductions from net assets attributable to:							
Distributions to participants	23,020,443	39,602,569	421,273	4,795,113	15,326,570	7,096,289	4,276,242
Administrative expenses	18,237	41,185	355	2,804	15,918	4,294	2,901
Transfers			(106)				
Transfers plan mergers	394,964,281	651,737,327	14,775,551	121,452,914	278,257,042	197,090,659	127,849,060
Total deductions	418,002,961	691,381,081	15,197,073	126,250,831	293,599,530	204,191,242	132,128,203
Interfund transfers	30,656,284	(149,856,110)	7,350,093	54,406,092	(32,193,830)	62,803,427	63,973,637
Decrease in net assets	(127,352)	(534,021)	(94,279)	(356,956)	(236,387)	(616,257)	(412,066)
Net assets, beginning of year	127,352	534,021	94,279	356,956	236,387	616,257	412,066
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

	Participant Directed		Loan Fund	Non-Participant Directed	Total
	RTN.A Wasting Fund	GMH Wasting Fund		Raytheon Common Stock Fund	
Additions to net assets attributable to:					
Investment income:					
Net appreciation (depreciation) of investments	\$ (94,427)	\$ 41,881,477		\$ (446,612)	\$ 105,095,438
Interest & Dividends			\$ 3,108,811	20	96,090,429
	-----	-----	-----	-----	-----
	(94,427)	41,881,477	3,108,811	(446,592)	201,185,867
	-----	-----	-----	-----	-----
Contributions and deferrals:					
Employee deferrals					145,632,603
Employer contributions				62,277,760	62,277,760
Transfers	141,098,893	160,233,523	49,546,119	123,749	1,889,867,093
	-----	-----	-----	-----	-----
	141,098,893	160,233,523	49,546,119	62,401,509	2,097,777,456
	-----	-----	-----	-----	-----
Total additions	141,004,466	202,115,000	52,654,930	61,954,917	2,298,963,323
	-----	-----	-----	-----	-----
Deductions from net assets attributable to:					
Distributions to participants	6,597,009	10,194,189	663,703	1,430,915	113,424,315
Administrative expenses	11,411	18,815		1,553	117,473
Transfers				106	
Transfers plan mergers	113,237,533	167,891,898	61,978,609	59,561,822	2,188,796,696
	-----	-----	-----	-----	-----
Total deductions	119,845,953	178,104,902	62,642,312	60,994,396	2,302,338,484
	-----	-----	-----	-----	-----
Interfund transfers	(21,158,513)	(24,010,098)	9,987,382	(1,958,364)	-
	-----	-----	-----	-----	-----
Decrease in net assets	-	-	-	(997,843)	(3,375,161)
	-----	-----	-----	-----	-----
Net assets, beginning of year				997,843	3,375,161
	-----	-----	-----	-----	-----
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General						25,803,449
Monumental Life Insurance Company						6,538,482
						6,869,338
At fair value:						
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 0.00%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are Plan assets - 0.10%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	=====	=====	=====	=====	=====

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon Salaried Savings and Investment Plan, which appears in this Form 10-K/A.

PricewaterhouseCoopers

Boston, Massachusetts
June 29, 1999

RAYTHEON CALIFORNIA HOURLY SAVINGS AND INVESTMENT PLAN
FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules required to accompany the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

Report of Independent Accountants

To the Participants and Administrator of
the Raytheon California Hourly Savings and Investment Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon California Hourly Savings and Investment Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes A and H to the financial statements, the Board of Directors of Raytheon Company voted on December 16, 1998, to merge the Plan into the Raytheon Savings and Investment Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON CALIFORNIA HOURLY SAVINGS AND INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$13,156,095	\$ 9,712
At fair value (Notes B, F and I)	45,166,735	123,623
	-----	-----
	58,322,830	133,335
	-----	-----
Receivables:		
Accrued investment income and other receivables	46,484	367
Cash and cash equivalents	1,462,127	1,025
	-----	-----
Total assets	59,831,441	134,727
	-----	-----
Liabilities:		
Payable for outstanding purchases	5,897	405
Accrued expenses and other payables	6,633	112
Transfer payables (Note H)	59,818,911	-----
	-----	-----
Total liabilities	59,831,441	517
	-----	-----
Net assets available for plan benefits	\$ -	\$134,210
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON CALIFORNIA HOURLY SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS

for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 2,660,598
Interest & Dividends	2,695,417

	5,356,015
Contributions and deferrals:	
Employee deferrals	4,746,859
Employer contributions	2,251,640
Transfers (Note G)	53,863,009

	60,861,508
 Total additions	 66,217,523

Deductions from net assets attributable to:	
Distributions to participants	6,300,175
Administrative expenses	6,092
Transfers (Note G and H)	60,045,466

Total deductions	66,351,733

 Decrease in net assets	 (134,210)
Net assets, beginning of year	134,210

Net assets, end of year	\$ 0
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON CALIFORNIA HOURLY SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

As more fully described in Note H, the Raytheon California Hourly Savings and Investment Plan (the "Plan") ceased to exist as of December 31, 1998 and effective January 1, 1999, the Plan was merged into the Raytheon Savings and Investment Plan (RAYSIP). The following description of the Plan provides only general information that is applicable through December 31, 1998. Participants should refer to the plan document for a complete description of the Plan's provisions.

The Plan, which was established on December 18, 1997, is a defined contribution plan covering certain employees of Raytheon Company (the "Company"). Effective December 18, 1997, General Motors Corporation employees assumed in connection with the merger of the defense business of Hughes Electronics Corporation with the Company (hereafter referred to as the "Hughes transaction"), that participated in the Hughes California Hourly Employees' Thrift and Savings Plan, became eligible to participate in the Plan. Participants had the option to rollover amounts accumulated in plans sponsored by General Motors Corporation to the Plan. The option to make a rollover election extended until December 1, 1998. To participate in the Plan, eligible employees must have three months of service and may enter the Plan only on the first day of each month. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are combined with the investments of other similar defined contribution plans of Raytheon Company into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 12% of their salaries. The Company contributes amounts equal to 100% of each participant's deferral, up to a maximum of 4% of the participant's salary. The contributions are invested in Raytheon Company common stock for two full plan years following the plan year for which the contributions are made, and are then allocated to participants' accounts. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan. Participants may invest their deferrals in increments of 1% in any combination of seven funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests in shares of a mutual fund consisting primarily of equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, and (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies. Amounts held in the RTN-A Wasting Fund and GMH Wasting Fund are shares of Raytheon Company Class A common stock or General Motors Class H common stock, respectively, that were transferred into the Plan as a result of the Hughes transaction. These options are not open for additional contributions and will only be available through December 31, 2002.

Dividends and distributions from investments of the Fidelity Equity Income Fund, the Raytheon Common Stock Fund, the Stock Index Fund, the Fidelity Balanced Fund, the Fidelity Magellan Fund, the Fidelity Blue Chip Fund, the RTN-A Wasting Fund and the GMH Wasting Fund are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately vested in their voluntary deferrals plus actual earnings thereon. Vesting requirements for employer contributions plus earnings thereon may vary depending upon when an employee became eligible to participate in the Plan. Vesting generally occurs upon completion of five years of service or upon three years of participation or upon retirement, death, disability, or attainment of normal retirement age. Forfeitures of the nonvested portions of terminated participants' accounts are used to reduce required contributions of the Company.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the Plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to 5 years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Substantially all expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net contributions and deferrals plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividend and interest income.

Benefits are recorded when paid.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the change in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated February 1999 that the Plan, as adopted on December 18, 1997, and related Trust are designed in accordance with applicable sections of the Code. The Plan has been amended since applying for the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, amounts in participants' accounts will be distributed in a single lump sum; if the participant does not consent to an immediate distribution, the amount can be transferred to another defined contribution plan sponsored by the Company.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in groups, between the Plan and other plans included in the Raytheon Company Master Trust for those participants, and/or groups of participants, who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

During the year, amounts rolled over by former employees of General Motors Corporation who participated in the Hughes California Hourly Employees' Thrift and Savings Plan and who became eligible to participate in the Plan totaled \$42,657,803.

H. Transfer Payables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances into the RAYSIP. The Plan ceased to exist on December 31, 1998 and effective January 1, 1999 the plan provisions of the RAYSIP govern. The transfer payable amount represents a complete transfer of assets to the RAYSIP.

	Participant Directed			Non-Participant Directed	
	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Raytheon Common Stock Fund	Total
Assets:					
Master trust investments:					
At contract value:					
Bankers Trust					\$ 4,631,562
Prudential Insurance Company of America					2,319,301
Metropolitan Life Insurance Company					5,821,490
Fidelity Connecticut General Monumental Life Insurance Company					252,526 63,989 67,227
At fair value:					
Fidelity Equity Income Fund					17,602,036
Raytheon Company Common Stock Fund				\$1,833,397	2,440,162
BT Pyramid Equity Index Fund					1,294,913
Fidelity Balanced Fund					5,784,869
Fidelity Magellan Fund					3,839,079
Fidelity Blue Chip Fund					3,778,025
Raytheon Class A Wasting Stock Fund	\$2,794,160				2,794,160
Raytheon GMH Wasting Stock Fund		\$3,972,028			3,972,028
Loans receivable from participants			\$3,661,463		3,661,463
	-----	-----	-----	-----	-----
Total investments	2,794,160	3,972,028	3,661,463	1,833,397	58,322,830
	-----	-----	-----	-----	-----
Receivables:					
Accrued investment income and other receivables	28,714	543		10,890	46,484
Cash and cash equivalents	83,743	125,788		25,232	1,462,127
	-----	-----	-----	-----	-----
Total assets	2,906,617	4,098,359	3,661,463	1,869,519	59,831,441
	-----	-----	-----	-----	-----
Liabilities:					
Payable for outstanding purchases				4,431	5,897
Accrued expenses and other payables	1,004	(1,495)		4,250	6,633
Transfer payables	2,905,613	4,099,854	3,661,463	1,860,838	59,818,911
	-----	-----	-----	-----	-----
Total liabilities	2,906,617	4,098,359	3,661,463	1,869,519	59,831,441
	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Participant Directed					
	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust	\$3,627					
Prudential Insurance Company of America	2,250					
Metropolitan Life Insurance Company	3,835					
At fair value:						
Fidelity Equity Income Fund*		\$21,159				
Raytheon Company Common Stock Fund*			\$6,484			
BT Pyramid Equity Index Fund*				\$6,823		
Fidelity Balanced Fund*					\$9,931	
Fidelity Magellan Fund*						\$23,519
Fidelity Blue Chip Fund*						
	-----	-----	-----	-----	-----	-----
Total investments	9,712	21,159	6,484	6,823	9,931	23,519
	-----	-----	-----	-----	-----	-----
Receivables:						
Accrued investment income and other receivables			48	16		
Cash and cash equivalents	95		117	67		
	-----	-----	-----	-----	-----	-----
Total assets	9,807	21,159	6,649	6,906	9,931	23,519
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payable for outstanding purchases			55			
Accrued expenses and other payables			13	17		
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	68	17	-	-
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$9,807	\$21,159	\$6,581	\$6,889	\$9,931	\$23,519
	=====	=====	=====	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

	Participant Directed	Non-Participant Directed	
	Blue Chip Fund	Raytheon Common Stock Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 3,627
Prudential Insurance Company of America			2,250
Metropolitan Life Insurance Company			3,835
At fair value:			
Fidelity Equity Income Fund*			21,159
Raytheon Company Common Stock Fund*		\$41,198	47,682
BT Pyramid Equity Index Fund*			6,823
Fidelity Balanced Fund*			9,931
Fidelity Magellan Fund*			23,519
Fidelity Blue Chip Fund*	\$14,509		14,509
	-----	-----	-----
Total investments	14,509	41,198	133,335
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables		303	367
Cash and cash equivalents		746	1,025
	-----	-----	-----
Total assets	14,509	42,247	134,727
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases		350	405
Accrued expenses and other payables		82	112
	-----	-----	-----
Total liabilities	-	432	517
	-----	-----	-----
Net assets available for plan benefits	\$14,509	\$41,815	\$134,210
	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits.

	Participant Directed			Non-Participant Directed	Total
	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Raytheon Common Stock Fund	
Additions to net assets attributable to:					
Investment income:					
Net appreciation (depreciation) of investments	\$ 45,904	\$ 1,049,401		\$ (14,243)	\$ 2,660,598
Interest & Dividends			\$ 198,050		2,695,417
	-----	-----	-----	-----	-----
	45,904	1,049,401	198,050	(14,243)	5,356,015
	-----	-----	-----	-----	-----
Contributions and deferrals:					
Employee deferrals					4,746,859
Employer contributions				2,251,640	2,251,640
Transfers	3,913,209	4,542,582	2,998,972		53,863,009
	-----	-----	-----	-----	-----
	3,913,209	4,542,582	2,998,972	2,251,640	60,861,508
	-----	-----	-----	-----	-----
Total additions	3,959,113	5,591,983	3,197,022	2,237,397	66,217,523
	-----	-----	-----	-----	-----
Deductions from net assets attributable to:					
Distributions to participants	433,298	628,930	222,868	194,301	6,300,175
Administrative expenses	646	1,063		55	6,092
Transfers	45,461	58,878		111,875	226,555
Transfers plan mergers	2,905,613	4,099,854	3,661,463	1,860,838	59,818,911
	-----	-----	-----	-----	-----
Total deductions	3,385,018	4,788,725	3,884,331	2,167,069	66,351,733
	-----	-----	-----	-----	-----
Interfund transfers	(574,095)	(803,258)	687,309	(112,143)	-
	-----	-----	-----	-----	-----
Decrease in net assets	-	-	-	(41,815)	(134,210)
Net assets, beginning of year	-	-	-	41,815	134,210
	-----	-----	-----	-----	-----
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

J. Master Trust:

All plan investments are included under the Master Trust. At December 31, 1998, assets of the Plan represented 0% of the total assets under the Master Trust. This has decreased from .004% at December 31, 1997.

The following is a summary of net assets available for plan benefits by fund under the Master Trust as of December 31, 1998:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Investments:						
At contract value:						
Bankers Trust*	\$ 473,258,791					
Prudential Life Insurance Company of America	236,989,116					
Metropolitan Life Insurance Company*	594,847,154					
Fidelity	25,803,449					
Connecticut General	6,538,482					
Monumental Life Insurance Company	6,869,338					
At fair value:						
Fidelity Equity Income Fund*		\$1,464,615,296				
Raytheon Company Common Stock Fund*			\$ 799,542,751			
BT Pyramid Equity Index Fund*				\$ 745,602,791		
Fidelity Balanced Fund*					\$ 442,796,289	
Fidelity Magellan Fund*						\$ 379,680,454
Fidelity Blue Chip Fund*						
Templeton Foreign I Fund						
Fidelity Investment Grade Bond Fund						
Fidelity Retirement Money Market						
Vanguard Winsor						
Vanguard Wellesley						
TRP Small Cap Stock						
Raytheon Class A Wasting Stock Fund						
Raytheon GMH Wasting Stock Fund						
Loans receivable from participants						
Total investments	1,344,306,330	1,464,615,296	799,542,751	745,602,791	442,796,289	379,680,454
Receivables:						
Employer contribution						
Accrued investment income and other receivables			4,748,948	1,573,604		
Transfer receivables	580,261,670	762,142,416	440,085,027	216,741,687	312,377,329	236,688,803
Cash and cash equivalents	123,969,201		11,004,025	3,330,147		
Total assets	2,048,537,201	2,226,757,712	1,255,380,751	967,248,229	755,173,618	616,369,257
Liabilities:						
Payable for outstanding purchases			1,932,125			
Accrued expenses and other payables			1,853,618	844,977		
Transfer payables	580,261,670	762,142,416	440,085,027	216,741,687	312,377,329	236,688,803
Total liabilities	580,261,670	762,142,416	443,870,770	217,586,664	312,377,329	236,688,803
Net assets available for plan benefits	\$1,468,275,531	\$1,464,615,296	\$ 811,509,981	\$ 749,661,565	\$ 442,796,289	\$ 379,680,454

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General Monumental Life Insurance Company						25,803,449 6,538,482 6,869,338
At fair value:						
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 0.00%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are Plan assets - 0.004%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	=====	=====	=====	=====	=====

EXHIBIT 99.8a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon California Hourly Savings and Investment Plan, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

EXHIBIT 99.9

RAYTHEON TUCSON BARGAINING SAVINGS AND INVESTMENT PLAN

FINANCIAL STATEMENTS

TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules required to accompany the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

Report of Independent Accountants

To the Participants and Administrator of
the Raytheon Tucson Bargaining Savings and Investment Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon Tucson Bargaining Savings and Investment Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes A and H to the financial statements, the Board of Directors of Raytheon Company voted on December 16, 1998, to merge the Plan into the Raytheon Employee Savings and Investment Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON TUCSON BARGAINING SAVINGS AND INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$ 6,852,411	\$ 4,511
At fair value (Notes B, F and I)	39,004,660	84,493
	-----	-----
	45,857,071	89,004
Receivables:		
Accrued investment income and other receivables	47,028	240
Cash and cash equivalents	893,087	657
	-----	-----
Total assets	46,797,186	89,901
	-----	-----
Liabilities:		
Payable for outstanding purchases	5,252	260
Accrued expenses and other payables	8,858	76
Transfer payables (Note H)	46,783,076	
	-----	-----
Total liabilities	46,797,186	336
	-----	-----
Net assets available for plan benefits	\$ -	\$89,565
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON TUCSON BARGAINING SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS

AVAILABLE FOR PLAN BENEFITS

for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 2,228,840
Interest & Dividends	1,982,313

	4,211,153
Contributions and deferrals:	
Employee deferrals	3,570,498
Employer contributions	1,671,909
Transfers (Note G)	39,889,430

	45,131,837
 Total additions	 49,342,990

Deductions from net assets attributable to:	
Distributions to participants	2,644,901
Administrative expenses	4,578
Transfers (Note G and H)	46,783,076

Total deductions	49,432,555

Decrease in net assets	(89,565)
Net assets, beginning of year	89,565

Net assets, end of year	\$ -
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON TUCSON BARGAINING SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

As more fully described in Note H, the Raytheon Tucson Bargaining Savings and Investment Plan (the "Plan") ceased to exist as of December 31, 1998 and effective January 1, 1999, the Plan was merged into the Raytheon Employee Savings and Investment Plan (RESIP). The following description of the Plan provides only general information that is applicable through December 31, 1998. Participants should refer to the plan document for a complete description of the Plan's provisions.

The Plan was established on December 18, 1997. The Plan is a defined contribution plan covering certain employees of Raytheon Company (the "Company"). Effective December 18, 1997, General Motors Corporation employees assumed in connection with the merger of the defense business of Hughes Electronics Corporation with the Company (hereafter referred to as the "Hughes transaction"), that participated in the Hughes Tucson Bargaining Employees' Thrift and Savings Plan, became eligible to participate in the Plan. Participants had the option to rollover amounts accumulated in plans sponsored by General Motors Corporation to the Plan. The option to make a rollover election extended until December 1, 1998. To participate in the Plan, eligible employees must have three months of service and may enter the Plan only on the first day of each month. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are combined with the investments of other similar defined contribution plans of the Company into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 12% of their salaries. The Company contributes amounts equal to 100% of each participant's deferral, up to a maximum of 4% of the participant's salary. The contributions are invested in Raytheon Company common stock for two full plan years following the plan year for which the contributions are made, and are then allocated to participants' accounts. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan. Participants may invest their deferrals in increments of 1% in any combination of seven funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of

interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests in shares of a mutual fund consisting of primarily equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, and (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies. Amounts held in the RTN-A Wasting Fund and GMH Wasting Fund are shares of Raytheon Company Class A common stock or General Motors Class H common stock, respectively, that were transferred into the Plan as a result of the Hughes transaction. These options are not open for additional contributions and will only be available through December 31, 2002.

Dividends and distributions from investments of the Fidelity Equity Income Fund, the Raytheon Common Stock Fund, the Stock Index Fund, the Fidelity Balanced Fund, the Fidelity Magellan Fund, the Fidelity Blue Chip Fund, the RTN-A Wasting Fund and the GMH Wasting Fund are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately vested in their voluntary deferrals plus actual earnings thereon. Vesting requirements for employer contributions plus earnings thereon may vary depending upon when an employee became eligible to participate in the Plan. Vesting generally occurs upon completion of five years of service or upon three years of participation or upon retirement, death, disability, or attainment of normal retirement age. Forfeitures of the nonvested portions of terminated participants' accounts are used to reduce required contributions of the Company.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the Plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to 5 years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Substantially all expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net contributions and deferrals plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividend and interest income.

Benefits are recorded when paid.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the change in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated February 1999 that the Plan, as adopted on December 17, 1997, and related Trust are designed in accordance with applicable sections of the Code. The Plan has been amended since applying for the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, amounts in participants' accounts will be distributed in a single lump sum; if the participant does not consent to an immediate distribution, the amount can be transferred to another defined contribution plan sponsored by the Company.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust Level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in groups, between the Plan and other plans included in the Raytheon Company Master Trust for those participants, and/or groups of participants, who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

During the year, amounts rolled over by former employees of General Motors Corporation who participated in the Hughes Tucson Bargaining Employees' Thrift and Savings Plan and who became eligible to participate in the Plan totaled \$33,217,821.

H. Transfer Payables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of Raytheon Company voted on December 16, 1998 to merge the participants and their account balances into the RESIP. The Plan ceased to exist on December 31, 1998 and effective January 1, 1999, the plan provisions of the RESIP govern. The transfer payable amount represents a complete transfer of assets to the RESIP.

	Participant Directed			Non-Participant Directed	
	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Raytheon Common Stock Fund	Total
Assets:					
Master trust investments:					
At contract value:					
Bankers Trust					\$ 2,412,371
Prudential Insurance Company of America					1,208,018
Metropolitan Life Insurance Company					3,032,149
Fidelity Connecticut General Monumental Life Insurance Company					131,529 33,329 35,015
At fair value:					
Fidelity Equity Income Fund					15,405,128
Raytheon Company Common Stock Fund				\$1,492,857	2,173,409
BT Pyramid Equity Index Fund					982,271
Fidelity Balanced Fund					3,878,790
Fidelity Magellan Fund					3,145,397
Fidelity Blue Chip Fund					2,357,467
Raytheon Class A Wasting Stock Fund	\$3,061,517				3,061,517
Raytheon GMH Wasting Stock Fund		\$4,266,631			4,266,631
Loans receivable from participants			\$3,734,050		3,734,050
	-----	-----	-----	-----	-----
Total investments	3,061,517	4,266,631	3,734,050	1,492,857	45,857,071
	-----	-----	-----	-----	-----
Receivables:					
Accrued investment income and other receivables	31,461	584		8,867	47,028
Cash and cash equivalents	91,756	135,118		20,545	893,087
	-----	-----	-----	-----	-----
Total assets	3,184,734	4,402,333	3,734,050	1,522,269	46,797,186
	-----	-----	-----	-----	-----
Liabilities:					
Payable for outstanding purchases				3,608	5,252
Accrued expenses and other payables	1,100	1,606		3,461	8,858
Transfer payables	3,183,634	4,400,727	3,734,050	1,515,200	46,783,076
	-----	-----	-----	-----	-----
Total liabilities	3,184,734	4,402,333	3,734,050	1,522,269	46,797,186
	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Participant Directed					
	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust	\$1,685					
Prudential Insurance Company of America	1,045					
Metropolitan Life Insurance Company	1,781					
At fair value:						
Fidelity Equity Income Fund*		\$18,557				
Raytheon Company Common Stock*			\$3,075			
BT Pyramid Equity Index Fund*				\$6,028		
Fidelity Balanced Fund*					\$5,772	
Fidelity Magellan Fund*						\$15,517
Fidelity Blue Chip Fund*						
Total investments	4,511	18,557	3,075	6,028	5,772	15,517
Receivables:						
Accrued investment income and other receivables						
Cash and cash equivalents	45		23 56	14 59		
Total assets	4,556	18,557	3,154	6,101	5,772	15,517
Liabilities:						
Payable for outstanding purchases						
Accrued expenses and other payables			26 6	15 15		
Total liabilities	-	-	32	15	-	-
Net assets available for plan benefits	\$4,556	\$18,557	\$3,122	\$6,086	\$5,772	\$15,517

*Represents more than 5% of net assets available for plan benefits

	Participant Directed	Non-Participant Directed	
	Blue Chip Fund	Raytheon Common Stock Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 1,685
Prudential Insurance Company of America			1,045
Metropolitan Life Insurance Company			1,781
At fair value:			
Fidelity Equity Income Fund*			18,557
Raytheon Company Common Stock*		\$27,479	30,554
BT Pyramid Equity Index Fund*			6,028
Fidelity Balanced Fund*			5,772
Fidelity Magellan Fund*			15,517
Fidelity Blue Chip Fund*	\$8,065		8,065
	-----	-----	-----
Total investments	8,065	27,479	89,004
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables		203	240
Cash and cash equivalents		497	657
	-----	-----	-----
Total assets	8,065	28,179	89,901
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases		234	260
Accrued expenses and other payables		55	76
	-----	-----	-----
Total liabilities	-	289	336
	-----	-----	-----
Net assets available for plan benefits	\$8,065	\$27,890	\$89,565
	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

	Participant Directed			Non-Participant Directed	Total
	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Raytheon Common Stock Fund	
Additions to net assets attributable to:					
Investment income:					
Net appreciation (depreciation) of investments	\$ (7,016)	\$ 1,199,091		\$ (10,854)	\$ 2,228,840
Interest & Dividends			\$ 191,600		1,982,313
	-----	-----	-----	-----	-----
	(7,016)	1,199,091	191,600	(10,854)	4,211,153
	-----	-----	-----	-----	-----
Contributions and deferrals:					
Employee deferrals					3,570,498
Employer contributions				1,671,909	1,671,909
Transfers	3,893,484	4,474,025	2,424,586	1,314	39,889,430
	-----	-----	-----	-----	-----
	3,893,484	4,474,025	2,424,586	1,673,223	45,131,837
	-----	-----	-----	-----	-----
Total additions	3,886,468	5,673,116	2,616,186	1,662,369	49,342,990
	-----	-----	-----	-----	-----
Deductions from net assets attributable to:					
Distributions to participants	223,871	319,876	41,519	33,949	2,644,901
Administrative expenses	531	855		36	4,578
Transfers					-
Transfers plan mergers	3,183,634	4,400,727	3,734,050	1,515,200	46,783,076
	-----	-----	-----	-----	-----
Total deductions	3,408,036	4,721,458	3,775,569	1,549,185	49,432,555
	-----	-----	-----	-----	-----
Interfund transfers	(478,432)	(951,658)	1,159,383	(141,074)	-
	-----	-----	-----	-----	-----
Decrease in net assets	-	-	-	(27,890)	(89,565)
Net assets, beginning of year	-	-	-	27,890	89,565
	-----	-----	-----	-----	-----
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

J. Master Trust:

All plan investments are included under the Master Trust. At December 31, 1998, assets of the Plan represented 0% of the total assets under the Master Trust. This has decreased from .003% at December 31, 1997.

The following is a summary of net assets available for plan benefits by fund under the Master Trust as of December 31, 1998:

	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Investments:						
At contract value:						
Bankers Trust*	\$ 473,258,791					
Prudential Life Insurance Company of America	236,989,116					
Metropolitan Life Insurance Company*	594,847,154					
Fidelity	25,803,449					
Connecticut General	6,538,482					
Monumental Life Insurance Company	6,869,338					
At fair value:						
Fidelity Equity Income Fund*		\$1,464,615,296				
Raytheon Company Common Stock Fund*			\$ 799,542,751			
BT Pyramid Equity Index Fund*				\$ 745,602,791		
Fidelity Balanced Fund*					\$ 442,796,289	
Fidelity Magellan Fund*						\$ 379,680,454
Fidelity Blue Chip Fund*						
Templeton Foreign I Fund						
Fidelity Investment Grade Bond Fund						
Fidelity Retirement Money Market						
Vanguard Winsor						
Vanguard Wellesley						
TRP Small Cap Stock						
Raytheon Class A Wasting Stock Fund						
Raytheon GMH Wasting Stock Fund						
Loans receivable from participants						
Total investments	1,344,306,330	1,464,615,296	799,542,751	745,602,791	442,796,289	379,680,454
Receivables:						
Employer contribution						
Accrued investment income and other receivables			4,748,948	1,573,604		
Transfer receivables	580,261,670	762,142,416	440,085,027	216,741,687	312,377,329	236,688,803
Cash and cash equivalents	123,969,201		11,004,025	3,330,147		
Total assets	2,048,537,201	2,226,757,712	1,255,380,751	967,248,229	755,173,618	616,369,257
Liabilities:						
Payables for outstanding purchases			1,932,125			
Accrued expenses and other payables			1,853,618	844,977		
Transfer payables	580,261,670	762,142,416	440,085,027	216,741,687	312,377,329	236,688,803
Total liabilities	580,261,670	762,142,416	443,870,770	217,586,664	312,377,329	236,688,803
Net assets available for plan benefits	\$1,468,275,531	\$1,464,615,296	\$ 811,509,981	\$ 749,661,565	\$ 442,796,289	\$ 379,680,454

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General						25,803,449
Monumental Life Insurance Company						6,538,482
At fair value:						6,869,338
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 0.00%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are plan assets - 0.003%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation (depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends	-----	-----	-----	\$15,334,403	254,111,328
Total investment income/(loss)	\$ 15 =====	\$ (35,268) =====	\$44,604,025 =====	\$15,334,403 =====	\$713,220,755 =====

EXHIBIT 99.9a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon Tucson Bargaining Savings and Investment Plan, which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999

RAYTHEON SAVINGS AND INVESTMENT PLAN (10014)

FINANCIAL STATEMENTS
TO ACCOMPANY 1998 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

FOR THE YEAR ENDED DECEMBER 31, 1998

The supplemental schedules required to accompany the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan administrator must file detailed financial information, including the supplemental schedules, separately with the Department of Labor.

Report of Independent Accountants

To the Participants and Administrator of
the Raytheon Savings and Investment Plan (10014):

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for benefits of the Raytheon Savings and Investment Plan (10014) (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes A and H to the financial statements, the Board of Directors of Raytheon Company voted on December 16, 1998, to merge the Plan into the Raytheon Employee Savings and Investment Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 4, 1999

RAYTHEON SAVINGS AND INVESTMENT PLAN (10014)
 STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
 as of December 31, 1998 and 1997

	1998	1997
Assets:		
Master trust investments:		
At contract value (Notes B, E and I)	\$ 2,215,995	\$ 2,280
At fair value (Notes B, F and I)	16,122,546	59,325
	-----	-----
	18,338,541	61,605
Receivables:		
Accrued investment income and other receivables	22,764	155
Cash and cash equivalents	323,185	426
	-----	-----
Total assets	18,684,490	62,186
	-----	-----
Liabilities:		
Payable for outstanding purchases	2,857	165
Accrued expenses and other payables	4,636	51
Transfer payables (Note H)	18,676,997	
	-----	-----
Total liabilities	18,684,490	216
	-----	-----
Net assets available for plan benefits	\$ -	\$61,970
	=====	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SAVINGS AND INVESTMENT PLAN (10014)

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS
for the year ended December 31, 1998

Additions to net assets attributable to:	
Investment income (Notes B, E and I):	
Net appreciation of investments	\$ 1,071,553
Interest & Dividends	757,891

	1,829,444
Contributions and deferrals:	
Employee deferrals	2,527,892
Employer contributions	922,490
Transfers (Note G)	14,208,728

	17,659,110
Total additions	19,488,554

Deductions from net assets attributable to:	
Distributions to participants	849,450
Administrative expenses	2,995
Transfers (Note G and H)	18,698,079

Total deductions	19,550,524

Decrease in net assets	(61,970)
Net assets, beginning of year	61,970

Net assets, end of year	\$ -
	=====

The accompanying notes are an integral part of the financial statements.

RAYTHEON SAVINGS AND INVESTMENT PLAN (10014)

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

General

As more fully described in Note H, the Raytheon Savings and Investment Plan (10014) (the "Plan") ceased to exist as of December 31, 1998 and effective January 1, 1999 the Plan was merged into the Raytheon Employee Savings and Investment Plan (RESIP). The following description of the Plan provides only general information that is applicable through December 31, 1998. Participants should refer to the plan document for a complete description of the Plan's provisions.

The Plan, which was established on December 18, 1997, is a defined contribution plan covering certain employees of Raytheon Company (the "Company"). Effective December 18, 1997, employees assumed in connection with the merger of the defense business of Hughes Electronics Corporation with the Company (hereafter referred to as the "Hughes transaction") that participated in the Hughes Thrift and Savings Plan became eligible to participate in the Plan. Participants had the option to rollover amounts accumulated in plans sponsored by the defense business of Hughes Electronics Corporation to the Plan. The option to make a rollover election extended until December 1, 1998. To participate in the Plan, eligible employees must have three months of service and may enter the Plan only on the first day of each month. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short and long-term investment objectives. The Plan is intended to be a "qualified cash or deferred arrangement" under the Internal Revenue Code (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's investments are combined with the investments of other similar defined contribution plans of the Company into the Raytheon Company Master Trust for Defined Contribution Plans ("Master Trust"). The trustee of the Master Trust maintains a separate account reflecting the equitable share in the Trust of each plan.

Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

Contributions and Deferrals

Eligible employees are allowed to defer to the Plan up to 10% of their salaries. The Company contributes amounts equal to 50% of each participant's deferral, up to a maximum of 3% of the participant's salary. The contributions are invested in Raytheon Company common stock for two full plan years following the plan year for which the contributions are made, and are then allocated to participants' accounts. For 1998, the annual employee deferral for a participant cannot exceed \$10,000. Rollover contributions from other qualified plans are accepted by the Plan. Participants may invest their deferrals in increments of 1% in any combination of seven funds: (a) a Fixed Income Fund under which assets are invested primarily in contracts providing for fixed rates of interest for specified periods of time, (b) the Fidelity Equity Income Fund which invests in shares of a mutual fund consisting primarily of income-producing equity securities, (c) a Raytheon Common Stock Fund which invests in shares of Raytheon Company common stock, (d) a Stock Index Fund which invests in a commingled pool consisting primarily of equity securities and is designed to track the S&P 500 Index, (e) the Fidelity Balanced Fund which invests in shares of a mutual fund consisting of primarily equity securities, bonds and money market instruments, (f) the Fidelity Magellan Fund, a growth fund which invests primarily in equities of companies of all types and sizes, and (g) the Fidelity Blue Chip Fund, a growth fund which invests primarily in equities of well known and established companies. Amounts held in the RTN-A Wasting Fund and GMH Wasting Fund are shares of Raytheon Company Class A common stock or General Motors Class H common stock, respectively, that were transferred into the Plan as a result of the Hughes transaction. These options are not open for additional contributions and will only be available through December 31, 2002.

Dividends and distributions from investments of the Fidelity Equity Income Fund, the Raytheon Common Stock Fund, the Stock Index Fund, the Fidelity Balanced Fund, the Fidelity Magellan Fund, the Fidelity Blue Chip Fund, the RTN-A Wasting Fund and the GMH Wasting Fund are reinvested in their respective funds; stock dividends, stock splits and similar changes are also reflected in the funds.

Participant Accounts

Each participant's account is credited with the participant's deferral, the Company's contribution and an allocation of Plan earnings. Plan earnings are allocated based on account balances by fund.

Vesting

Participants are immediately vested in their voluntary deferrals plus actual earnings thereon. Vesting requirements for employer contributions plus earnings thereon may vary depending upon when an employee became eligible to participate in the Plan. Vesting generally occurs upon completion of five years of service or upon three years of Plan participation or upon retirement, death, disability, or attainment of normal retirement age. Forfeitures of the nonvested portions of terminated participants' accounts are used to reduce required contributions of the Company.

Distributions to Participants

A participant may withdraw all or a portion of deferrals, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, as defined in the Plan document, a participant may withdraw all or a portion of deferrals. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$3,500 and the participant elects to defer distribution. A retiree or a beneficiary of a deceased participant may defer the distribution until January of the year following attainment of age 65.

Loans to Participants

A participant may borrow against a portion of the balance in the participant's account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000. The minimum loan which may be granted is \$500. The interest rate applied is equal to the prime rate published in the Wall Street Journal on the first business day in June and December of each year. Loans must be repaid over a period of up to 5 years by means of payroll deductions. In certain cases, the repayment period may be extended up to 15 years. Interest paid to the Plan on loans to participants is credited to the borrower's account in the investment fund to which repayments are made.

Administrative Expenses

Substantially all expenses of administering the Plan are paid by the plan participants.

B. Summary of Significant Accounting Policies:

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan's investment contracts are fully benefit-responsive and are therefore included in the financial statements at their contract value, defined as net contributions and deferrals plus interest earned on the underlying investments at contracted rates. Contract value approximates fair value. Investments in mutual funds and the commingled pool are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Cash equivalents are short-term money market instruments and are valued at cost, which approximates fair value. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on the trade date. Except for its investment contracts (Note E), the Plan's investments are held by bank-administered trust funds. Payables for outstanding security transactions represent trades which have occurred but have not yet settled.

The Plan presents in the statement of changes in net assets the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Investment income includes both dividend and interest income.

Benefits are recorded when paid.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets and liabilities available for benefits at the date of the financial statements and the change in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

C. Federal Income Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated January 1999 that the Plan, as adopted on December 17, 1997, and related trust are designed in accordance with applicable sections of the Code. The Plan has been amended since applying for the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

D. Plan Termination:

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time or times to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, amounts in participants' accounts will be distributed in a single lump sum; if the participant does not consent to an immediate distribution, the amount can be transferred to another defined contribution plan sponsored by the Company.

E. Investment Contracts:

The Plan invests in collateralized fixed income investment portfolios which are managed by insurance companies and investment management firms. The credited interest rates are adjusted semiannually to reflect the experienced and anticipated yields to be earned on such investments, based on their book value. The annualized average yield and credited interest rates were as follows:

	Annualized Average Yield	Credited Interest Rate
For the year ended December 31, 1998:		
Banker's Trust (WBS 92-485)	6.85%	6.85%
Metropolitan Life Insurance Company (GIC GA-12908)	6.58%	6.58%
Metropolitan Life Insurance Company (GIC GA-13659)	6.10%	6.10%
Prudential Asset Management Company (GIC 917163-001)	6.75%	6.75%
Connecticut General (GIC 0025174)	5.58%	5.58%
Fidelity IPL (633-GCDC)	5.62%	5.62%
Monumental Life Insurance Company (GIC BDA00463FR-00)	7.84%	7.84%
For the year ended December 31, 1997:		
Banker's Trust (WBS 92-485)	6.95%	6.95%
Metropolitan Life Insurance Company (GIC GA-12908)	6.86%	6.86%
Metropolitan Life Insurance Company (GIC GA-13659)	6.43%	6.43%
Prudential Asset Management Company (GIC 917163-001)	6.99%	6.99%

The contract values are subject to limitations in certain situations including large workforce reductions and plan termination. In the financial statements the two Metropolitan Life Insurance Company contracts are recorded as one investment option.

F. Related Party Transactions:

The Plan's trustee is Fidelity Management Trust Company (the "Trustee"). The Trustee holds the funds for the Plan and is responsible for managing the Plan's investment assets, executing all investment transactions, recording approved transactions, and, therefore these transactions qualify as party-in-interest.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. These transactions are performed on a Master Trust level. For the Master Trust, purchases amounted to \$288,116,995 and sales amounted to \$257,878,566 for the year ended December 31, 1998.

G. Transfers:

Transfers include transfers of participant accounts, individually and/or in groups, between the Plan and other plans included in the Raytheon Company Master Trust for those participants, and/or groups of participants, who changed plans during the year. Transfers also include transfers of participant accounts, individually and/or in groups, between the Plan and similar savings plans of other companies for those participants who changed companies during the year.

During the year, amounts rolled over by former employees of the defense business of Hughes Electronics Corporation who participated in the Hughes Thrift and Savings Plan and who became eligible to participate in the Plan totaled \$12,290,388.

H. Transfer Payables:

As part of an overall effort to minimize plan design differences and increase administrative efficiencies, the Board of Directors of the Raytheon Company voted on December 16, 1998 to merge the participants and their account balances into the RESIP. The Plan ceased to exist on December 31, 1998 and effective January 1, 1999, the plan provisions of the RESIP govern. The transfer payable amount represents a complete transfer of assets to the RESIP.

	Participant Directed			Non-Participant Directed	
	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Raytheon Common Stock Fund	Total
Assets:					
Master trust investments:					
At contract value:					
Bankers Trust					\$ 780,134
Prudential Insurance Company of America					390,660
Metropolitan Life Insurance Company					980,564
Fidelity Connecticut General Monumental Life Insurance Company					42,535 10,778 11,324
At fair value:					
Fidelity Equity Income Fund					5,137,337
Raytheon Company Common Stock Fund				\$884,744	1,182,228
BT Pyramid Equity Index Fund					622,923
Fidelity Balanced Fund					2,134,411
Fidelity Magellan Fund					1,517,997
Fidelity Blue Chip Fund					1,315,762
Raytheon Class A Wasting Stock Fund	\$1,379,518				1,379,518
Raytheon GMH Wasting Stock Fund		\$1,845,149			1,845,149
Loans receivable from participants			\$987,221		987,221
	-----	-----	-----	-----	-----
Total investments	1,379,518	1,845,149	987,221	884,744	\$18,338,541
	-----	-----	-----	-----	-----
Receivables:					
Accrued investment income and other receivables	14,176	252		5,254	22,764
Cash and cash equivalents	41,345	58,433		12,176	323,185
	-----	-----	-----	-----	-----
Total assets	1,435,039	1,903,834	987,221	902,174	\$18,684,490
	-----	-----	-----	-----	-----
Liabilities:					
Payable for outstanding purchases				2,138	2,857
Accrued expenses and other payables	495	694		2,051	4,636
Transfer payables	1,434,544	1,903,140	987,221	897,985	18,676,997
	-----	-----	-----	-----	-----
Total liabilities	1,435,039	1,903,834	987,221	902,174	\$18,684,490
	-----	-----	-----	-----	-----
Net assets available for plan benefits					
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

I. Fund Data, Continued:

The following is a summary of net assets available for plan benefits by fund as of December 31, 1997:

	Participant Directed					
	Fixed Income Fund	Equity Fund	Raytheon Common Stock Fund	Stock Index Fund	Balanced Fund	Magellan Fund
Assets:						
Master trust investments:						
At contract value:						
Bankers Trust	\$ 852					
Prudential Insurance Company of America	528					
Metropolitan Life Insurance Company	900					
At fair value:						
Fidelity Equity Income Fund*		\$8,617				
Raytheon Company Common Stock*			\$3,715			
BT Pyramid Equity Index Fund*				\$5,307		
Fidelity Balanced Fund*					\$4,183	
Fidelity Magellan Fund*						\$13,244
Fidelity Blue Chip Fund*						
Loans receivable from participants*						
Total investments	2,280	8,617	3,715	5,307	4,183	13,244
Receivables:						
Accrued investment income and other receivables			27	12		
Cash and cash equivalents	23		67	52		
Total assets	2,303	8,617	3,809	5,371	4,183	13,244
Liabilities:						
Payable for outstanding purchases				32		
Accrued expenses and other payables			7	13		
Total liabilities	-	-	39	13	-	-
Net assets available for plan benefits	\$2,303	\$8,617	\$3,770	\$5,358	\$4,183	\$13,244

*Represents more than 5% of net assets available for plan benefits

	Participant Directed	Non-Participant Directed	
	Blue Chip Fund	Raytheon Common Stock Fund	Total
Assets:			
Master trust investments:			
At contract value:			
Bankers Trust			\$ 852
Prudential Insurance Company of America			528
Metropolitan Life Insurance Company			900
At fair value:			
Fidelity Equity Income Fund*			8,617
Raytheon Company Common Stock*		\$15,666	19,381
BT Pyramid Equity Index Fund*			5,307
Fidelity Balanced Fund*			4,183
Fidelity Magellan Fund*			13,244
Fidelity Blue Chip Fund*	\$8,593		8,593
	-----	-----	-----
Total investments	8,593	15,666	61,605
	-----	-----	-----
Receivables:			
Accrued investment income and other receivables		116	155
Cash and cash equivalents		284	426
	-----	-----	-----
Total assets	8,593	16,066	62,186
	-----	-----	-----
Liabilities:			
Payable for outstanding purchases		133	165
Accrued expenses and other payables		31	51
	-----	-----	-----
Total liabilities	-	164	216
	-----	-----	-----
Net assets available for plan benefits	\$8,593	\$15,902	\$61,970
	=====	=====	=====

*Represents more than 5% of net assets available for plan benefits

	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Non-Participant Directed Raytheon Common Stock Fund	Total
Additions to net assets attributable to:					
Investment income:					
Net appreciation (depreciation) of investments	\$ 20,270	\$ 474,057		\$ 2,193	\$ 1,071,553
Interest & Dividends			\$ 50,896		757,891
	-----	-----	-----	-----	-----
	20,270	474,057	50,896	2,193	1,829,444
	-----	-----	-----	-----	-----
Contributions and deferrals:					
Employee deferrals					2,527,892
Employer contributions				922,490	922,490
Transfers	1,754,018	1,985,775	727,507	7,977	14,208,728
	-----	-----	-----	-----	-----
	1,754,018	1,985,775	727,507	930,467	17,659,110
	-----	-----	-----	-----	-----
Total additions	1,774,288	2,459,832	778,403	932,660	19,488,554
	-----	-----	-----	-----	-----
Deductions from net assets attributable to:					
Distributions to participants	81,677	124,977	45,827	15,728	849,450
Administrative expenses	427	706		21	2,995
Transfers	4,116	4,833		5,737	21,082
Transfers plan mergers	1,434,544	1,903,140	987,221	897,985	18,676,997
	-----	-----	-----	-----	-----
Total deductions	1,520,764	2,033,656	1,033,048	919,471	19,550,524
	-----	-----	-----	-----	-----
Interfund transfers	(253,524)	(426,176)	254,645	(29,091)	-
	-----	-----	-----	-----	-----
Decrease in net assets	-	-	-	(15,902)	(61,970)
	-----	-----	-----	-----	-----
Net assets, beginning of year	-	-	-	15,902	61,970
	-----	-----	-----	-----	-----
Net assets, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	=====	=====	=====	=====	=====

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Other (1)	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$ 473,258,791
Prudential Life Insurance Company of America						236,989,116
Metropolitan Life Insurance Company*						594,847,154
Fidelity Connecticut General						25,803,449
Monumental Life Insurance Company						6,538,482
At fair value:						6,869,338
Fidelity Equity Income Fund*						1,464,615,296
Raytheon Company Common Stock Fund*						799,542,751
BT Pyramid Equity Index Fund*						745,602,791
Fidelity Balanced Fund*						442,796,289
Fidelity Magellan Fund*						379,680,454
Fidelity Blue Chip Fund*						391,787,509
Templeton Foreign I Fund						6,966,704
Fidelity Investment Grade Bond Fund						-
Fidelity Retirement Money Market						13,202,524
Vanguard Winsor						41
Vanguard Wellesley						18
TRP Small Cap Stock	\$ 348					348
Raytheon Class A Wasting Stock Fund		\$ 116,129,149				116,129,149
Raytheon GMH Wasting Stock Fund			\$ 172,859,819			172,859,819
Loans receivable from participants				\$ 250,687,865		250,687,865
Total investments	348	116,129,149	172,859,819	250,687,865	-	6,128,177,888
Receivables:						
Employer contribution						3,595,261
Accrued investment income and other receivables		1,193,397	23,640			7,539,589
Transfer receivables		120,761,325	178,295,618	117,046,618	\$ 855,826,675	4,035,178,551
Cash and cash equivalents		3,480,490	5,474,220			147,258,083
Total assets	348	241,564,361	356,653,297	367,734,483	855,826,675	10,321,749,372
Liabilities:						
Payable for outstanding purchases						1,932,125
Accrued expenses and other payables		41,711	62,061			2,802,367
Transfer payables		120,761,325	178,295,618	117,046,618		3,179,351,876
Total liabilities	-	120,803,036	178,357,679	117,046,618	-	3,184,086,368
Net assets available for plan benefits	\$ 348	\$120,761,325	\$ 178,295,618	\$ 250,687,865	\$ 855,826,675	\$7,137,663,004

Percentage of Master Trust that are Plan assets - 0.00%

*Represent more than 5% of net assets available for plan benefits

(1) Other represents Raytheon plans merging in from outside the Master Trust.

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	Blue Chip Fund	Templeton Foreign I Fund	Investment Grade Bond Fund	Retirement Money Market Fund	Loan Fund	Total
Assets:						
Investments:						
At contract value:						
Bankers Trust*						\$351,035,073
Prudential Life Insurance Company of America*						217,731,699
Metropolitan Life Insurance Company*						371,123,080
At fair value:						
Fidelity Equity Income Fund*						782,799,011
Raytheon Company Common Stock Fund*						745,980,294
BT Pyramid Equity Index Fund*						484,781,406
Fidelity Balanced Fund						117,556,481
Fidelity Magellan Fund						91,863,155
Fidelity Blue Chip Fund	\$136,586,123					136,586,123
Templeton Foreign I Fund		\$5,471,176				5,471,176
Fidelity Investment Grade Bond Fund			\$1,548,125			1,548,125
Fidelity Retirement Money Market Fund				\$12,186,085		12,186,085
Loans receivable from participants					\$166,395,767	166,395,767
	-----	-----	-----	-----	-----	-----
Total investments	136,586,123	5,471,176	1,548,125	12,186,085	166,395,767	3,485,057,475
	-----	-----	-----	-----	-----	-----
Receivables:						
Employer contribution				4,015,100		4,015,100
Accrued investment income and other receivables						6,650,704
Cash and cash equivalents						27,491,419
	-----	-----	-----	-----	-----	-----
Total assets	136,586,123	5,471,176	1,548,125	16,201,185	166,395,767	3,523,214,698
	-----	-----	-----	-----	-----	-----
Liabilities:						
Payable for outstanding purchases						6,340,318
Accrued expenses and other payables						2,681,346
	-----	-----	-----	-----	-----	-----
Total liabilities	-	-	-	-	-	9,021,664
	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits	\$136,586,123	\$5,471,176	\$1,548,125	\$16,201,185	\$166,395,767	\$3,514,193,034
	=====	=====	=====	=====	=====	=====

Percentage of Master Trust that are Plan assets - 0.002%

*Represent more than 5% of net assets available for plan benefits

Note: Not all funds within the Master Trust are available options to participants in the Plan.

	TRP Small Cap Stock Fund	RTN.A Wasting Fund	GMH Wasting Fund	Loan Fund	Total
Investment income:					
Net appreciation					
(depreciation) of assets	\$ 15	\$ (35,268)	\$44,604,025		\$459,109,427
Interest & Dividends				\$15,334,403	254,111,328
	-----	-----	-----	-----	-----
Total investment					
income/(loss)	\$ 15	\$ (35,268)	\$44,604,025	\$15,334,403	\$713,220,755
	=====	=====	=====	=====	=====

EXHIBIT 99.10a

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-56117) of Raytheon Company of our report dated June 4, 1999 relating to the financial statements of the Raytheon Savings and Investment Plan (10014), which appears in this Form 10-K/A.

PricewaterhouseCoopers LLP

Boston, Massachusetts
June 29, 1999