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Intelligence, Surveillance &
Reconnaissance (ISR) SBA

ISR SBA Overview

Description & Definition

- Technologies, Information, and Systems Solutions that Provide Intelligence, and the Rationale for Taking Offensive Action or Countering Force Directed Against National and/or Military Assets
- Capitalize on Raytheon's One-Company ISR Capabilities to Achieve Growth

Current Environment

- DoD Focused on Transforming Warfare
- Multi-mission ISR Systems are Emerging in Support of Network Centric Warfare
- ISR Market is Growing at 5.7%

2002 Accomplishments

- Raytheon tops \$3B in ISR Sales
- Won Prime Role on Space- Based Radar
- Signed 3-way Teaming Agreement on MC2A WSI with Northrop Grumman and Boeing

Raytheon Will Help Customers Define Network-Centric Operations

ISR SBA Overview

- Customer Focused
 - Sensor to User
 - Surface to Space
 - Subsystems to “Systems of Systems”
 - Active to Passive
 - Annual Sales Exceeding \$3B

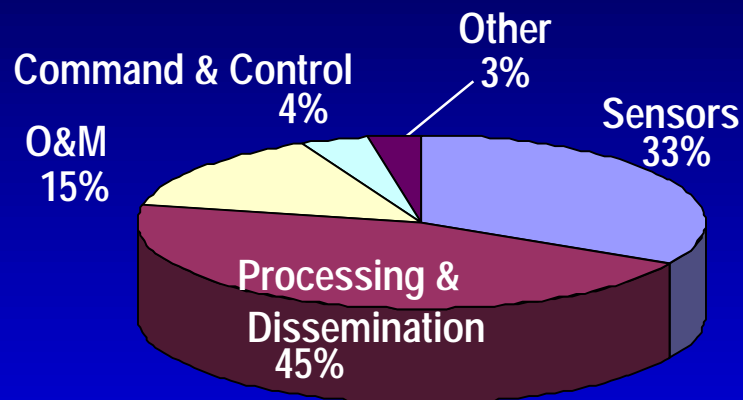
ISR



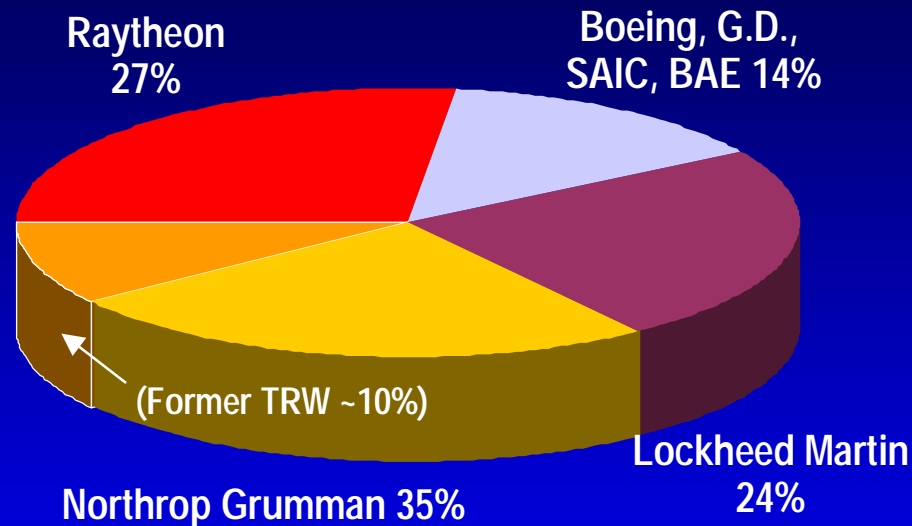
Raytheon - The ISR Solutions Company

Raytheon's ISR SBA Portfolio

2003E ISR Revenue



2003 US Based ISR Market Share



ISR Cuts Across All Raytheon Businesses and All ISR Functions

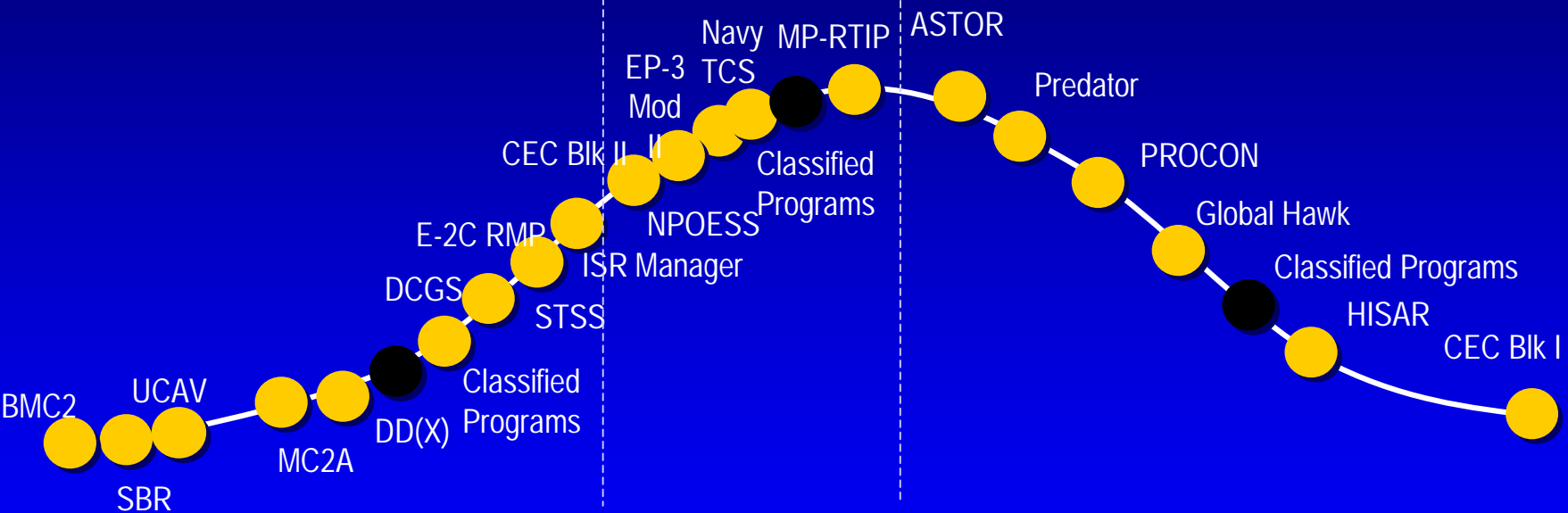
Raytheon's ISR Portfolio

Program Portfolio*

R&D

EMD/LRIP

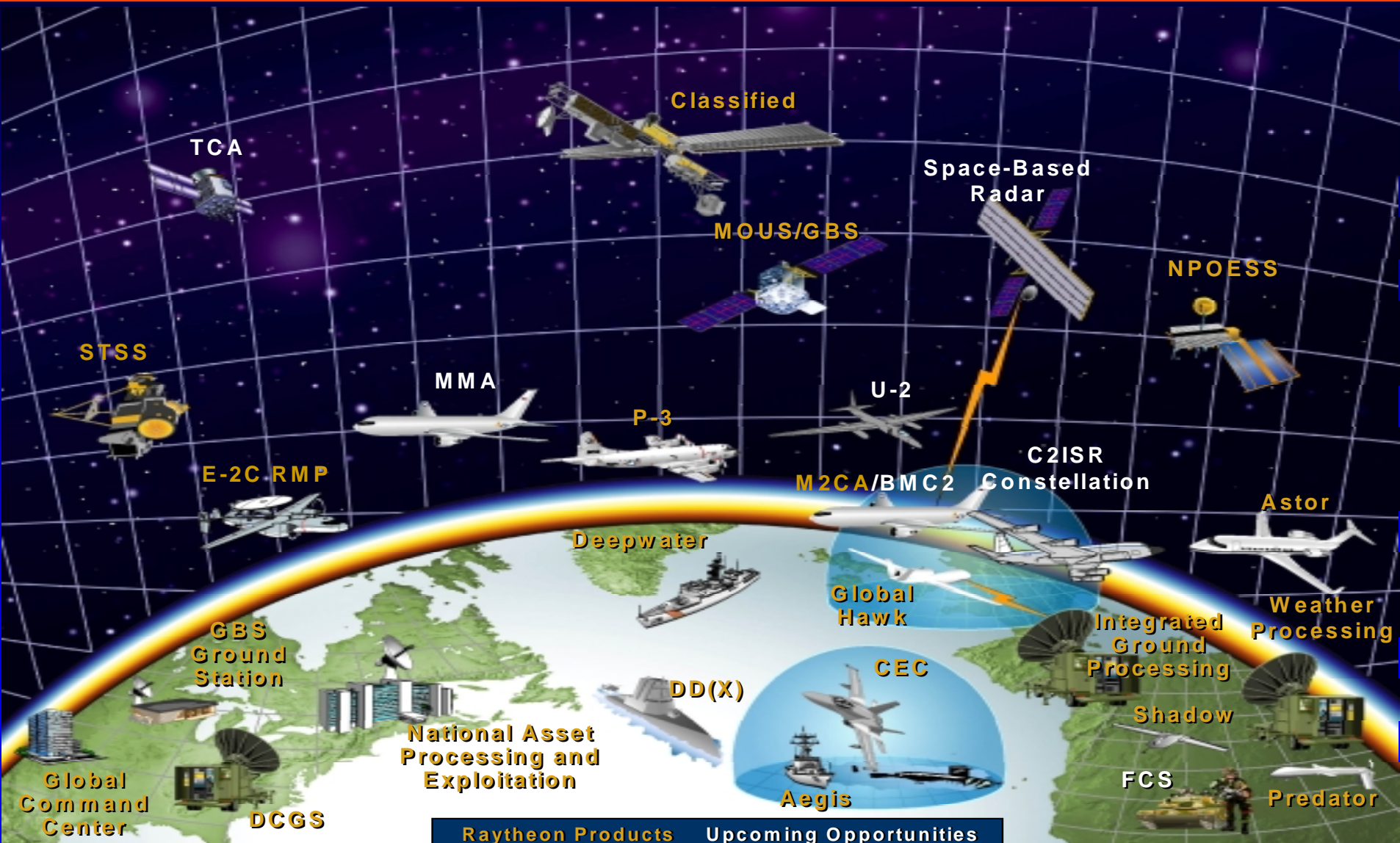
Full-Rate Production



*Selected programs only

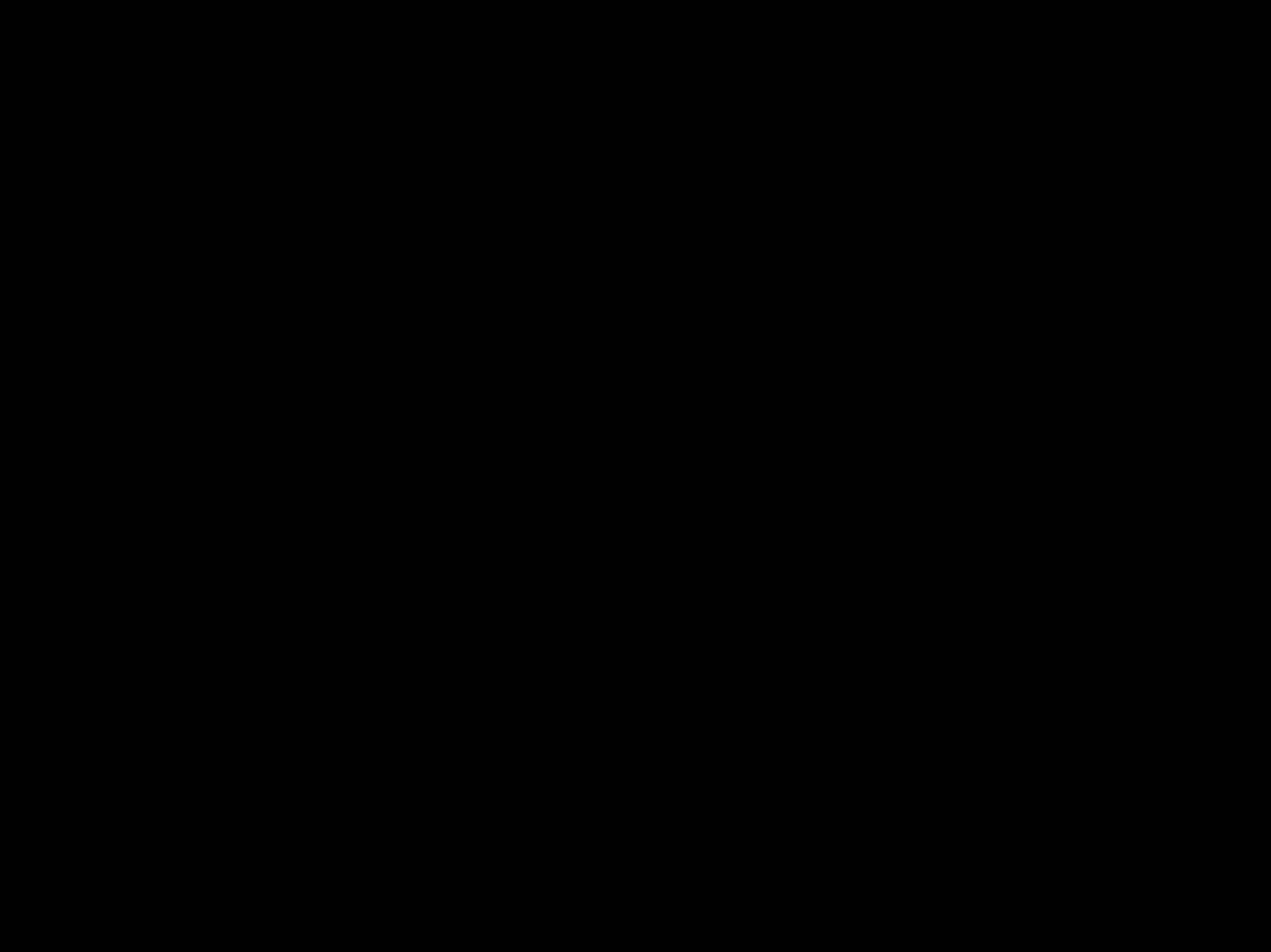
ISR Product Life Cycle – Raytheon Positioned to Grow

Key ISR Mission Elements



Raytheon Products Upcoming Opportunities

Raytheon – Positioned to Make Network Centric Warfare a Reality



Technology Migration



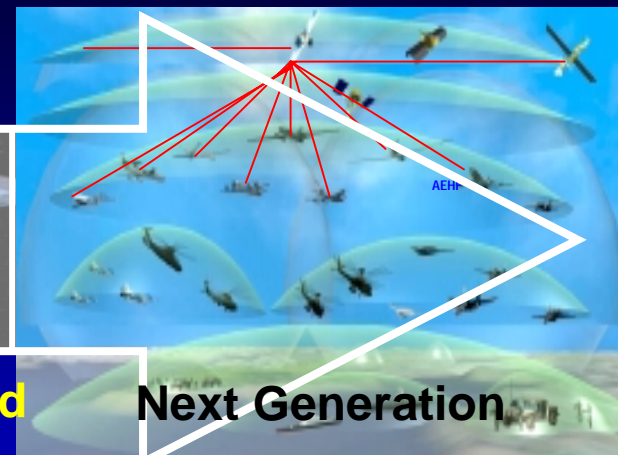
U2



Global Hawk



Space Based Radar



3-5 Years Ago

- Stove piped
- Sensors
 - Processing
 - Ground Stations

Today

- Merging
- Integrated Sensors, Processing, Integrated Ground Stations
 - Unmanned Platforms

3-5 Years Ahead

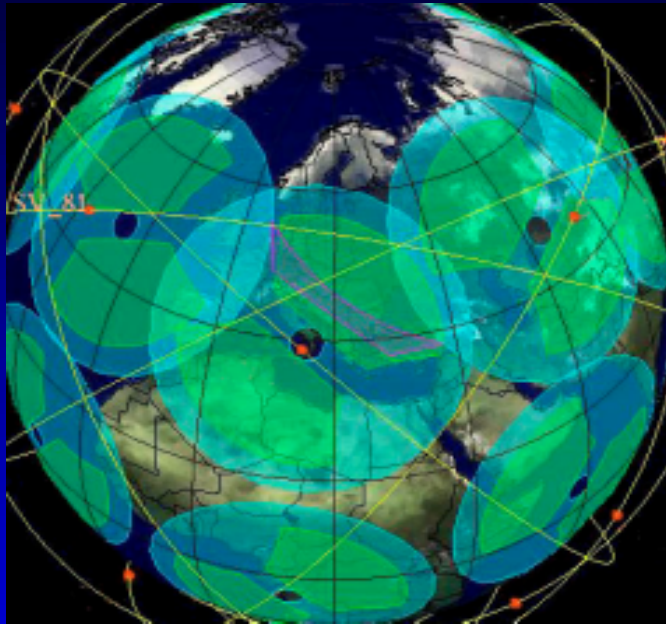
- Space Based Radar
- Integrated Platforms
- Information Fusion
- Multi-INT

Next Generation

- Fully Interoperable Global Grid
- Real-Time, Interactive Multi-INT
- Rapid global engagement of targets including WMD

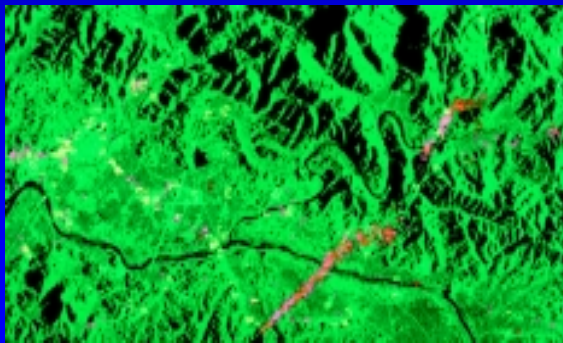
Fully Integrated ISR

Space Based Radar Program

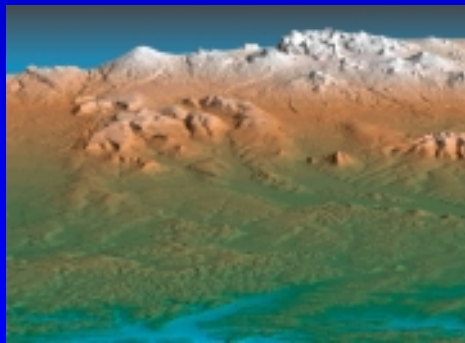


Worldwide ISR Presence:

- Migration of Airborne Missions and Sensors to Space
- Target Information Disseminated Directly to the Warfighter in Theatre
- Pivotal Market-defining Opportunities in Next Several Years will Shape the SBR Market for the Next 15 to 20 Years
- \$4.4B USAF Budget Funding Allocation to SBR 2004-2009
- EMD Start Planned for 2005, with First SBR Launch in 2012



Ground Moving Target
Indication (GMTI)



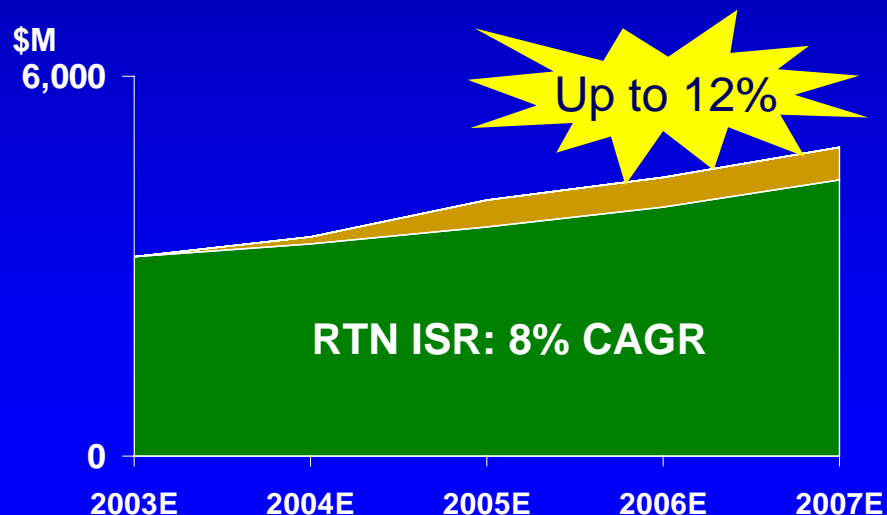
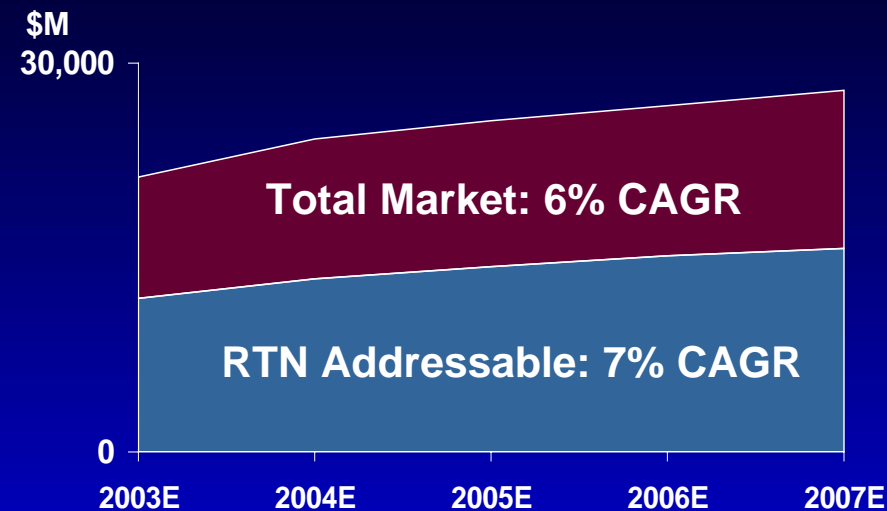
Digital Terrain
Elevation Data (DTED)



Synthetic Aperture Radar
(SAR) Imagery

Raytheon - World Class ISR Payloads, Meeting the Warfighter's Needs

ISR Opportunity



2003 Drivers

- Multi sensor C2 Aircraft
- Classified
- Cooperative Engagement Capability Block II
- Navy Tactical Control Station

Beyond 2003...

- Space Based Radar
- Battle Management C2
- Distributed Common Ground System Block 10.2
- Classified

Raytheon is Actively Growing Market Share

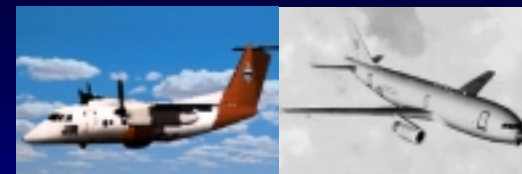
Space and Airborne Systems (SAS)

SAS Business Overview

- World leader in the design, development and manufacture of advanced electronic systems
- Key capabilities include electro-optical, infrared and radar systems, solid state high energy lasers, electronic warfare systems, and space-qualified systems
- Employees: ~10,000
- Major Sites:
 - El Segundo, CA – Headquarters
 - Goleta, CA
 - McKinney, Dallas, Plano TX
 - Forest, MS
- 2002 Sales: \$3.2B



Strategic Systems



Precision Attack & Surveillance Systems



Electronic Warfare



Air Combat Avionics



Unmanned & Reconnaissance Systems



Tactical Aircraft Systems & Navigation



Integrated Airborne Systems

Optimizes Airborne and Space Sensor Capability

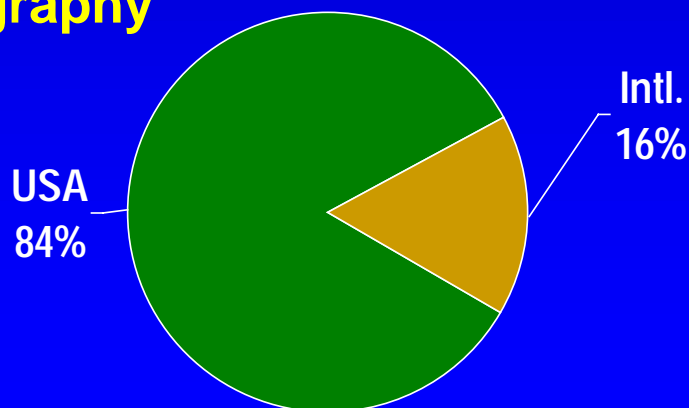
2002 Revenue Composition - \$3.2B

Raytheon

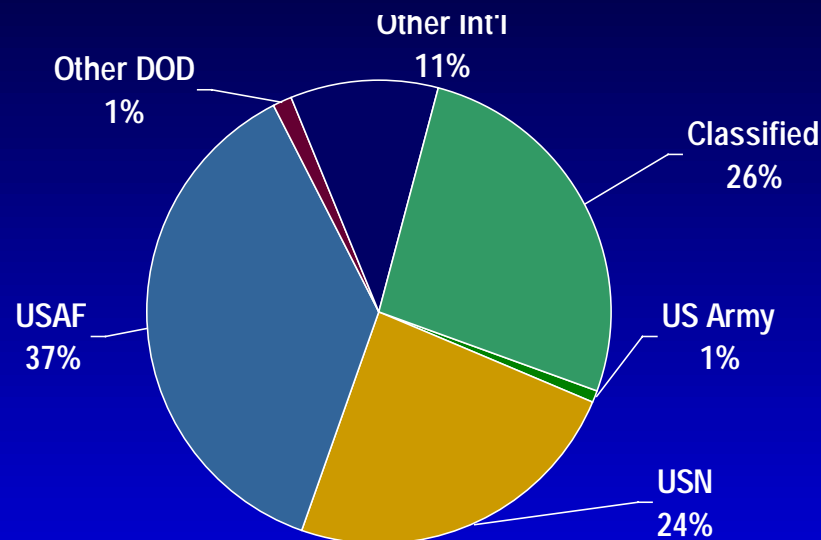
By Business



By Geography



By Customer

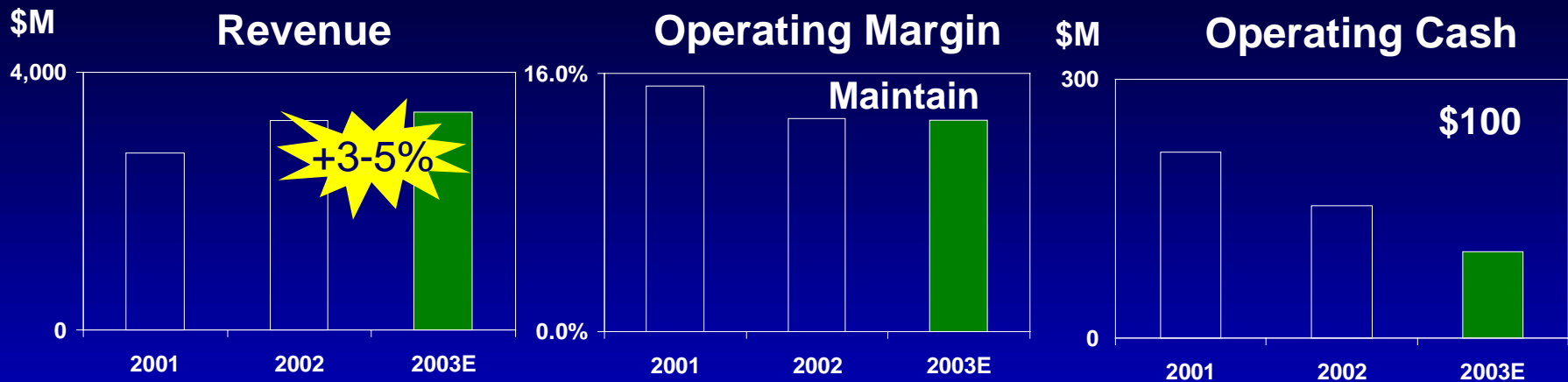


Top 5 Programs (Revenue)

- ASTOR
- APL-5
- Classified
- MTS Predator
- EO VIIRS

\$800M

2003 Outlook



Growth Drivers

- One-company SBA opportunities in ISR, PE, MD and HS
- Maintain program position on ATFLIR full rate production
- Successful execution on B-2, MP-RTIP, STSS, MC2A programs as they ramp up in 2003

Key Program Pursuits

Bookings Target: \$2.4B

- MC2A WSI
- Classified
- Greek F-16 EW
- APG-73 Production
- ATFLIR EMD Production

\$500M