



DAN SMITH
President

▶ **INTEGRATED DEFENSE SYSTEMS (IDS)**, which reported sales of \$2.9 billion in 2003, emerged as an industry-leading mission systems integrator during the year with major domestic and international awards and solid performance on existing contracts. ▶▶ In support of their customers, employees from IDS deployed alongside U.S. soldiers during both Operation Enduring Freedom and Operation Iraqi Freedom. Engineers and support personnel volunteered to train military personnel on new equipment, assist with repairs and provide logistics support for our military customers. ▶▶ The U.S. Navy awarded Raytheon a \$1 billion contract for the Cobra Judy Replacement Mission Equipment program. Under the contract, Raytheon will replace the existing Cobra Judy, a surveillance and data collection system that supports U.S. treaty monitoring activities, with a dual-band radar suite consisting of X-band and S-band active phased array sensors and other related mission equipment. ▶▶ Under a three-year \$1.3 billion contract, Raytheon serves as the electronics and weapons systems integrator for DD(X), the next generation destroyer being developed for the U.S. Navy. During 2003, DD(X) passed critical milestones with the successful completion of the Navy's System Requirements Review, and major ship subsystems successfully passed Preliminary Design Reviews on schedule. ▶▶ Late in the year, Raytheon was selected by the U.S. Army to enter into negotiations for development of the Surface-Launched AMRAAM air defense system, SLAMRAAM™, that will provide air defense capability against the emerging cruise missile threat, tactical ballistic missiles, unmanned aircraft and helicopters. ▶▶ The U.S. Missile Defense Agency awarded Raytheon a \$350 million contract to design, integrate and test a forward-deployable Ballistic Missile Defense System radar. The radar will be a transportable, X-band, phased array radar with sufficient sensitivity to detect, track and

discriminate threat missiles. ▶▶ Raytheon's radar and integration expertise was rewarded when the U.S. Space and Missile Defense Command awarded the company an \$894 million contract to produce two Joint Land Attack Cruise Missile Defense Elevated Netted Sensor systems. The systems will be used to counter the growing cruise missile threat. ▶▶ Major international awards included a U.S. Navy Foreign Military Sales contract from the Royal Australian Navy to develop five Combat Control System Mk 2 weapons control systems for the Australian Navy's Collins-class diesel submarines. ▶▶ Raytheon also received a contract for 24 Mk 54 torpedoes, demonstrating a renewed commitment by the U.S. Navy to the U.S. industrial base for torpedoes and reinforcing Raytheon's position as the sole U.S. supplier of lightweight and heavyweight torpedoes. ▶▶ During 2003, Raytheon completed the acquisition of Solipsys Corporation of Laurel, Md., a specialist in DoD data integration and display. ▶▶ Combining world-class people with flawless performance, strong customer relationships and innovative solutions, Raytheon Integrated Defense Systems is defining its position as a mission systems integrator of choice.

INTEGRATED DEFENSE SYSTEMS ▶▶▶

Raytheon is teamed with the U.S. Navy to design the SPY-3 Multi-Function Radar, an active phased array X-band radar to meet advanced surface search and control requirements. SPY-3 will serve next generation aircraft carriers, amphibious warfare ships and DD(X), the next generation destroyer for which Raytheon serves as the electronics and weapons systems integrator. The first SPY-3 was delivered to the Navy to begin testing in 2003. The wireframe in the beams of this image highlights the robust functionality of the SPY-3.

