Raytheon Missile Systems: A Global Perspective

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80,000 Employees; 2004 Revenue: $20.2B
Customer-Focused Marketing

- Meet our commitments
- Actively seek every opportunity to proactively work with our customers to define their needs
- Develop and provide the best solutions
- Earn the customer’s confidence

Customer Must View Us As a Valued “Partner of Choice”
Raytheon Missile Systems – Who We Are

• 2004 sales: $3.8 billion
• 11,000 employees
• Headquartered in Tucson, Arizona
• World’s largest developer, producer and integrator of weapon systems
  – More than 1 million missiles produced since 1954
  – 70% domestic; 30% international
• Broad weapons portfolio
  – Missiles
  – Smart munitions
  – Projectiles
  – Kinetic intercept vehicle
  – Directed energy weapons
• Customers: all U.S. military services; Allied Forces of more than 40 countries
Our Vision

Effective
Affordable
Quick
Worldwide
# Missile Systems

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<td>ACM</td>
<td>Javelin</td>
<td>ESSM</td>
<td>EKV</td>
<td>DST</td>
<td>Kinetic Energy Interceptor</td>
<td>AT3</td>
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<td>AMRAAM</td>
<td>HARM</td>
<td>Stinger</td>
<td>Phalanx 1B</td>
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<td>HARM Targeting System</td>
<td>Paveway™</td>
<td>NLOS-LS</td>
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<td>Excalibur (XM982)</td>
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Updated Feb 05
Comparative Defense Budgets -- 2005

- US: $401B
- Germany: $31B
- UK: $53B
- Australia: $13B
- Japan: $46B
- South Korea: $20B

Note: All Budget Figures above in $US
How Defense Sells Into International Market

- Foreign Military Sales
- Direct Commercial Sales
- International Traffic in Arms Regulations
- Congressional notification
International Challenges

• Buy European/Buy America
• Lack of integration into U.S. markets
• Technology transfer
• Offsets – desire for “noble” work
• Fluctuating exchange rates
Enablers

- Desire for U.S. products/technology
- Workshare opportunities
- Innovative contract structures
- Co-development opportunities
- Economies of scale reduce cost of U.S. production

Win-win Solutions Attractive to Buyers
Industry Response

• Grow international presence
  - Raytheon International Inc.
  - Regional in-country expertise
  - Business development/program teams on the road
  - Visibility at international trade shows/events

• Joint ventures
  - Diehl Raytheon Missile Systeme
  - Thales Raytheon

• Joint development opportunities
  - ESSM
  - Excalibur
  - RAM

• Co-production agreements
Looking into the Future

• Future “netted” battlespace
  − “Missile as a Node in the Net”

• Expanding into new markets
  − Directed energy
  − NASA space exploration
  − Guided Projectiles
  − Total life cycle logistics support

• Requires system engineers/ system architects

Expanding the Core Beyond the Missile Market
RMS Guided Projectile Family

Mission
- Indirect fires for legacy, interim and objective force
- Paladin, XM777 and NLOS Cannon
- Extended range munition
  - 39 Cal >37 Km
  - 52 Cal > 47 Km
- Precision guided, <20m CEP

Extended Range Guided Munition
- Excalibur

Mission
- Naval Surface Fire Support
- DDG81 MK45 MOD4 (5”) Gun
- Cruiser Conversion
- Extended Range Munition
  - >41 Nmi
- Precision Guided, <20m CEP
Phalanx Overview

Primary Mission:
Terminal Defense Against ASCMS and High Speed Aircraft Penetrating Other Fleet Defensive Envelopes

Added Missions:
• Surface Mode
  - Counter Small, Fast Surface Craft and Slow Flying Helicopters and Aircraft
• Sensor Support For Close-in Missile Engagements

Benefits:
• Supports Multiple Roles In Ships Self Defense
• Man-in-the-Loop, Autonomous or Integrated Operation
• Fast Reaction
Full Service Contractor
Phalanx Life Cycle Support

Supply Support
- Commercial Inventory Management and Distribution
- Battle Group Sparing
- Total Asset Visibility
- In-Transit Tracking
- Retrograde Recovery

Phalanx Training
- Formal Schools
- FSR On-Job-Training
- Distance Learning

Phalanx Website
- Parts ID and Ordering
- Technical Documents
- Shipment Tracking
- Training

Phalanx Communications System
- Coordinates All Support
- Accessible 24 x 7 x 365

Program Management
- Centralized Management
- Continuous Fleet Assessment

Fleet Support
- Pierside and On Board Tech. Assistance
- Installation/Checkout
- Corrective Maintenance
- Depot and Pierside Maintenance

Engineering
- Fleet Technical Support
- Life Cycle Support
- Core Engineering Services

Technical Documentation
- Real-time Access
- Continuous Updates

Raytheon Phalanx Life Cycle Support Provides Continuous, Worldwide, Support for Deployed and Non-Deployed Phalanx Systems
Engineering Challenges

• Global competition for talent intensifying as innovation drives job growth in engineering, science fields
• In the U.S., fewer young people earning math & science degrees
• Generational challenges
  − Aging workforce
  − Must appeal to younger workforce

Demand Increasing, Supply Decreasing
Feeding The Pipeline

• Must attract, engage diverse workforce
• Industry support/involvement in K-16 math, science education
• Partnerships with colleges, universities
  – Outstanding graduates
  – High-technology research
  – Post-graduate education
  – Creative continuing education programs
  – Outreach to the next generation

Industry/Education Partnerships Critical to Success
Customer Success Is Our Mission
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