

# News Release

FOR IMMEDIATE RELEASE:

Contact:

Chris Blount

(601) 607-6411

[Chris\\_Blount@raytheon.com](mailto:Chris_Blount@raytheon.com)

## Raytheon Company to divest a majority stake in Raytheon Aerospace to Veritas Capital

MADISON, Miss. (April 6, 2001) -- Raytheon Aerospace Company is announcing today that its parent company, Raytheon Company (NYSE: RTNA, RTNB), plans to divest a majority interest in Raytheon Aerospace to Veritas Capital Inc. Under terms of the agreement, Raytheon will receive \$270 million in consideration, including \$153 million in cash at closing. Raytheon will retain \$47 million of receivables and \$70 million of preferred and common equity in the business. Veritas will acquire 70 percent ownership of the business with Raytheon retaining 30 percent. The parties expect to finalize the divestiture in the second quarter of 2001.

Raytheon Aerospace oversees and manages more than 1,600 aircraft and other equipment at 281 sites worldwide, providing contract maintenance and training support for military, government and commercial customers. Raytheon Aerospace has a total of 5,300 employees, with 470 in the Madison, Miss., home office.

New York based Veritas Capital is a private equity investment firm that invests in companies in a broad range of industries, including aerospace, consumer products, defense, electronics, metals, niche manufacturing and telecommunications.

Under the agreement, Raytheon Aerospace president and CEO Dan Grafton and his senior leadership team will continue to manage the business, and the company will remain headquartered in Madison. "We will honor all contracts and obligations with our customers; we have no plans to move from the area or downsize," said Grafton. "In other words, it's business as usual."

Raytheon Aerospace plans to continue operating under the same name. However, Raytheon Company will no longer maintain a majority ownership interest in Raytheon Aerospace, which will operate as a member of the Veritas family of companies.

Forward looking statements

*This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act concerning the company's financial results, future plans, objectives and expected performance. Specifically, statements in this release that are not historical facts, including statements accompanied by words such as "believe," "expect," "anticipate," "estimate," "intend," or "plan" are intended to identify forward-looking statements and convey the uncertainty of future events or outcomes. The company cautions readers that any such forward-looking statements are based on assumptions that the company believes are reasonable, but are subject to a wide-range of risks, and actual results may differ materially. Closing of the transaction is subject to satisfaction of various closing conditions, including no material adverse change in the business prior to closing and placement of the buyer's financing. Accordingly, there can be no assurance that the deal will be consummated.*

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Supplement –

“Raytheon Company to Divest a majority stake in Raytheon Aerospace to Veritas Capital” April 6, 2001

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**Location of Raytheon Aerospace Employees (largest employee concentrations):**

Texas: U.S. Customs, Army, Navy, Air Force and DEA customers (Alliance Air Operations Center, Ft. Worth; San Angelo and Houston Air & Marine Branches; NAS Corpus Christi; Ft. Bliss; Ft. Hood; Sheppard AFB and other locations)

Florida: U.S. Customs, Air Force and Navy customers (NAS Whiting, NAS Pensacola, Jacksonville and other locations)

California: Various locations supporting NASA, U.S. Customs, Air Force and Navy customers. Sites include NASA Ames Research Facility, Travis AFB, March AFB and NAS North Island

Mississippi 450 employees at the company headquarters located in Madison (near Jackson)

North Carolina: Several locations, including Cherry Point and New River

Georgia Several locations, with the largest concentration at Moody AFB in Valdosta

Alabama Several locations, with the majority at the Craig Field depot facility in Selma

Arizona: Several locations, with the majority at the U.S. Customs Air & Marine Branch in Tucson

Arkansas: Several locations, with the majority at Little Rock AFB

**Q&A:**

Q: Will this pending sale result in any layoffs or job elimination?

A: “No. We have no plans to lay off anyone or to eliminate any jobs as part of this change in the capital structure of Raytheon Aerospace,” says Dan Grafton, president and CEO of Raytheon Aerospace.

Q: What changes will occur for your company?

A: “The only foreseeable change is our strategic push for additional growth. However, our present customers and employees will notice no significant changes. As we have done for almost three decades, we will continue to provide world-class aviation and aerospace technical support,” says Grafton.

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