

News release

Raytheon Canada Wins Government of Canada Nuclear Non-Proliferation Services Contract

OTTAWA, Ontario, March 14, 2006 /PRNewswire/ -- Raytheon Canada's Calgary division has won a government of Canada competition to provide project management and advisory and monitoring services in support of nuclear security projects in the Russian Federation, part of a global initiative to halt the spread of weapons and materials of mass destruction.

The contract runs through March 2007. There are three one-year options for renewal. The maximum potential value of this contract is \$5.7 million.

"While this contract represents a first step for Raytheon Canada in nuclear non-proliferation, it is significant because it gives us a foundation in a strategic new business stream," said Ron Guidinger, general manager of the company's Calgary business.

Under the terms of the contract, Raytheon Canada will support initiatives undertaken by Foreign Affairs Canada (FAC) to improve the security of nuclear materials and nuclear facilities in Russia. As project manager, Raytheon Canada, along with its partners Gregg Protection Services Inc., Atomic Energy Corporation Limited (AECL), Pro2Service Inc., and Los Alamos Technical Associates, will ensure that the Canadian government's requirements for monitoring, assessment and security analyses are fulfilled, and that any resulting recommendations are provided to FAC for action.

Raytheon Canada's U.S. parent company, through Raytheon Technical Services Company LLC (RTSC), has been active in the former Soviet Union, working with the U.S. Defense Threat Reduction Agency since 1988. It currently oversees some 12 contracts, valued at \$1.5 billion and has some 2,000 employees in the region.

"Threat reduction and the elimination and storage of weapons of mass destruction have been long-standing business priorities within Raytheon for over 15 years," said Bryan J. Even, president of RTSC. "Raytheon Canada is now ideally positioned to play a leadership role in Canada by broadening its scope of work to include non-proliferation and counter terrorism activities."

The Canadian initiative is part of a larger pledge spearheaded by the government of Canada, which was launched at the 2002 G8 Summit in Kananaskis, Alberta. The goal of the Global Partnership is to work with states of the former Soviet Union to secure and destroy weapons and materials of mass destruction and redirect the expertise of former weapons scientists. The G8 leaders committed to raise up to \$20 billion over a 10-year period. Other countries have since been invited to participate in the program. Today, some 21 have joined and overall commitments are in the range of \$19 billion.

Canada's commitment, begun in 2003, is C\$1 billion over 10 years. Raytheon Canada, a wholly owned subsidiary of Raytheon Company, has 1400 employees across the country servicing the defense, security and aerospace sectors with a broad range of high technology products and services.

Raytheon Company (NYSE: RTN), with 2005 sales of \$21.9 billion, is an industry leader in defense and government electronics, space, information technology, technical services, and business and special mission aircraft. With headquarters in Waltham, Mass., Raytheon employs 80,000 people worldwide.

For more information on the Global Partnership, please visit:
<http://www.globalpartnership.gc.ca/>

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