

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

---

**FORM 8-K**

---

**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 26, 2016

**UNITED TECHNOLOGIES CORPORATION**

(Exact name of registrant as specified in its charter)

---

Delaware  
(State or other jurisdiction  
of incorporation)

1-812  
(Commission  
File Number)

06-0570975  
(I.R.S. Employer  
Identification No.)

10 Farm Springs Road  
Farmington, Connecticut 06032  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code  
(860) 728-7000

N/A  
(Former name or former address, if changed since last report)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

## Section 7 – Other Events

### Item 7.01 Regulation FD Disclosure

On February 26, 2016, United Technologies Corporation posted a letter and presentation to its website. Copies of the letter and presentation are attached as Exhibit 99.1 and 99.2, respectively, and are incorporated herein by reference.

The information contained in this Current Report on Form 8-K is being furnished to the U.S. Securities and Exchange Commission and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

This Current Report on Form 8-K includes statements that constitute "forward-looking statements" under the securities laws. Forward-looking statements often contain words such as "believe," "expect," "plans," "project," "target," "will," "should," "see," "confident", "ensure" and similar terms. Forward-looking statements may include, among other things, statements regarding transactions involving Honeywell; the plans, strategies, and objectives of UTC for future operations; future and estimated sales, earnings, cash flow, charges, expenditures and share repurchases; anticipated growth in sales; new products and their entry into service; anticipated benefits of organizational changes; and other measures of financial or operational performance. There can be no assurance that any future events will occur as anticipated, if at all, or that actual results will be as expected. All forward-looking statements involve risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. The forward-looking statements speak only as of the date of this report and we undertake no obligation to update or revise any forward-looking statements as of a later date.

## Section 9 - Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<b>Exhibit Number</b>	<b>Exhibit Description</b>
---------------------------	----------------------------

99.1	Letter, dated February 26, 2016.
------	----------------------------------

99.2	Presentation, dated February 26, 2016.
------	--

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**UNITED TECHNOLOGIES  
CORPORATION  
(Registrant)**

Date: February 26, 2016

By: /s/ Peter J. Graber-Lipperman  
Peter J. Graber-Lipperman  
Corporate Vice President, Secretary  
and Associate General Counsel

---

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
99.1	Letter, dated February 26, 2016.
99.2	Presentation, dated February 26, 2016.



United Technologies Corporation  
10 Farm Springs Road  
Farmington, CT 06032

Gregory J. Hayes President  
Chief Executive Officer

February 26, 2016

This morning Honeywell released the details of its February 19 proposal to acquire United Technologies, and over the past few days, there has been much written and said about a possible deal. I want to take this opportunity to set the record straight on a number of issues. At UTC, we are focused on creating shareholder value and we evaluate all opportunities that benefit our shareholders. This can be seen through our actions, whether it is divesting Sikorsky, repurchasing shares or making the difficult decision to undertake a large restructuring program.

We have discussed a combination with Honeywell on-and-off for years to determine if there was a way to create shareholder value. However, after the exploratory discussions last spring it became clear that the regulatory environment had shifted dramatically during the course of 2015. After consultation with our legal advisors, we concluded that a combination would be blocked outright or, even if it were possible to complete a transaction, the regulatory delay, required divestitures, and customer concerns and concessions would ultimately destroy shareholder value far beyond any synergies. It would also have a material negative impact on UTC's operations, customer relationships and talent retention. It would be irresponsible for UTC to move forward with the proposed combination under these circumstances. The attached document provides a more thorough summary of our regulatory position.

Notwithstanding the significant regulatory challenges and customer concerns, Honeywell's proposal grossly undervalues UTC and overstates potential synergies. Effectively Honeywell's proposal is a leveraged buyout of UTC using UTC's own strong balance sheet. Putting aside the insurmountable regulatory risks, the proposal is not an attractive deal for UTC's shareholders and does not reflect UTC's strong long term outlook. The attached slide deck provides a detailed analysis supporting this position.

Despite the speculation surrounding the potential combination, UTC will remain laser focused on our key priorities – program execution, innovation, cost reduction and disciplined capital allocation. Our outlook remains strong. We have innovative products, such as our revolutionary Geared Turbofan engine, industry-leading franchises with global scale and solid market fundamentals in our core businesses. As a result, UTC is well positioned to deliver strong earnings growth and create shareholder value well into the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory J. Hayes".

Gregory J. Hayes

---

## UTC REGULATORY POSITION

United Technologies remains firm in its belief that any combination with Honeywell would encounter insurmountable regulatory challenges in the U.S., EU, China, Brazil, Canada and other markets. Our Board of Directors and management team have devoted significant time to analyzing the regulatory issues and have received guidance from three leading law firms that a combination would be blocked outright or conditioned on significant divestitures after a lengthy and disruptive review period that would ultimately destroy shareholder value and undermine any rationale for the deal itself. The value destruction from the cloud of uncertainty hanging over our businesses, employees and customers during an extended review period would be significant, and, under Honeywell's proposed construct, borne much more heavily by United Technologies and our shareowners. The most recent public statements made by Honeywell and its advisors have reinforced our assessment that Honeywell simply believes it is in its interests to gloss over these fundamental transaction risks in connection with pursuing this opportunistic approach.

### Regulatory Environment

The current U.S. and global regulatory environment is the most aggressive toward mega-deals in decades. A string of recent successful merger challenges has emboldened regulators to challenge mega-deals and demand increasingly broad remedies. In addition, the U.S. Department of Defense has stated that it is strongly opposed to any further consolidation of major defense contractors. Even those transactions in which the parties were represented by former heads of the DOJ Antitrust Division or FTC Bureau of Competition are not immune to being blocked, abandoned, or made contingent on larger than expected divestitures, including Electrolux/GE (abandoned December 2015), Sysco/US Foods (blocked June 2015), Office Depot/Staples (pending) and Halliburton/Baker Hughes (pending). See *Exhibit A – The New Reality of U.S. Merger Enforcement*.

Besides the U.S., regulators in the EU, China, Brazil and Canada (each a home to a major aircraft manufacturer) will also carefully review the transaction. Each of these jurisdictions has independent authority to challenge the deal, impose divestiture remedies, and reject divestiture buyers. Each regulator will conduct an independent investigation on its own timeline that will include written applications from the parties, outreach to customers, suppliers and competitors, and market studies. These regulatory reviews likely would take up to 18 months, if not longer, given recent experience with transactions involving fewer areas of overlap.

### Competitive Overlaps and Customer Reaction

Pervasive and complex competitive overlaps and customer opposition present overwhelming obstacles to regulatory approval. The two companies are the world's largest aerospace systems suppliers and are head to head competitors (and in some cases the only true competitors) in numerous business lines in aerospace and building systems. In the aerospace systems segment, the combined companies would have \$30 billion of revenue and would dwarf the next competitor by nearly four times. In addition, there is broad and meaningful overlap in our portfolios. With respect to aerospace systems and aircraft engines, these overlaps include, but are not limited to:

- § small/medium aircraft engines
  
  - § auxiliary power units
  
  - § air management systems
-

- § aircraft electric systems
  
- § aircraft wheels & brakes
  
- § aircraft engine starters
  
- § aircraft sensors
  
- § aircraft engine controls
  
- § aircraft lighting
  
- § space systems

In our commercial businesses, we have significant overlap in security access and intrusion systems and fire panels and commercial fire detection and alarm systems.

In addition, the four largest commercial airframe manufacturers – Airbus, Boeing, Bombardier and Embraer – have already voiced their opposition to this potential combination both publicly and in no uncertain terms directly to UTC from the highest levels of each customer. Given this level of customer opposition, which we predicted and indicated to Honeywell directly, we do not believe that even significant financial concessions could make them supportive of the proposed deal. To the extent remedial divestitures are even possible, the large number and breadth of the overlaps would affect dozens of the companies' businesses around the world, with value destructive levels of revenue lost under tax-inefficient circumstances, pressuring future operating results and significantly impacting synergies.

### **Divestiture Process and Impact**

There is also a serious question whether divestitures on the scale that would be required here may even be feasible. Regulators' increasingly strict insistence upon robust remedies to ensure continued competition makes it unlikely that they would accept anything short of stand-alone business unit divestitures in these circumstances. In addition, the agencies are virtually certain to require multiple upfront buyers here, meaning that, even under the best of circumstances, the timeline would be significantly extended.

Each potential buyer will be scrutinized by regulators and customers in each jurisdiction. Both will be skeptical of or refuse to accept any buyer that is: a close competitor of the business to be sold; a company that lacks demonstrated engineering technical capability and resources devoted to product development; a company that has a history of "harvesting intellectual property rights" and not developing new products; or financial investors such as private equity firms.

Further complicating the necessary consensus among regulators as to acceptable buyers is that some jurisdictions, including China, regulate with the development of their national economic interests in mind.

In this case, because China's industrial policy places significant emphasis on domestic aerospace capability, the challenges may be even greater. China's merger review authority (MOFCOM) likely will require divestiture of significant aerospace assets and, based on their past practice, may have a preference that the buyers of these assets be Chinese companies. This poses significant conflicts with CFIUS, ITAR and other U.S. laws focused on national security policy.

In the end, as has been seen in recent high profile transactions, the regulators may well determine that no amount of divestitures will adequately address the competitive issues or that the proposed divestitures need to be at a level that is not supportable.

In the U.S., the regulator must ultimately sustain its determination in court. In the EU, an appeal from a Commission prohibition takes years. In much of the rest of the world, there is no appeal.

---

After a prolonged review and period of uncertainty weighing on the business, the options will be to accept the agency-imposed divestitures regardless of the impact on the business and shareholder value, abandon the transaction, or have the deal blocked.

### **Value Destruction**

The combination of the factors outlined above results in an unacceptable and imprudent level of risk and uncertainty regarding whether this deal would ever receive approval and, if received, the timing and cost of a closing. Contrary to statements made by Honeywell's advisors, there is nothing "easy" about the regulatory process and prospects for this proposed deal. In fact, there is a high likelihood that the deal could fail and the prolonged review process would have a material negative impact on UTC's operations, customer relationships and talent retention. It is important to note that after the deal between Honeywell and GE was rejected in 2001 by the European Commission, Honeywell's stock price fell 38% over the 2000 to 2005 timeframe. In light of this, it would be irresponsible for UTC to move forward with this proposed combination.

---

In July 2015, Assistant Attorney General Bill Baer, antitrust chief at the Department of Justice, cautioned "[t]here are some ideas that should never get out of the boardroom."<sup>1</sup> A string of successful merger challenges has emboldened regulators to challenge mega-deals and demand increasingly broad remedies after review periods lasting well over a year. Even those transactions in which the parties were represented by former heads of the DOJ Antitrust Division or FTC Bureau of Competition are not immune to being blocked, abandoned, or made contingent on larger than expected divestitures:

- *Electrolux/GE (abandoned December 2015)*: Deal abandoned by GE after 15 months while in the midst of DOJ litigation challenging deal. Both Electrolux and GE were represented by former Assistant or Deputy Assistant Attorneys General from the Antitrust Division.
- *Sysco/US Foods (blocked June 2015)*: FTC successfully obtained a preliminary injunction blocking the deal following 15-month FTC investigation and five months of court proceedings. Sysco was represented by the former Director of the FTC Bureau of Competition and the former Chief Trial Counsel of the FTC Bureau of Competition.
- *Office Depot/Staples (pending)*: FTC sued to block after ten-month investigation after rejecting an expansive divestiture package. Office Depot is represented by the former Director of the FTC Bureau of Competition, and Staples is represented by the former Director of Litigation and Head of Merger Enforcement at the FTC.
- *Halliburton/Baker Hughes (pending)*: Parties' divestiture offers have been rejected by DOJ and the EC. The deal has been pending for 15 months with no clear path forward. Baker Hughes is represented by the former Deputy Assistant Attorney General for Antitrust and FTC Bureau of Competition Director.

---

<sup>1</sup> Brent Kendall, As Mergers Multiply, Antitrust Cops Raise Their Game, The Wall Street Journal (July 2, 2015).





# UTC Assessment of Honeywell Proposal

February 26, 2016

---

This presentation includes statements that constitute “forward-looking statements” under the securities laws. Forward-looking statements often contain words such as “believe,” “expect,” “plans,” “project,” “target,” “will,” “should,” “see,” “confident”, “ensure” and similar terms. Forward-looking statements may include, among other things, statements regarding transactions involving Honeywell; the plans, strategies, and objectives of UTC for future operations; future and estimated sales, earnings, cash flow, charges, expenditures and share repurchases; anticipated growth in sales; new products and their entry into service; anticipated benefits of organizational changes; and other measures of financial or operational performance. There can be no assurance that any future events will occur as anticipated, if at all, or that actual results will be as expected. All forward-looking statements involve risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. The forward-looking statements speak only as of the date of this presentation and we undertake no obligation to update or revise any forward-looking statements as of a later date.

---

# EXECUTIVE SUMMARY

---

UTC opposes a combination with Honeywell which would encounter significant regulatory opposition and customer concerns, and create insurmountable conditions to complete a transaction

Significant regulatory challenges in U.S., EU, China, Brazil, Canada and elsewhere

Negative impact on customers (Airbus, Boeing, DoD) – recent public statements regarding concerns over supplier consolidation

Possibility of failed deal scenario with negative financial, operational, customer, and talent impacts, regardless of whether or not the deal is completed

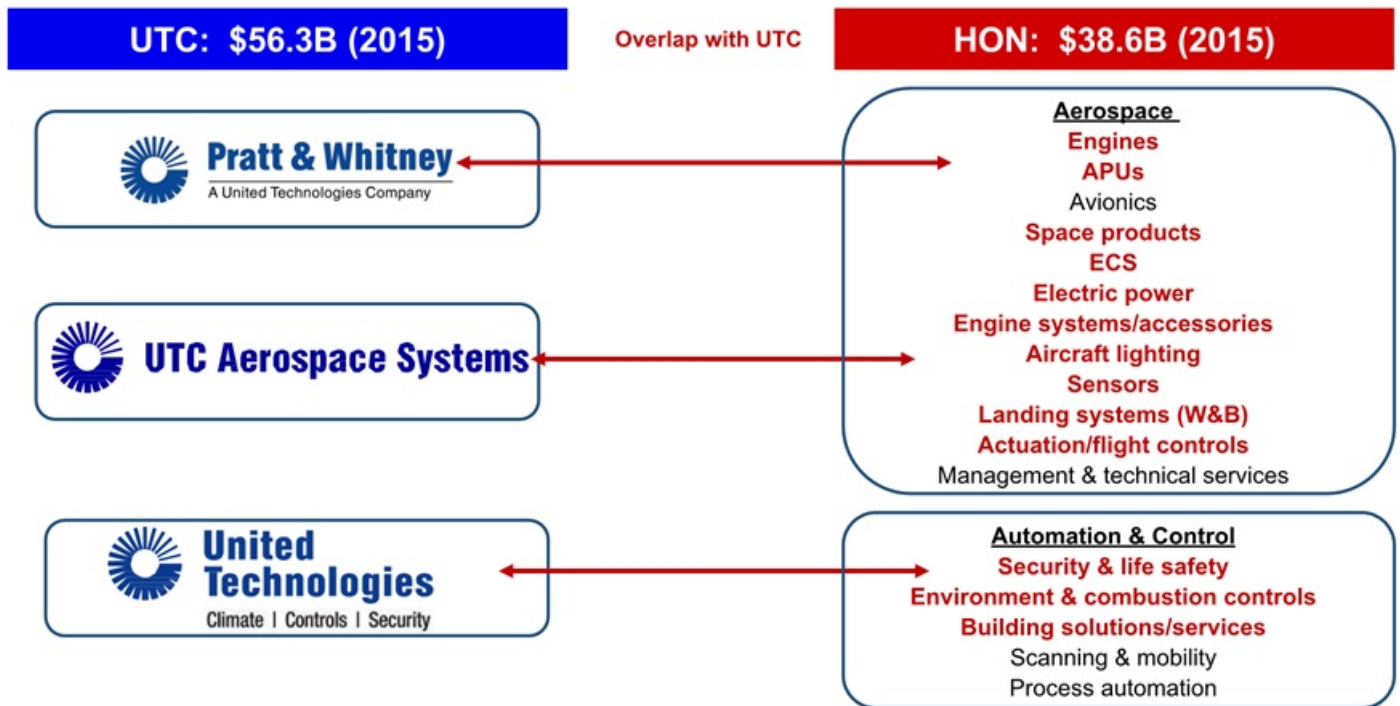
Notwithstanding significant regulatory and customer concerns regarding consolidation, the proposal fails to consider the following

Proposed synergies do not consider the impact from significant divestitures and customer concessions

Proposed value is wholly insufficient, not taking into account the significant earnings and cash flow prospects of UTC

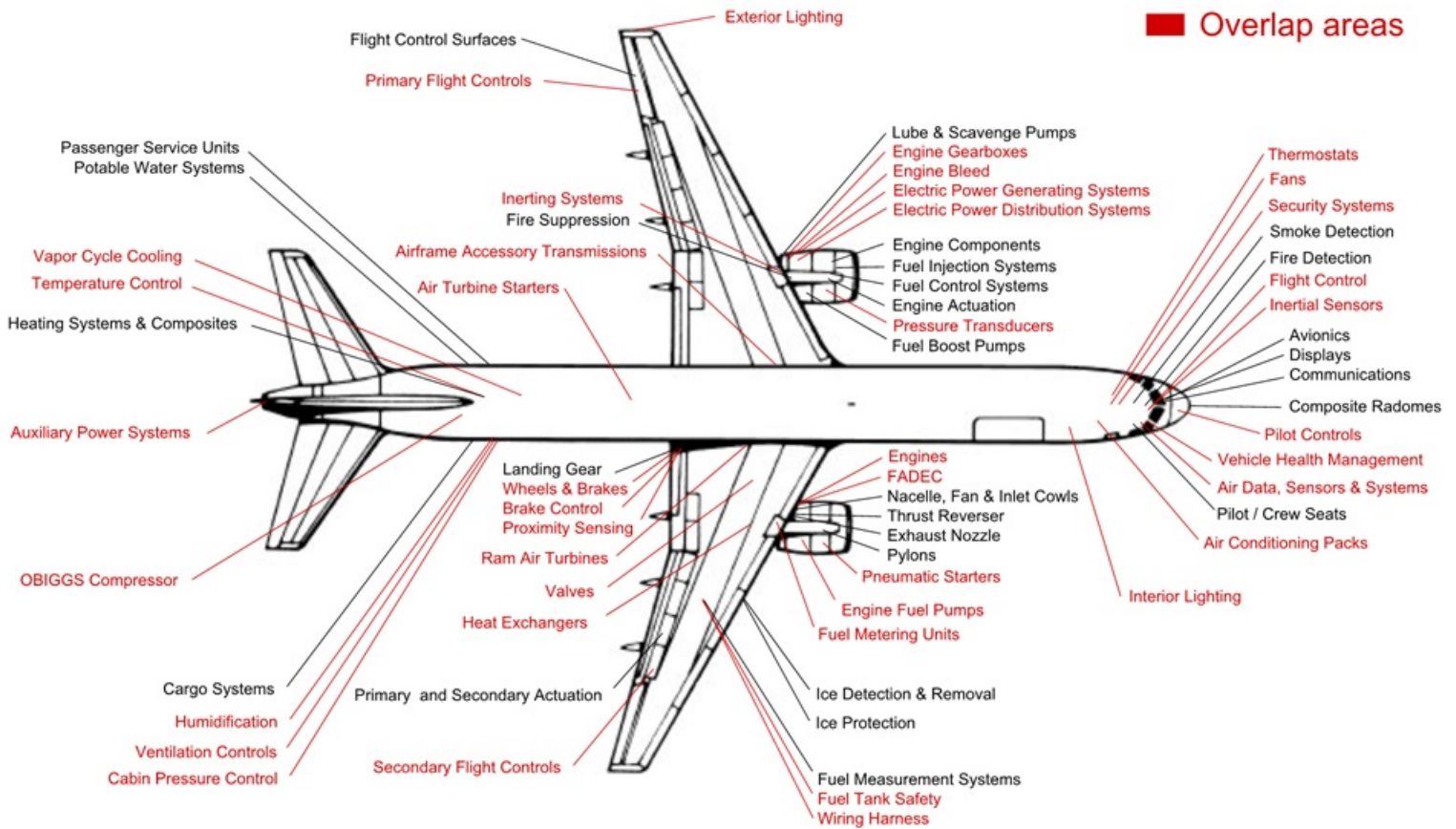
# CUSTOMER & REGULATORY

## Significant overlap across the portfolio



Significant overlap would either block deal outright or result in substantial divestitures that would erode value of combination





























# SNAPSHOT OF AIRCRAFT CONTENT OVERLAP



Combination would provide internal systems from nose to tail, creating anti-competitive concerns

# CUSTOMER & REGULATORY

## Commercial product overlap

		UTC		Honeywell		
Security	Intrusion panels	AdvisorOne, Concord, Monitor, NetworX, Simon, ZeroWire			ADEMCOVISTA, OMNI, LYNX	 
	Wired glass break sensors	Aritech			FlexGuard	 
	Wireless sensors	Garage door, door/window, image, motion, shock, glass break, panic, smoke/heat, CO			Door/window, motion, CO, smoke/heat, glass break, asset	 
Fire	Fire panels	Chubb, Edwards, GST			Notifier, Silent Knight, Gamewell-FCI, Fire-Lite	 
	Aspirating smoke detectors	Atmosfire, AIRSense, AIR-Intelligence, ORION			FAAST, HI-SPEC, ALL-SPEC, TITANUS Compact ASD, Xtralis' VESDA/ICAM	 
	Comm'l fire detection	Chubb, Edwards, Kidde, GST			Notifier, Gamewell-FCI, Fire-Lite, System Sensor	 
	Comm'l fire alarm	Chubb, Edwards, GST			Gamewell-FCI, System Sensor	 

1. Xtralis acquisition announced 2/4/2016, expected closing 2Q16  
Source: Company websites

# CUSTOMER & REGULATORY

## Recent environment has become more stringent

### Boeing uses its clout to control supplier consolidation

Boeing is the biggest customer of most aerospace suppliers, and is slowing some acquisitions by using its power to approve the transfer of its supply contracts from one owner to another.

Boeing can act like as an unofficial regulator on aerospace mergers and acquisitions because of the "assignability clause" inserted in most of its contracts with suppliers. The clause allows Boeing to refuse to transfer the contracts to the new owners, giving it a de facto veto over deals.

NEW YORK | BY ALWYN SCOTT  
August 30, 2015



### Pentagon warns against further consolidation among big arms makers

Pentagon officials warned on Wednesday against further consolidation in the U.S. weapons industry because fewer defense contractors could lead to higher costs, decreased innovation and less competition.

"What I said then and still believe is that it was important to avoid excessive consolidation in the defense industry to the point where we did not have multiple vendors who could compete with one another on many programs," Carter told reporters.

WASHINGTON | BY ANDREA SHALAL AND YEGANEH TORBATI  
September 30, 2015



### ★ Airlines Turn to Trade Group to Probe Competitive Practices of Suppliers

Airlines are seeking legal advice to examine whether they are being gouged on the cost of the equipment they buy, including jetliners and the engines that power them, according to Willie Walsh, chief executive of British Airways parent International Consolidated Airlines Group SA.

"We have asked the team at IATA to engage external legal counsel to start looking into this issue," Mr. Walsh said. The group will explore whether manufacturers and aftermarket parts suppliers are complying with competition rules.

By ROBERT WALL And JON OSTROWER  
June 8, 2015



### Too Many Toys? Mattel-Hasbro Fate Rides on Antitrust Math

U.S. antitrust enforcers are responding forcefully to the flurry of mergers in highly concentrated industries and may be emboldened by recent victories.

Mega deals pending in industries including health insurance, drug stores, pharmaceuticals and chemicals are facing scrutiny from the FTC and the Justice Department, which share antitrust enforcement authority.

by David McLaughlin Andrew M Harris  
February 4, 2016



Combination would encounter significant regulatory challenges both domestically and abroad

★ The European Commission launched an investigation into the alleged anticompetitive behavior by aerospace OEMs in the provision of aftermarket services in September 2015 focusing on Honeywell in APUs

# CUSTOMER & REGULATORY

---

## Recent customer reactions



I do not see that such a combination would be in the interests of Airbus...

I am under the impression that the UTC leadership shares my assessment.

Tom Enders  
February 24, 2016



Healthy competition in our supply chain is vitally important to Boeing and our commercial and military customers . . . we would anticipate taking a very close look at the potential impact on us and our customers of a Honeywell-UTC merger or acquisition.

February 24, 2016

### **BOMBARDIER**

Canadian aircraft maker Bombardier told the FT that it would also object to any merger, reflecting widespread industry unease over the dominance such an enlarged supplier would have and the erosion of competition.

February 24, 2016



I don't think that would be good, at least for Embraer. On the E2 they are major suppliers and if they become one supplier they will have an enormous stake. So that's something we are looking carefully at.

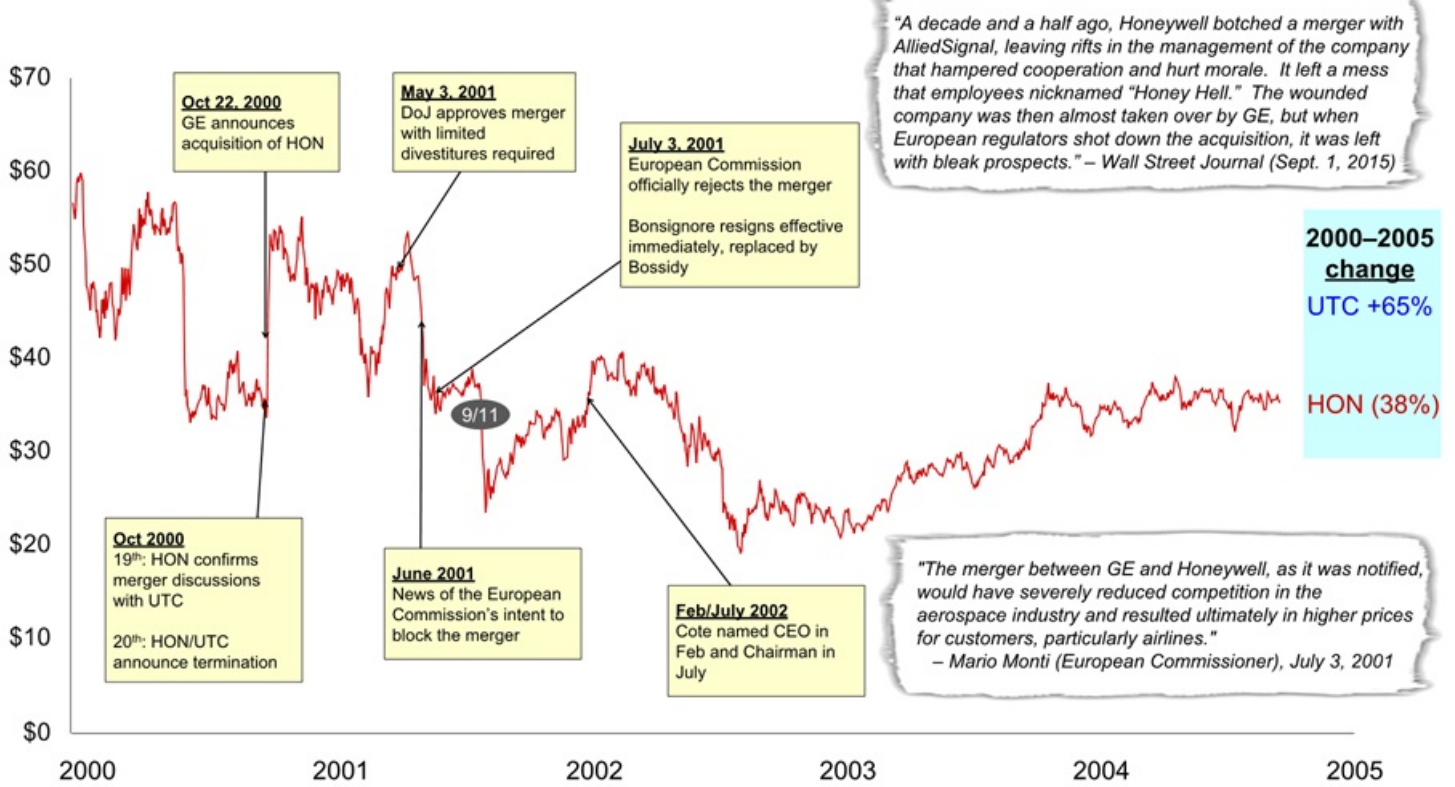
Frederico Curado  
February 26, 2016

Proposed combination will face significant objection from customers



# LEARNING FROM HISTORY

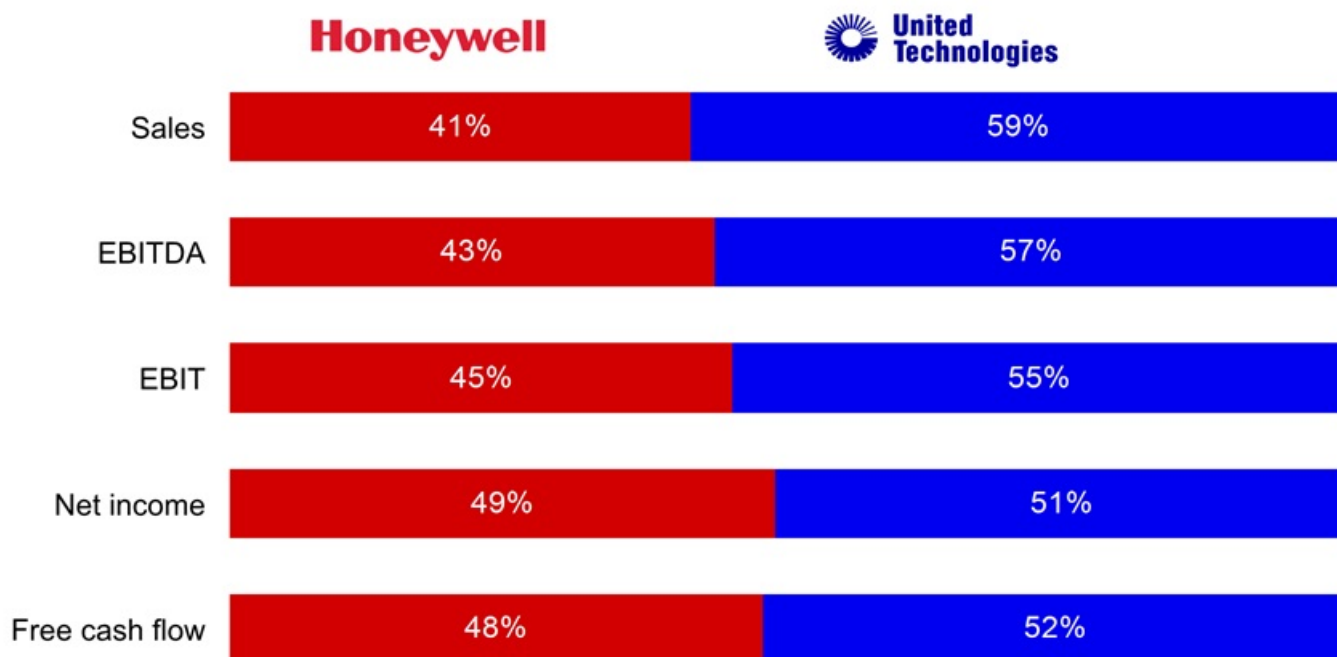
## Failed mega-merger between HON and GE



# CONTRIBUTION ANALYSIS

---

(2016E consensus financials)



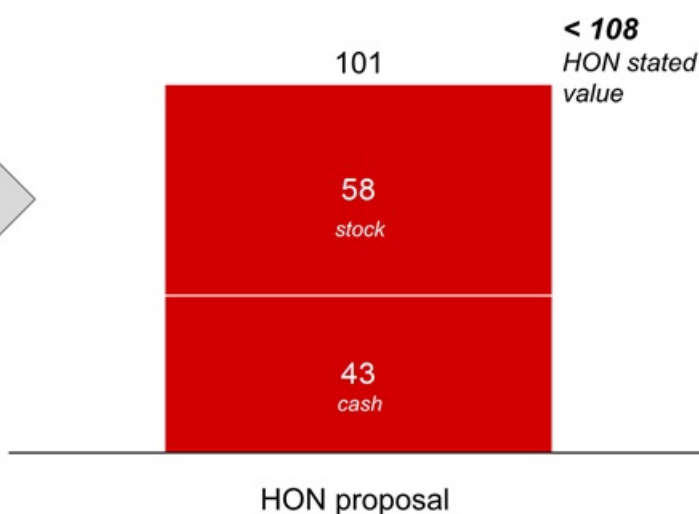
UTC represents a majority of the financial contributions of the combined company

# FINANCIAL ASSESSMENT

## Proposal grossly undervalues UTC

(\$, per share)

HON equity value	\$83B
UTC equity value	\$74B
New debt issued	(\$36B)
Combined equity value	\$121B
x UTC 40% ownership	\$48B
÷ UTC 833m shares	<b>\$58 / share</b>



### Premium / (discount) to:

52-week high of \$124.45	(19%)
6-mo VWAP of \$92.95	9%
2/18/16 close of \$88.36	15%

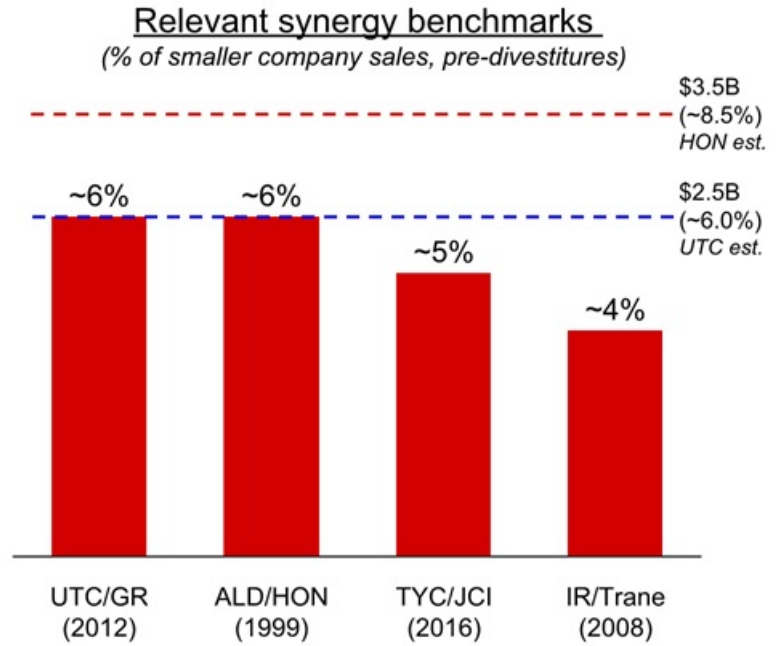
Equity value as of 2/18/2016

# SYNERGY BENEFITS OVERSTATED

HON's assumed \$3.5B synergy figure is highly aggressive (~8.5% of HON sales)

Both companies already operating at best in class margins

Does not include impact of required divestitures



Projected synergies are unrealistic and have no precedent

# VALUE DESTRUCTION

## Regulatory divestitures and customer concessions

(Present value, \$ billions)

	Value	Comments
Theoretical value of synergies	23	\$2.5B annualized @ 9.3x blended EBITDA
Restructuring cost	(3)	\$3B cash restructuring
Synergies lost from divestitures	(5 – 9)	\$0.5-1B synergy loss from divestitures @ 9.3x blended EBITDA
Valuation leakage from divestitures	(2 – 3)	1.5-2x discount to blended EBITDA multiple
Tax leakage from divestitures	(4 – 5)	Low tax basis on divested assets
Aero customer concessions	(5 – 10)	5-10% price reduction on OE portion of retained aerospace business
<b>Net value creation</b>	<b>(7) – 4</b>	

Significant value destruction likely from regulatory divestitures and aerospace customer concessions

# UTC LONG-TERM VALUE CREATION

---

## Meaningful actions to drive long-term growth

Streamlined portfolio – divested Sikorsky

Focused, simplified organizational structure

Continued restructuring

Investment in new aerospace programs

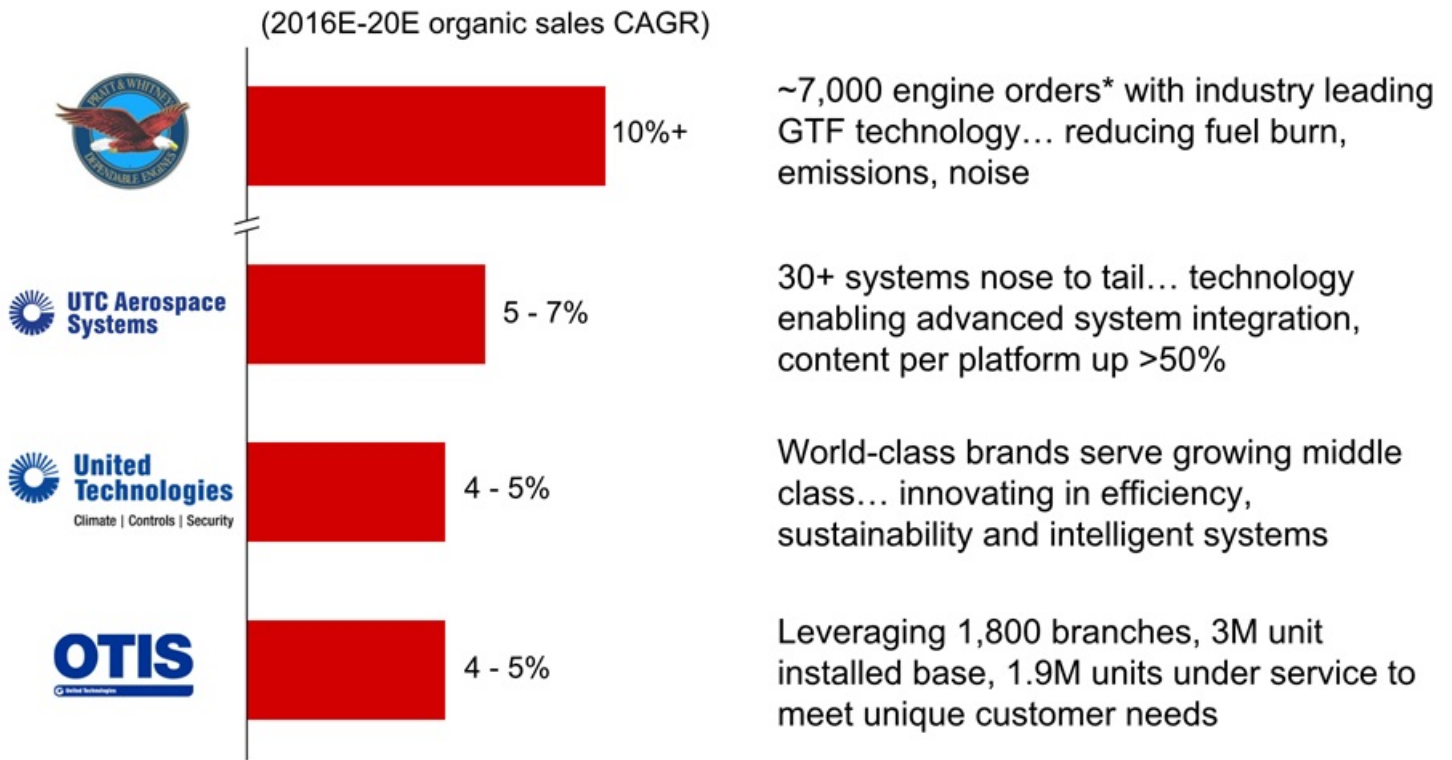
Increased return of capital to shareholders - \$22B from 2015-17

Today, UTC is...

Flatter – Leaner – Agile – Closer to customers – Regionally scaled - Collaborative

# UTC LONG-TERM VALUE CREATION

## Positioned for long-term growth



\* announced and unannounced firm & option orders

# CONCLUSION

---

UTC opposes a combination with Honeywell which would encounter significant regulatory opposition and customer concerns, and create insurmountable conditions to complete a transaction

Significant regulatory challenges in U.S., EU, China, Brazil, Canada and elsewhere

Negative impact on customers (Airbus, Boeing, DoD) – recent public statements regarding concerns over supplier consolidation

Possibility of failed deal scenario with negative financial, operational, customer, and talent impacts, regardless of whether or not the deal is completed

Notwithstanding significant regulatory and customer concerns regarding consolidation, the proposal fails to consider the following

Proposed synergies do not consider the impact from significant divestitures and customer concessions

Proposed value is wholly insufficient, not taking into account the significant earnings and cash flow prospects of UTC



