The Office Of
State Treasurer
Denise L. Nappier

News

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State Treasurer Denise Nappier Calls on UTC Executives to Slash Excessive Pay to Save Connecticut Jobs

Hartford - State Treasurer Denise L. Nappier today called upon the highest paid executives at United Technologies Corporation (UTC) to voluntary reduce their compensation in order to save thousands of Connecticut jobs.

Compensation for just the top 5 executives at UTC for 2008 alone totaled $70 million, according to the company's 2009 proxy statement (attached). "Both the unions and the State together have offered a package that by UTC's own estimation, could mean more than $30 million annually to the company. UTC now claims that it needs $20 million more a year to make Pratt's jet engine repair operations profitable in Connecticut, yet its top 5 executives made more than 3.5 times that amount last year," Nappier stated.

Executive compensation is receiving increased attention nationally, and President Obama, the Congress, and leading business groups such as The Conference Board, are all calling for heightened scrutiny of the way in which executives are paid.

"The loss of 1,000 skilled jobs at Pratt & Whitney will impact thousands more in Connecticut, in terms of the effect on suppliers and subcontractors, and on the mom & pop enterprises that form the backbone of their local economies. As many as 6,000 jobs are at stake right now, and it is high time to take a closer look at the executive compensation practices at UTC," Nappier said.

"By scaling back executive compensation to a more reasonable level, the company can retain these skilled jobs in Connecticut without negatively impacting the bottom line and shareholder value," Nappier stated.

Treasurer Nappier made these comments following the announcement Monday by Pratt & Whitney that it would close its jet engine repair facility in Cheshire by early 2011 and a smaller repair unit in East Hartford by mid-2010, laying off more than 1,000 workers. Before the company's announcement, she called on UTC's leadership last week to carefully consider its business decisions in light of the potential impact on Connecticut and its economy.

Nappier is principal fiduciary of the Connecticut Retirement Plans and Trust Funds, representing 165,000 beneficiaries, which owns 374,000 shares of UTC stock and bonds with a current market value totaling $23.5 million.

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Contact: Christine Shaw
(860) 702-3211
Christine.shaw@ct.gov

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Summary Compensation Table

Name and Principal Position(1)	Year	Salary ($)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compen-sation ($)(5)	Change in Pension Value and Non-qualified Deferred Compen-sation Earnings ($)(6)	All Other Compen-sation ($)(7)	Total ($)
Louis Chênevert	2008	$1,318,974	$3,000,000	$4,376,921	$6,208,773	$1,294,844	$1,543,594	$266,726	$18,009,832
President and Chief	2007	$1,012,500	$2,000,000	$5,533,440	$9,690,531	$858,030	$1,487,702	$246,574	$20,828,777
Executive Officer	2006	$808,333	$1,400,000	$665,184	$3,744,569	$652,894	$336,664	$212,668	$7,820,312
George David	2008	$1,262,500	$2,000,000	$6,048,720	$6,386,140	$4,468,768	$5,412,001	$705,699	$26,283,828
Chairman	2007	$1,883,333	$4,000,000	$11,636,640	$8,144,480	$3,480,455	$8,285,295	$643,023	$38,073,226
	2006	$1,791,667	$3,800,000	$7,675,200	$7,217,233	$3,034,287	$2,733,737	$922,708	$27,174,832
Gregory Hayes	2008	$501,516	$550,000	$1,156,248	$1,637,621	$228,906	$310,414	$90,586	$4,475,291
Senior Vice President and	2007	$429,583	$475,000	$917,532	$1,213,360	$21,282	$253,513	$102,620	$3,412,890
Chief Financial Officer	2006	$391,667	$425,000	$304,876	$932,186	$11,576	$226,837	$112,769	$2,404,911
Ari Bousbib	2008	$862,500	$1,200,000	$2,238,988	$3,908,000	$1,073,533	$375,809	$115,994	$9,774,824
President, Commercial	2007	$749,167	$900,000	$1,880,064	$2,948,333	$689,514	$317,451	$121,534	$7,606,063
Companies and	2006	$676,250	$850,000	$665,184	$2,848,458	$545,223	$207,335	$140,117	$5,932,567
Executive Vice									
President, UTC									
Geraud Darnis	2008	$800,000	$550,000	$2,238,988	$3,441,771	$712,178	$521,064	$110,528	$8,374,529
President, Carrier	2007	$749,167	$600,000	$1,880,064	$2,948,333	$266,175	$412,904	$115,100	$6,971,743
Corporation	2006	$676,250	$350,000	$665,184	$2,848,458	$144,460	$362,697	$132,867	$5,179,916
Stephen Finger	2008	$638,667	$550,000	$2,045,130	$1,510,815	$467,723	$1,679,068	$128,269	$7,019,672
President,									
Pratt & Whitney									
James Geisler	2008	$475,417	$410,000	$1,156,248	$1,637,621	$261,616	$223,312	$73,653	$4,237,867
Vice President,	2007	$429,583	$475,000	$917,532	$1,213,360	$49,737	$128,696	$72,164	$3,286,072
Corporate Strategy	2006	$386,667	$425,000	$304,876	$932,186	$37,169	$130,580	$83,002	$2,299,480
and Planning									

(1) Mr. David served as Chief Executive Officer until April 9, 2008, at which time Mr. Chênevert succeeded him in that position. Messrs. Hayes and Geisler shared the position of Chief Financial Officer until September 10, 2008, at which time Mr. Hayes assumed sole responsibility for this position and Mr. Geisler assumed the responsibilities of Vice President, Corporate Strategy and Planning. Mr. Bousbib was named President, Commercial Companies and Executive Vice President, UTC, effective May 12, 2008. Mr. Finger retired on January 15, 2009.

(2) The calculation of annual bonuses reflects 2008 growth in earnings and free cash flow as a percentage of net income, plus other discretionary factors applied by the Committee in the determination of the actual awards shown in this column.

(3) Amounts in this column reflect the expense recognized by UTC for accounting purposes calculated in accordance with FASB Statement of Financial Accounting Standards No. 123 (revised 2004) ("FAS 123R") with respect to PSUs granted in 2008, 2007 and 2006, and restricted shares granted to Mr. Finger in 2006. The assumptions made in the valuation of these awards are set forth in Note 10, Employee Benefit Plans, to the Consolidated Financial Statements in Exhibit 13 to UTC's 2008 Annual Report on Form 10-K (available at www.edocumentview.com/utx). Under FAS 123R, PSUs are amortized over 36 months, except for retirement-eligible executives whose awards are amortized over 12 months. Accordingly, amounts in this column reflect the full value of Mr. Chênevert's, Mr. David's and Mr. Finger's January 2008 PSU awards. PSUs are discussed in the CD&A and in the Grants of Plan-Based Awards table on page 25 of this Proxy Statement. Amounts for Mr. Finger include a portion of his 2006 restricted stock award which vested in September 2008.

(4) Amounts in this column reflect the expense recognized by UTC for accounting purposes calculated in accordance with FAS 123R with respect to SARs granted in 2008, 2007 and 2006. The assumptions made in the valuation of these awards are set forth in Note 10, Employee Benefit Plans, to the Consolidated Financial Statements in Exhibit 13 to UTC's 2008 Annual Report on Form 10-K. Under FAS 123R, regular cycle SAR grants are amortized over 36 months, except for retirement-eligible executives whose awards are amortized over 12 months. Accordingly, amounts in this column reflect the full value of Mr. Chênevert's, Mr. David's and Mr. Finger's January 2008 SAR awards. Vesting of special SARs awarded in April and May 2008 do not accelerate upon retirement. 50% of the value of these awards is

amortized over 36 months and 50% over 48 months, in accordance with the vesting schedule. SARs are discussed in the CD&A and in the Grants of Plan-Based Awards table.

(5) Amounts in this column reflect 2008 earnings received as a result of achievement of pre-established three-year performance targets under the Continuous Improvement Incentive Program (the “CIIP”), a prior cash-based long-term incentive program. Under this program, vesting resulted in quarterly payments determined by the number of units vested and the dividend paid on UTC Common Stock. These cash payments continue for a maximum of seven years following vesting. The last awards under the CIIP were made in 2005.

(6) Amounts in this column reflect the increase during 2008 in the actuarial present value of the executive’s accumulated benefit under UTC’s defined benefit plans. Actuarial value computations are based on FASB Statement No. 87 assumptions discussed in Note 10, Employee Benefit Plans, to the Consolidated Financial Statements in Exhibit 13 to UTC’s 2008 Annual Report on Form 10-K. UTC does not provide above-market rates of return under its Deferred Compensation Plan. However, above-market interest is provided under a frozen Sundstrand Corporation deferred compensation plan assumed by UTC upon the acquisition of Sundstrand in 1999. Mr. Hayes accrued $7,253 in above-market earnings under this plan in 2008.

(7) All Other Compensation amounts in the Summary Compensation Table for 2008 consist of the following items:

Name	Year	Personal Use of Corporate Aircraft[(a)]	Leased Vehicle Payments[(b)]	Cash Flexible Perquisite Allowances[(c)]	Insurance Premiums[(d)]	401(k) Company Match	Restricted Stock Dividends[(e)]	Miscel-laneous[(f)]	Total
L. Chênevert	2008	$93,435	$31,899	$34,351	$90,754	$8,280	$0	$8,007	$266,726
G. David	2008	$309,865	$36,948	$26,177	$318,483	$8,280	$0	$5,946	$705,699
G. Hayes	2008	$0	$14,139	$11,049	$51,734	$8,280	$0	$5,384	$90,586
A. Bousbib	2008	$0	$29,049	$14,076	$55,504	$8,280	$0	$9,085	$115,994
G. Darnis	2008	$0	$31,436	$8,564	$57,963	$8,280	$0	$4,285	$110,528
S. Finger	2008	$0	$17,649	$14,284	$43,890	$8,280	$38,400	$5,766	$128,269
J. Geisler	2008	$0	$2,981	$20,790	$39,620	$8,280	$0	$1,982	$73,653

(a) The Chief Executive Officer and Chairman use corporate aircraft for personal travel in accordance with UTC’s security policy. Amounts in this column reflect incremental variable operating costs incurred in connection with personal travel. Variable operating costs include fuel, calculated on the basis of aircraft-specific average consumption rates and fleet average fuel costs, fleet average landing and handling fees, additional crew lodging and meal allowances, catering, and where applicable, hourly maintenance contract charges. Because fleet-wide aircraft utilization is primarily for business purposes, capital and other fixed expenditures are not treated as variable operating costs relative to personal use. Mr. David’s amount includes cost of approximately $74,000 for travel to outside board meetings.

(b) Consists of annual leased vehicle depreciation and interest costs deducted from the flexible perquisite allowance (see footnote (c) below).

(c) This column shows the balance remaining of the executive’s annual ELG perquisite allowance (which equals 5% of base salary) after the amount shown in the Leased Vehicle Payments column is deducted.

(d) Consists of life insurance premium payments. Mr. David participates in the Executive Estate Preservation Program (a program closed to new participants since 1989) that provides term life insurance equal to seven times base salary. Post-termination benefits under this program are discussed in footnote (3) to the Potential Payments on Termination or Change-in-Control table on page 30 of this Proxy Statement. The other NEOs participate in the ELG life insurance program. Under this program, UTC pays the premiums shown above on permanent cash value life insurance contracts owned by the executive. The ELG life insurance benefit equals three times projected age 62 base salary.

(e) Consists of dividends paid on shares of restricted stock.

(f) Consists of additional vehicle-related costs and other incidental benefits.