

UNITED TECHNOLOGIES CORP /DE/  
Form 424B5  
June 12, 2012  
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This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933 as amended, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED JUNE 12, 2012**

Prospectus Supplement

(To Prospectus dated April 27, 2012)

## **20,000,000 Equity Units**

**(Initially Consisting of 20,000,000 Corporate Units)**

# **United Technologies Corporation**

This is an offering of Equity Units by United Technologies Corporation. The Equity Units will each have a stated amount of \$50 and will initially be in the form of a Corporate Unit consisting of a purchase contract issued by United Technologies Corporation and, initially, a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 principal amount of United Technologies Corporation's % junior subordinated notes due 2022, which we refer to as the notes.

We have applied to list the Corporate Units on the New York Stock Exchange and expect trading to commence within 30 days of the date of initial issuance of the Corporate Units under the symbol UTX PR A . Prior to this offering, there has been no public market for the Corporate Units.

Our common stock is listed on the New York Stock Exchange under the symbol UTX . The closing price of our common stock on June 11, 2012 was \$74.62 per share.

**Investing in the Equity Units involves certain risks. You should read this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, carefully before you make your investment decision. See the Risk Factors sections beginning on page S-27 of this prospectus supplement and page 2 of the accompanying prospectus, as well as under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011 and under Risk Factors in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, which are incorporated by reference herein for more information.**

*(continues on next page)*

	<b>Per Corporate Unit</b>	<b>Total</b>
Public offering price	\$ 50.00	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to us	\$	\$

We have granted the underwriters the option to purchase from us, within the 13-day period beginning on the date of this prospectus supplement, up to an additional 2,000,000 Corporate Units at the public offering price per Corporate Unit, less the underwriting discounts and commissions, solely for the purpose of covering over-allotments.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Corporate Units to purchasers in book-entry form only through The Depository Trust Company on or about June , 2012.

*Joint Book-Running Managers*

<b>J.P. Morgan</b>	<b>BofA Merrill Lynch</b>	<b>Citigroup</b>	<b>Goldman, Sachs &amp; Co.</b>	<b>HSBC</b>
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The date of this prospectus supplement is June , 2012.

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*(continued from cover)*

The purchase contract will obligate you to purchase from United Technologies Corporation, on August 1, 2015 (or if such day is not a business day, on the following business day), for a price of \$50 in cash, the following number of shares of our common stock, subject to anti-dilution adjustments:

if the applicable market value, which is the average volume weighted average price of our common stock over the 20-trading day period ending on the third scheduled trading day prior to August 1, 2015 equals or exceeds approximately \$ \_\_\_\_\_, \_\_\_\_\_ shares of our common stock;

if the applicable market value is less than approximately \$ \_\_\_\_\_ but greater than \$ \_\_\_\_\_, a number of shares of our common stock equal to \$50 divided by the applicable market value; and

if the applicable market value is less than or equal to \$ \_\_\_\_\_, \_\_\_\_\_ shares of our common stock.

The notes will initially bear interest at a rate of \_\_\_\_\_ % per year, payable quarterly on February 1, May 1, August 1 and November 1 of each year (except that if such date is not a business day, interest will be payable on the following business day, without adjustment), commencing on November 1, 2012. The notes will be subordinated to all of United Technologies Corporation's existing and future Senior Indebtedness (as defined under Description of the Notes Subordination). In addition, the notes will be structurally subordinated to all liabilities of United Technologies Corporation's subsidiaries. The notes will be remarketed in 2015 as described in this prospectus supplement. Prior to August 1, 2015, United Technologies Corporation will have the right to defer interest payments on the notes one or more times for one or more consecutive interest periods without giving rise to an event of default. In connection with the remarketing, United Technologies Corporation may elect to subdivide the notes into multiple tranches, to shorten the maturity of any tranche to a date not earlier than August 1, 2017, to remarket each tranche as either fixed-rate or floating-rate notes and to modify certain other terms of each tranche. If the remarketing is successful, such modifications will become effective, the interest rate will be reset and thereafter, if any of the remarketed notes are fixed-rate notes, interest on such notes will be payable semi-annually.

United Technologies Corporation will also pay you a quarterly contract adjustment payment at a rate of \_\_\_\_\_ % per year of the stated amount of \$50 per Equity Unit, or \$ \_\_\_\_\_ per year, in respect of each purchase contract, subject to United Technologies Corporation's right to defer these payments, as described in this prospectus supplement.

Other than during a blackout period (as defined under Description of the Equity Units Creating Treasury Units by Substituting a Treasury Security for a Note) or after a successful remarketing, you can create Treasury Units from Corporate Units by substituting Treasury securities for your undivided beneficial ownership interest in the notes comprising a part of the Corporate Units, and you can recreate Corporate Units from Treasury Units by substituting an undivided beneficial ownership interest in the notes for the Treasury securities comprising a part of your Treasury Units.

Your ownership interest in the notes (or after a successful optional remarketing, the applicable ownership interest in the Treasury portfolio or, in certain circumstances, cash) or the Treasury securities, as the case may be, will be pledged to United Technologies Corporation to secure your obligation under the related purchase contract.

If there is a successful optional remarketing of the notes and you hold Corporate Units, your applicable ownership interest in the Treasury portfolio purchased with the proceeds from the remarketing or, in certain circumstances, cash will be used to satisfy

your payment obligations under the purchase contract.

If there is a successful final remarketing of the notes and you hold Corporate Units, the proceeds from the remarketing will be used to satisfy your payment obligations under the purchase contract, unless you have elected to settle with separate cash.

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We have authorized only the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. We are not, and the underwriters are not, making an offer of these Equity Units in any jurisdiction where the offer or sale of these Equity Units is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates.

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### **SUMMARY**

*The following summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus and may not contain all the information you need in making your investment decision. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein carefully, including the Risk Factors sections contained in this prospectus supplement and the accompanying prospectus, the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2011 and the consolidated financial statements and the related notes incorporated by reference therein and the Risk Factors section of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 and the accompanying condensed consolidated financial statements and the related notes.*

#### **United Technologies Corporation**

United Technologies Corporation ( UTC ) provides high technology products and services to the building systems and aerospace industries worldwide. UTC conducts its business through five principal segments: Otis, UTC Climate, Controls & Security, Pratt & Whitney, Hamilton Sundstrand and Sikorsky. Each segment groups similar operating companies and the management organization of each segment has general operating autonomy over a range of products and services. Effective starting in 2012, UTC Climate, Controls & Security combines the prior Carrier and UTC Fire & Security segments into one segment. UTC has also established UTC Propulsion & Aerospace Systems, a new organization consisting of Pratt & Whitney and Hamilton Sundstrand, which will enable Pratt & Whitney and Hamilton Sundstrand to develop and offer integrated aerospace and propulsion products and solutions. Pratt & Whitney and Hamilton Sundstrand continue to operate and report as separate segments. The principal products and services of each segment are as follows:

**Otis:** elevators, escalators, moving walkways and services.

**UTC Climate, Controls & Security:** heating, ventilating, air conditioning (HVAC) and refrigeration systems, controls, services and energy efficient products for residential, commercial, industrial and transportation applications, as well as fire and special hazard detection and suppression systems and firefighting equipment, security, monitoring and rapid response systems and service and security personnel services.

**Pratt & Whitney:** commercial, military, business jet and general aviation aircraft engines, parts and services, industrial gas turbines, geothermal power systems and space propulsion.

**Hamilton Sundstrand:** aerospace products and aftermarket services, including power generation, management and distribution systems, flight systems, engine control systems, environmental control systems, fire protection and detection systems, auxiliary power units, propeller systems and industrial products, including air compressors, metering pumps and fluid handling equipment.

**Sikorsky:** military and commercial helicopters, aftermarket helicopter and aircraft parts and services.

United Technologies Corporation was incorporated in Delaware in 1934. Unless the context otherwise requires, UTC, we, us, our or the Company means only United Technologies Corporation and any successor obligor, and not any of its subsidiaries. Our principal executive offices are located at United Technologies Building, One Financial Plaza, Hartford, Connecticut 06103, telephone: (860) 728-7000.

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### **Recent Developments**

#### ***Pending Acquisition of Goodrich Corporation***

On September 21, 2011, UTC, Charlotte Lucas Corporation, a New York corporation and a wholly owned subsidiary of UTC ( *Merger Sub* ), and Goodrich Corporation, a New York corporation ( *Goodrich* ), entered into a definitive Agreement and Plan of Merger (the *Merger Agreement* ), pursuant to which, among other things and subject to the satisfaction or waiver of specified conditions, Merger Sub will merge with and into Goodrich (the *Acquisition* ). As a result of the Acquisition, Merger Sub will cease to exist, and Goodrich will survive as a wholly owned subsidiary of UTC. The Acquisition is expected to be completed in mid-2012. However, there can be no assurance as to when or whether the Acquisition will be completed. See *Risk Factors* *Risks Related to the Acquisition*.

At the effective time of the Acquisition (the *Effective Time* ), each share of Goodrich common stock issued and outstanding immediately prior to the Effective Time (other than shares held by Goodrich, UTC, Merger Sub or any of their respective wholly owned subsidiaries) will be converted into the right to receive \$127.50 in cash, without interest.

Goodrich is one of the largest worldwide suppliers of aerospace components, systems and services to the commercial and general aviation airplane markets. Goodrich is also a leading supplier of systems and products to the global defense and space markets. Goodrich's business is conducted globally with manufacturing, service and sales undertaken in various locations throughout the world. Goodrich's products and services are sold principally to customers in North America, Europe and Asia. Goodrich had revenues of approximately \$8 billion in 2011. Once the Acquisition is complete, it is expected that Goodrich and Hamilton Sundstrand will be combined to form a new segment named UTC Aerospace Systems. This segment and our Pratt & Whitney segment will be separately reportable segments, although they will both be included within the UTC Propulsion & Aerospace Systems organizational structure.

The completion of the Acquisition is subject to customary conditions, including, without limitation, (1) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other consents and approvals required under applicable antitrust or other regulatory laws, including, without limitation, Council Regulation No. 139/2004 and Commission Regulation No. 802/2004, as amended, (2) the absence of any order, law or other legal restraint or prohibition preventing or prohibiting completion of the Acquisition, (3) the absence of certain governmental actions, (4) the absence of a material adverse effect on Goodrich, (5) subject to certain exceptions, the accuracy of representations and warranties of Goodrich, UTC and Merger Sub contained in the Merger Agreement and (6) the performance or compliance by Goodrich, UTC and Merger Sub of or with their respective covenants and agreements contained in the Merger Agreement. This offering is not conditioned upon the completion of the Acquisition.

#### ***Acquisition Financing***

We estimate that the total amount of funds needed to pay the cash consideration for the Acquisition and to pay related fees, expenses and other amounts expected to become due and payable by UTC as a result of the Acquisition will be approximately \$16.5 billion (the *Acquisition Obligations* ). In addition, we anticipate that Goodrich will have approximately \$1.9 billion of net debt as of the closing of the Acquisition.

UTC currently anticipates financing the Acquisition Obligations through (1) the issuance of the Equity Units offered hereby, (2) additional borrowings to be made under the \$2 billion term loan credit agreement that UTC entered into on April 24, 2012 (described below), (3) additional borrowing to be made through certain commercial paper issuances and (4) the issuance of \$9.8 billion of fixed and floating rate notes in a registered

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public offering which closed on June 1, 2012. We may reduce a portion of these additional borrowings using available cash (up to approximately \$3.5 billion) and the proceeds of certain non-core asset sales. The timing, amounts and terms of these borrowings and any subsequent reductions will depend on market conditions and other factors and our financing plans may change. The Merger Agreement does not contain a financing condition. This offering is not conditioned upon the consummation of any of the financings mentioned in this paragraph.

On November 8, 2011, UTC entered into a credit agreement (the "Bridge Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities LLC, HSBC Securities (USA) Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers and joint bookrunners, Bank of America, N.A. and HSBC Bank USA, National Association, as syndication agents, Citibank, N.A., Deutsche Bank AG, BNP Paribas, Goldman Sachs Bank USA and The Royal Bank of Scotland plc, as documentation agents, and the other lenders party thereto. The Bridge Credit Agreement provides for a \$15 billion bridge loan facility that will be available for UTC to pay a portion of the Acquisition Obligations. Any funding under the Bridge Credit Agreement would occur substantially concurrently with the consummation of the Acquisition, subject to customary conditions for acquisition financings of this type. The Bridge Credit Agreement contains provisions requiring the reduction of the commitments of the lenders or the prepayment of outstanding advances by the amount of net cash proceeds above a certain threshold resulting from the incurrence of certain indebtedness by UTC or its subsidiaries (including pursuant to this offering), the issuance of certain capital stock by UTC and certain non-ordinary course sales or dispositions of assets by UTC or its subsidiaries. We reduced the commitments under the Bridge Credit Agreement by approximately \$9.7 billion from the issuance of \$9.8 billion of fixed and floating rate notes in a registered public offering which closed on June 1, 2012. Any loans under the Bridge Credit Agreement would mature on the date that is 364 days after the funding date.

On April 24, 2012, UTC entered into a term loan credit agreement with various financial institutions that provides for a \$2 billion unsecured term loan facility (the "Term Loan Agreement"), available for UTC to pay a portion of the Acquisition Obligations. Any loan under the Term Loan Agreement would mature on December 31, 2012, and funding would occur shortly before consummation of the Acquisition, subject to customary conditions for financings of this type. Funding would be conditioned on the substantially contemporaneous termination of the remaining commitments under the Bridge Credit Agreement.

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### **THE OFFERING**

*In this offering summary, UTC, we, us, our and the Company refer only to United Technologies Corporation and any successor obligor, and not to any of its subsidiaries.*

#### **What are Equity Units?**

Equity Units may be either Corporate Units or Treasury Units, as described below. The Equity Units will initially consist of 20,000,000 Corporate Units (or 22,000,000 Corporate Units if the underwriters exercise their over-allotment option in full), each with a stated amount of \$50. You can create Treasury Units from Corporate Units in the manner described below under How can I create Treasury Units from Corporate Units?

#### **What are the components of a Corporate Unit?**

Each Corporate Unit initially consists of a purchase contract and a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 principal amount of United Technologies Corporation's % junior subordinated notes due 2022. The undivided beneficial ownership interest in the notes corresponds to \$50 principal amount of the notes. Except as described under Description of the Purchase Contracts Termination, the notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000. You will own the undivided beneficial ownership interest in the notes comprising part of each of your Corporate Units, but the notes will be pledged to us through the collateral agent to secure your obligation under the related purchase contract. Upon a successful optional remarketing (as defined under What is an optional remarketing? ), the notes comprising part of the Corporate Units will be replaced by the Treasury portfolio described below under What is the Treasury Portfolio? and the applicable ownership interest in the Treasury portfolio will then be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

#### **What is a purchase contract?**

Each purchase contract that is a component of an Equity Unit obligates you to purchase, and obligates us to sell, on August 1, 2015, or if such day is not a business day, the following business day (which we refer to as the purchase contract settlement date ), for \$50 in cash, a number of shares of our common stock equal to the settlement rate. The settlement rate will be calculated (subject to adjustment under the circumstances set forth in Description of the Purchase Contracts Anti-dilution Adjustments and Description of the Purchase Contracts Early Settlement Upon a Fundamental Change ) as follows:

if the applicable market value (as defined below) of our common stock is equal to or greater than the threshold appreciation price of approximately \$ , the settlement rate will be shares of our common stock (we refer to this settlement rate as the minimum settlement rate );

if the applicable market value of our common stock is less than the threshold appreciation price but greater than the reference price of \$ , the settlement rate will be a number of shares of our common stock equal to \$50 divided by the applicable market value, rounded to the nearest ten thousandth of a share; and

if the applicable market value of our common stock is less than or equal to the reference price, the settlement rate will be shares of our common stock (we refer to this settlement rate as the maximum settlement rate ).

Applicable market value means the average volume-weighted average price, or VWAP, of our common stock on each trading day during the 20 consecutive trading day period ending on the third scheduled trading day immediately preceding the purchase contract settlement date. The VWAP of our common stock

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means, for the relevant trading day, the per share VWAP on the principal exchange or quotation system on which our common stock is listed or admitted for trading as displayed under the heading Bloomberg VWAP on Bloomberg page UTX <EQUITY> AQR (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading on the relevant trading day until the scheduled close of trading on the relevant trading day (or if such VWAP is unavailable, the market price of one share of our common stock on such trading day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by us). A trading day means, for purposes of determining a VWAP or closing price, a business day on which the principal exchange or quotation system on which our common stock is listed or admitted for trading is scheduled to be open for business and a day on which there has not occurred or does not exist a market disruption event, as defined in Description of the Purchase Contracts Purchase of Common Stock. The threshold appreciation price is equal to \$50 divided by the minimum settlement rate (such quotient rounded to the nearest \$0.0001), which is approximately \$ and represents appreciation of approximately % over the reference price.

If 20 trading days for our common stock have not occurred prior to the third scheduled trading day immediately prior to the purchase contract settlement date, all remaining trading days will be deemed to occur on that third scheduled trading day and the VWAP of our common stock for each of the remaining trading days will be the VWAP of our common stock on that third scheduled trading day or, if such day is not a trading day, the closing price, as defined in Description of the Purchase Contracts Purchase of Common Stock , as of such date.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, you will receive an amount of cash equal to the percentage of a whole share represented by such fractional share multiplied by the closing price of our common stock on the trading day immediately preceding the purchase contract settlement date (or the trading day immediately preceding an early settlement date, in the case of early settlement). If, however, a holder surrenders for settlement at one time more than one purchase contract, then the number of shares of our common stock issuable pursuant to such purchase contracts will be computed based upon the aggregate number of purchase contracts surrendered.

You may satisfy your obligation to purchase our common stock pursuant to the purchase contracts as described under How can I satisfy my obligation under the purchase contracts? below.

### **Can I settle the purchase contract early?**

You can settle a purchase contract at any time prior to 4:00 p.m., New York City time, on the second business day immediately preceding the purchase contract settlement date, other than, in the case of the Corporate Units, (1) if we elect to conduct an optional remarketing (as defined under What is a remarketing?), from 4:00 p.m., New York City time, on the second business day immediately preceding the first day of an optional remarketing period (as defined under What is an optional remarketing? ) until the settlement date of that remarketing or the date we announce that such remarketing was unsuccessful and (2) after 4:00 p.m., New York City time, on the second business day immediately preceding the first day of the final remarketing period (as defined under What is a final remarketing? ) (we refer to each such period as a blackout period ), by paying \$50 in cash per Corporate Unit or Treasury Unit, in which case shares of our common stock, subject to adjustments, will be issued to you pursuant to the purchase contract (subject to adjustment as described below under Description of the Purchase Contracts Anti-dilution Adjustments and Description of the Purchase Contracts Early Settlement Upon a Fundamental Change ). You may only elect early settlement in integral multiples of 20 Corporate Units or 20 Treasury Units; however, if the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may settle early only in integral multiples of Corporate Units. See Description of the Purchase Contracts Early Settlement.

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Your early settlement right is subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), in effect and an available prospectus covering any securities deliverable upon settlement of a purchase contract. We have agreed that, if such a registration statement is required, we will use our commercially reasonable efforts to have a registration statement in effect on the applicable early settlement date and to provide a prospectus in connection therewith, covering any securities to be delivered in respect of the purchase contracts being settled, subject to certain exceptions. In the event that a holder seeks to exercise its early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right will be void unless and until such a registration statement is effective and we have provided a prospectus in connection therewith and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective. For so long as there is a material business transaction or development that has not yet been publicly disclosed, we will not be required to file such registration statement or provide such a prospectus, and the early settlement right will not be available, until we have publicly disclosed such transaction or development.

### **What is the Treasury portfolio?**

Upon a successful optional remarketing, the notes will be replaced by the Treasury portfolio. The Treasury portfolio is a portfolio of U.S. Treasury securities consisting of:

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the principal amount of the notes underlying the undivided beneficial ownership interests in the notes included in the Corporate Units on the optional remarketing date; and

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the aggregate interest payment (assuming no reset of the interest rate) that would have been paid to the holders of the Corporate Units on the purchase contract settlement date on the principal amount of the notes underlying the undivided beneficial ownership interests in the notes included in the Corporate Units on the optional remarketing date.

If, on the optional remarketing date, U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the Treasury portfolio have a yield that is less than zero, then the cash proceeds from the remarketing (and not the U.S. Treasury securities) will be substituted for the notes that are components of the Corporate Units and will be pledged to us through the collateral agent to secure the Corporate Unit holders' obligation to purchase our common stock under the purchase contracts. In addition, in such case, references to "Treasury security" and

U.S. Treasury securities (or principal or interest strips thereof) in connection with the Treasury portfolio will, thereafter, be deemed to be references to such amount of cash.

### **What is a Treasury Unit?**

A Treasury Unit is a unit created from a Corporate Unit by substituting the pledged undivided beneficial ownership interest in the notes that secure a holder's obligation under the purchase contract with Treasury securities, which must be purchased in the open market at the expense of the Corporate Unit holder, unless otherwise owned by the holder. A Treasury Unit consists of a purchase contract and a 1/20, or 5%, undivided beneficial ownership interest in a zero-coupon U.S. Treasury security with a principal amount at maturity of \$1,000 that matures on July 31, 2015 (CUSIP No. 912820WH6), which we refer to as a "Treasury security." The ownership interest in the Treasury security that is a component of a Treasury Unit will be owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

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### **How can I create Treasury Units from Corporate Units?**

Each holder of Corporate Units will have the right, at any time other than during a blackout period or after a successful remarketing, to substitute for the related undivided beneficial ownership interest in notes held by the collateral agent Treasury securities having an aggregate principal amount at maturity equal to the aggregate principal amount of the notes underlying such holder's Corporate Units. Because Treasury securities and the notes are issued in minimum denominations of \$1,000, holders of Corporate Units may only make these substitutions in integral multiples of 20 Corporate Units. Each of these substitutions will create Treasury Units, and the notes underlying the holder's Corporate Units will be released upon substitution to the holder and will be separately tradable from the Treasury Units.

### **How can I recreate Corporate Units from Treasury Units?**

Each holder of Treasury Units will have the right, at any time other than during a blackout period or after a successful remarketing, to recreate Corporate Units, by substituting the related Treasury securities held by the collateral agent, with notes having an aggregate principal amount equal to the aggregate principal amount at maturity of the Treasury securities for which substitution is being made. Because Treasury securities and the notes are issued in minimum denominations of \$1,000, holders of Treasury Units may make these substitutions only in integral multiples of 20 Treasury Units. Each of these substitutions will recreate Corporate Units and the applicable Treasury securities will be released to the holder and will be separately tradable from the Corporate Units.

### **What payments am I entitled to as a holder of Corporate Units?**

Subject to any deferral as described under "Do we have the option to defer current payments?" below, holders of Corporate Units will be entitled to receive quarterly cash distributions consisting of their pro rata share of interest payments on the notes, at the rate of % per year, and quarterly contract adjustment payments at the rate of % per year on the stated amount of \$50 per Corporate Unit until the earliest of the occurrence of a termination event, the purchase contract settlement date, the fundamental change early settlement date (in the case of early settlement upon a fundamental change) or the most recent quarterly payment date on or before any early settlement of the related purchase contracts (in the case of early settlement other than upon a fundamental change). Our obligations with respect to the contract adjustment payments will be subordinated and junior in right of payment to our obligations under any of our Senior Indebtedness (as defined under "Description of the Notes Subordination").

### **What payments will I be entitled to if I convert my Corporate Units to Treasury Units?**

Subject to any deferral as described under "Do we have the option to defer current payments?" below, holders of Treasury Units will be entitled to receive quarterly contract adjustment payments from us at the rate of % per year on the stated amount of \$50 per Treasury Unit. There will be no interest payments in respect of the interest in Treasury securities that is a component of the Treasury Units, but to the extent that such holders of Treasury Units continue to hold the notes that were released to them when they created the Treasury Units, such holders will continue to receive the scheduled interest payments on their separate notes, subject to our right to defer such payments and subject to any modifications made thereto pursuant to a successful remarketing.

### **Do we have the option to defer current payments?**

We have the right to defer all or part of the contract adjustment payments but not beyond the purchase contract settlement date (or, with respect to an early settlement upon a fundamental change, not beyond the fundamental change early settlement date or, with respect to an early settlement other than upon a fundamental change, not beyond the early settlement date). Any deferred contract adjustment payments will accrue additional

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contract adjustment payments at the rate equal to % per annum (which is equal to the rate of total distributions on the Corporate Units), compounded on each contract adjustment payment date, to, but excluding, the contract adjustment payment date on which such deferred contract adjustment payments are paid. We refer to additional contract adjustment payments that accrue on deferred contract adjustment payments as compounded contract adjustment payments. We may pay any deferred contract adjustment payments (including compounded contract adjustment payments thereon) on any scheduled contract adjustment payment date.

If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments (including compounded contract adjustment payments thereon) have been paid, we generally will not declare or pay dividends or distributions on, or redeem, purchase or acquire or make a liquidation payment with respect to, any shares of our capital stock, or make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that upon a liquidation ranks *pari passu* with, or junior in interest to, the contract adjustment payments, or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks *pari passu* with, or junior in interest to, the contract adjustment payments, in each case, subject to the exceptions set forth under Description of the Purchase Contracts Contract Adjustment Payments.

In addition, prior to the purchase contract settlement date, we may elect at one or more times to defer payment of interest on the notes for one or more consecutive interest periods. However, each deferred interest payment may only be deferred until the purchase contract settlement date. We may pay any deferred interest on any scheduled interest payment date occurring on or prior to the purchase contract settlement date. Deferred interest on the notes will bear interest at the interest rate applicable to the notes, compounded on each interest payment date to, but excluding, the interest payment date on which such deferred interest is paid. In connection with any successful remarketing during the final remarketing period, all accrued and unpaid deferred interest (including compounded interest thereon) will be paid to the holders of the notes (whether or not the notes were remarketed in the remarketing) on the purchase contract settlement date in cash.

In the event there is any deferred interest outstanding, we may not elect to conduct an optional remarketing.

In the event that we exercise our option to defer the payment of interest, then until the deferred interest payments (including compounded interest thereon) have been paid, we generally will not declare or pay dividends or distributions on, or redeem, purchase or acquire or make a liquidation payment with respect to, any shares of our capital stock, or make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that upon a liquidation rank *pari passu* with, or junior in interest to, the notes, or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks *pari passu* with, or junior in interest to, the notes, in each case, subject to the exceptions set forth under Description of the Notes Dividend and Other Payment Stoppages During Interest Deferral and Under Certain Other Circumstances.

### **What are the payment dates for the Corporate Units and Treasury Units?**

Subject to any deferral as described under Do we have the option to defer current payments? above, the payments described above in respect of the Equity Units will be payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year (except that if any such date is not a business day, interest and contract adjustment payments will be payable on the following business day, without adjustment for such delay), commencing November 1, 2012. We will make these payments to the person in whose name the Equity Unit is registered on the close of business on the record date. The record date means the 15th day of the calendar month preceding the calendar month in which the relevant payment date falls (whether or not a business day) or, if the Equity Units are held in book-entry form, the record date means the business day immediately preceding the applicable payment date.

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### **What is a remarketing?**

We refer to each of an optional remarketing and a final remarketing as a remarketing. In a remarketing, the notes that are a part of Corporate Units and any separate notes which were formerly part of Corporate Units but are now held by a holder as a separate security (the separate notes) whose holders have elected to participate in the remarketing will be remarketed as described below under What is an optional remarketing? or, if no optional remarketing has occurred or is successful, in a final remarketing as described below under What is a final remarketing?

In consultation with the remarketing agent and without the consent of any holders of notes, we may elect (but will not be required to elect) to:

divide the notes into more than one tranche, so long as no tranche immediately after the settlement date of the remarketing will have an aggregate principal amount of less than \$400 million;

move up the maturity date of any tranche to a date earlier than August 1, 2022 but not earlier than August 1, 2017;

extend the earliest redemption date on which any tranche may be redeemed at our option, in whole or in part, from August 1, 2017 to a later date or to eliminate the redemption provisions of any tranche; and/or

remarket any tranche as fixed-rate notes or floating-rate notes.

All such modifications will take effect only if the remarketing is successful. If we elect to divide the notes into tranches, we will allocate the notes of holders of separate notes who did not elect to participate in the remarketing (and, in the case of a final remarketing, the notes of holders that are settling with cash), without any requirement for the consent of such holders, among the tranches, so long as no tranche immediately after the settlement date of the remarketing will have an aggregate principal amount of less than \$400 million. If we conduct an optional remarketing that is not successful, we may change the elections described above prior to the final remarketing period.

In order to remarket the notes, the remarketing agent, in consultation with us, may reset the interest rate on any tranche of notes (either upward or downward), or if any tranche is remarketed as floating-rate notes, determine the interest rate spread applicable to such tranche of notes, in order to produce the required price in the remarketing, as discussed under What is an optional remarketing? and What is a final remarketing? The interest deferral provisions of the notes will not apply after a successful remarketing.

During the applicable blackout period relating to a remarketing:

you may not settle a purchase contract early;

you may not create Treasury Units; and

you may not recreate Corporate Units from Treasury Units.

We have agreed to enter into a remarketing agreement with one or more remarketing agents, which we refer to as the remarketing agent, no later than 20 days prior to the first day of the final remarketing period or, if we elect to conduct an optional remarketing, the optional remarketing period. We will separately pay a fee to the remarketing agent for its services. The holders of the notes included in any remarketing will not be responsible for such fee.



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### **What is an optional remarketing?**

Unless a termination event has occurred, we may elect, at our option, to remarket the notes over a period selected by us that begins on or after April 29, 2015 (the second business day immediately preceding the interest payment date prior to the purchase contract settlement date) and ends anytime on or before July 15, 2015 (the eighth day prior to the beginning of the final remarketing period). In any optional remarketing, the aggregate principal amount of the notes that are a part of Corporate Units and any separate notes whose holders have elected to participate in the optional remarketing will be remarketed. We refer to this period as the optional remarketing period, a remarketing that occurs during the optional remarketing period as an optional remarketing and the date the notes are priced in an optional remarketing as the optional remarketing date. If we elect to conduct an optional remarketing, the remarketing agent will use its commercially reasonable efforts to obtain a price for the notes that results in proceeds of at least 100% of the aggregate of the price of the Treasury portfolio described below under What is the Treasury portfolio? , which we refer to as the Treasury portfolio purchase price, and the separate notes purchase price as defined under Description of the Notes Remarketing of Notes That Are Not Included in Corporate Units. We will request that The Depository Trust Company, or DTC, which we refer to as the depository, notify its participants holding Corporate Units, Treasury Units and separate notes of our election to conduct an optional remarketing no later than 15 days prior to the first day of the optional remarketing period. On the business day following the optional remarketing date, if we have elected to divide the notes into tranches, we will notify holders of separate notes who decided not to participate in the optional remarketing how we will allocate their notes between or among the tranches.

We may not elect to conduct an optional remarketing if we are then deferring interest on the notes.

An optional remarketing will be considered successful if the remarketing agent is able to remarket the notes for a price of at least 100% of the Treasury portfolio purchase price and the separate notes purchase price. If we elect to divide the notes into tranches in connection with an optional remarketing, the optional remarketing date will be the same for each tranche and the settlement of each tranche will be conditioned on the settlement of every other tranche.

Following a successful optional remarketing, on the optional remarketing settlement date (as defined below), the portion of the remarketing proceeds equal to the Treasury portfolio purchase price will, except as described in the following paragraph, be used to purchase the Treasury portfolio and the remaining proceeds attributable to the notes underlying the Corporate Units will be remitted to the purchase contract agent for distribution pro rata to the holders of such Corporate Units. The portion of the proceeds attributable to the separate notes sold in the remarketing will be remitted to the custodial agent for distribution on the optional remarketing settlement date pro rata to the holders of such separate notes.

If U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the Treasury portfolio have a yield that is less than zero, then the cash proceeds from the remarketing (and not the U.S. Treasury securities) will be substituted for the notes that are components of the Corporate Units and will be pledged to us through the collateral agent to secure the Corporate Unit holders' obligation to purchase our common stock under the purchase contracts.

Following a successful optional remarketing, each Corporate Unit holder's applicable ownership interest in the Treasury portfolio or cash will be substituted for the holder's undivided beneficial ownership interest in the notes as a component of the Corporate Units, and the portion of the Treasury portfolio described in the first bullet under What is the Treasury portfolio? or such cash will be pledged to us through the collateral agent to secure the Corporate Unit holder's obligation under the related purchase contract. On the purchase contract settlement date, for each Corporate Unit, \$50 of the proceeds from the Treasury portfolio will automatically be applied to satisfy the Corporate Unit holder's obligation to purchase common stock under the purchase contract and the

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proceeds from the portion of the Treasury portfolio described in the second bullet under "What is the Treasury portfolio?", which will equal the interest payment (assuming no reset of the interest rate) that would have been paid on the notes that were components of the Corporate Units at the time of the remarketing will be paid on the purchase contract settlement date to the Corporate Unit holders.

If we elect to conduct an optional remarketing and that remarketing is successful:

settlement of the remarketed notes will occur on the third business day following the optional remarketing date (we refer to that third business day as the "optional remarketing settlement date");

the interest rate on each tranche of remarketed notes will be reset, or, if we remarketed any tranche of notes as floating-rate notes, the interest rate spread will be determined, by the remarketing agent in consultation with us on the optional remarketing date and will become effective on the optional remarketing settlement date;

after the optional remarketing settlement date, your Corporate Units will consist of a purchase contract and the applicable ownership interest in the Treasury portfolio or cash, as described above; and

you may no longer create Treasury Units or recreate Corporate Units from Treasury Units.

If we do not elect to conduct an optional remarketing during the optional remarketing period, or no optional remarketing succeeds for any reason, the notes will continue to be a component of the Corporate Units or will continue to be held separately and the remarketing agent will use its commercially reasonable efforts to remarket the notes during the final remarketing period, as described under "What is a final remarketing?" below.

At any time and from time to time during the optional remarketing period prior to the announcement of a successful optional remarketing, we have the right to postpone any remarketing in our sole and absolute discretion.

### **What is a final remarketing?**

Unless a termination event or a successful optional remarketing has occurred prior to the purchase contract settlement date, we will remarket the notes during the five business day period ending on July 29, 2015 (the third business day immediately preceding the purchase contract settlement date). We refer to such period as the "final remarketing period," the remarketing during this period as the "final remarketing," and the date the notes are priced in the final remarketing as the "final remarketing date." In the final remarketing, the aggregate principal amount of the notes that are a part of Corporate Units and any separate notes whose holders have elected to participate in the final remarketing will be remarketed. The remarketing agent will use its commercially reasonable efforts to obtain a price for the notes that results in proceeds of at least 100% of the aggregate principal amount of all the notes offered in the remarketing. We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes of the final remarketing no later than seven days prior to the first day of the final remarketing period. We have the right to postpone the final remarketing in our sole and absolute discretion on any day prior to the last three business days of the final remarketing period. On the business day following the final remarketing date, we will notify holders of Corporate Units who are settling with cash (as described under "Do I have to participate in the remarketing?") and holders of separate notes who did not elect to participate in the final remarketing how we will allocate their notes between or among the tranches.

A remarketing during the final remarketing period will be considered successful if the remarketing agent is able to remarket the notes for at least 100% of the aggregate principal amount of all the notes offered in the

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remarketing. If we elect to divide the notes into tranches in connection with the final remarketing, the final remarketing date will be the same for each tranche and the settlement of each tranche will be conditioned on the settlement of every other tranche.

Following a successful final remarketing, the collateral agent will remit the portion of the proceeds equal to the total principal amount of the notes underlying the Corporate Units to us to satisfy in full the Corporate Unit holders' obligations to purchase common stock under the related purchase contracts. Any excess proceeds attributable to notes underlying Corporate Units that were remarketed will be remitted to the purchase contract agent for distribution pro rata to the holders of such notes. Proceeds from the final remarketing attributable to the separate notes remarketed will be remitted to the custodial agent for distribution pro rata to the holders of the separate notes that were remarketed.

Upon a successful final remarketing, settlement of the remarketed notes will occur on the purchase contract settlement date. On the final remarketing date, if applicable, the interest rate on each tranche of notes remarketed as fixed-rate notes will be reset, or, if any tranche is remarketed as floating-rate notes, the interest rate spread will be determined, by the remarketing agent in consultation with us, and in each case will become effective on the purchase contract settlement date.

### **What happens if the notes are not successfully remarketed?**

If, in spite of using its commercially reasonable efforts, the remarketing agent cannot remarket the notes during the final remarketing period at a price at least equal to 100% of the aggregate principal amount of notes offered in the remarketing, a condition precedent set forth in the remarketing agreement has not been fulfilled or a successful remarketing has not occurred for any other reason, in each case resulting in a failed remarketing, holders of all notes will have the right to put their notes to us for an amount equal to the principal amount of their notes, plus accrued and unpaid interest (including deferred interest and compounded interest thereon), to, but excluding, the purchase contract settlement date. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the notes underlying the Corporate Units unless, prior to 4:00 p.m., New York City time, on the second business day immediately prior to the purchase contract settlement date, the holder provides written notice of an intention to settle the related purchase contracts with separate cash and on or prior to the business day immediately preceding the purchase contract settlement date delivers to the securities intermediary \$50 in cash per purchase contract. This settlement with separate cash may only be effected in integral multiples of 20 Corporate Units. Unless a holder of Corporate Units has elected to settle the related purchase contracts and delivered the separate cash on or prior to the business day immediately preceding the purchase contract settlement date, the holder will be deemed to have elected to apply a portion of the proceeds of the put price equal to the principal amount of the notes against the holder's obligations to us under the related purchase contracts, thereby satisfying the holder's obligations in full, and the notes underlying such Corporate Units will be delivered to us and cancelled. Thereafter, the excess, if any, of the put price over the purchase price payable by the holders to us under the purchase contracts will be remitted by the purchase contract agent to the holders of the Corporate Units.

### **Do I have to participate in the remarketing?**

No. You may elect not to participate in a remarketing and to retain the notes underlying the undivided beneficial ownership interests in notes comprising part of your Corporate Units by (1) creating Treasury Units at any time other than during a blackout period, (2) settling the related purchase contracts early at any time other than during a blackout period or (3) in the case of a final remarketing, notifying the purchase contract agent prior to 4:00 p.m., New York City time, on the second business day immediately prior to the first day of the final remarketing period of your intention to settle your obligation under the related purchase contracts on the purchase contract settlement date in cash, and delivering such cash payment required under the purchase

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contracts to the securities intermediary on or prior to 4:00 p.m., New York City time, on the business day immediately prior to the first day of the final remarketing period. You can only elect to satisfy your obligation in cash in increments of 20 Corporate Units. See [Description of the Purchase Contracts](#) [Notice to Settle with Cash](#).

### **Which provisions will govern the notes following the remarketing?**

The remarketed notes will continue to be subordinated and to be governed by the indenture and the supplemental indenture under which they were issued. However, in connection with the remarketing we may divide the notes into more than one tranche, shorten the maturity of any tranche, extend the earliest redemption date or eliminate the optional redemption provisions for any tranche and remarket any tranche as fixed-rate or floating-rate notes, all without the consent of any holders of notes and as described under [What is a remarketing?](#) [above](#).

### **If I am holding separate notes, can I still participate in a remarketing of the notes?**

Yes. If you hold separate notes, you may elect to have your notes remarketed by the remarketing agent along with the notes underlying the Corporate Units as described under [Description of the Notes](#) [Remarketing of Notes That Are Not Included in Corporate Units](#). You may also participate in any remarketing by recreating Corporate Units at any time prior to the remarketing, other than during a blackout period.

### **How can I satisfy my obligation under the purchase contracts?**

You may satisfy your obligations under the purchase contracts as follows:

in the case of the Corporate Units, through the automatic application of the portion of the proceeds of the remarketing equal to the principal amount of the notes underlying the Corporate Units, as described under [What is a final remarketing?](#) [above](#);

through early settlement as described under [Can I settle the purchase contract early?](#) [and under](#) [What happens if there is early settlement upon a fundamental change?](#) [below](#);

in the case of Corporate Units, through cash settlement on the purchase contract settlement date as described under [Do I have to participate in the remarketing?](#) [above](#);

in the case of Treasury Units, through the automatic application of the proceeds of the interest in Treasury securities;

in the case of Corporate Units, through the automatic application of the portion of the proceeds from the Treasury portfolio or cash equal to the principal amount of the notes if the Treasury portfolio or cash has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, as described under [What is an optional remarketing?](#) [above](#); or

in the case of Corporate Units, through exercise of the put right or cash settlement on the purchase contract settlement date as described under [What happens if the notes are not successfully remarketed?](#) [above](#).

In addition, the purchase contract and pledge agreement that governs the Equity Units provides that all of your obligations under the purchase contract will be terminated without any further action or notice upon the occurrence of a termination event, as defined under [Description of the Purchase Contracts](#) [Termination](#).

If you settle a purchase contract early (other than pursuant to your fundamental change early settlement right), you will be entitled to receive any accrued and unpaid contract adjustment payments (including any

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accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the quarterly payment date immediately preceding the early settlement date. If you settle a purchase contract early pursuant to your fundamental change early settlement right, you will be entitled to receive any accrued and unpaid contract adjustment payments (including any accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the fundamental change early settlement date.

If the purchase contracts are terminated as a result of a termination event, you will not have any right to receive accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon). See Description of the Purchase Contracts Early Settlement and Description of the Purchase Contracts Termination.

### **What interest payments will I receive on the notes or on the undivided beneficial ownership interests in the notes?**

Subject to any deferral as described in Do we have the option to defer current payments? above, the notes will bear interest at the rate of % per year from the original issuance date to the purchase contract settlement date or, if earlier, the optional remarketing settlement date, payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing November 1, 2012 (except that if any such date is not a business day, interest will be payable on the following business day, without adjustment for such delay). On and after the purchase contract settlement date or, if earlier, the optional remarketing settlement date, interest on each note will be payable at the relevant reset rate (as defined under When will the interest rate on the notes be reset and what is the reset rate? ) or the applicable index plus the reset spread (as defined under When will the interest rate on the notes be reset and what is the reset rate? ), or if the interest rate has not been reset, at the initial interest rate of % per year. Except in the case of any tranche of notes that is remarketed as floating-rate notes or in the case of a failed remarketing, following the purchase contract settlement date or, if applicable, the optional remarketing settlement date, interest on the notes will be payable semi-annually in arrears on February 1 and August 1. Interest will be payable to the person in whose name the note is registered on the relevant record date.

### **When will the interest rate on the notes be reset and what is the reset rate?**

The interest rate on any tranche of notes may be reset in connection with a successful remarketing as described above under What is an optional remarketing? and What is a final remarketing? The reset rate or, if we elect to remarket any tranche of notes as floating-rate notes, the reset spread will be the interest rate or spread determined by the remarketing agent, in consultation with us, as the rate or spread such tranche of notes should bear in order for the remarketing agent to remarket the notes of such tranche on the remarketing date for a price of at least 100% of the relevant fraction (defined below) of the Treasury portfolio purchase price plus the separate notes purchase price, if any, in the case of an optional remarketing, or at least 100% of the aggregate principal amount of the notes of such tranche being offered in the remarketing, in the case of a final remarketing. In any case, the reset rate for any tranche of notes remarketed as fixed-rate notes or, if we elect to remarket any tranche of notes as floating-rate notes, the applicable index plus the reset spread, may be higher or lower than the initial interest rate on the notes depending on the results of the remarketing and market conditions at that time. The interest rate on the notes will not be reset if there is not a successful remarketing and the notes will continue to bear interest at the initial interest rate. The reset rate or, if we elect to remarket any tranche of notes as floating-rate notes, the applicable index plus the reset spread, will not exceed the maximum rate permitted by applicable law. The relevant fraction for a tranche of notes is a fraction the numerator of which is the aggregate principal amount of the notes in such tranche that are being remarketed and the denominator of which is the aggregate principal amount of all of the notes to be remarketed.

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### **When may the notes be redeemed?**

We may not redeem the notes until August 1, 2017. The notes will be redeemable thereafter, at our option, in whole or in part, at any time from time to time, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, if any, to but excluding the redemption date. In a remarketing, we may extend the earliest redemption date on which any tranche may be redeemed from August 1, 2017 to a later date or eliminate the redemption provisions of any tranche of notes.

### **What happens if there is early settlement upon a fundamental change?**

If we are involved in a transaction that constitutes a fundamental change (as defined below) prior to the purchase contract settlement date, you will have the right, subject to certain conditions, to accelerate and settle a purchase contract early at the settlement rate determined as described under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change, plus an additional make-whole amount of shares, or the make-whole shares, so long as at such time, if required under the U.S. federal securities laws, there is in effect on the fundamental change early settlement date a registration statement covering any securities to be issued and delivered in connection with such fundamental change early settlement. We refer to this right as the fundamental change early settlement right.

A fundamental change means (a) a person or group within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (or the Exchange Act), has become the direct or indirect beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of shares of our common stock representing more than 50% of the voting power of our common stock without the approval of our board of directors and effectuates a change in a majority of the members of our board of directors (including the Chairman and the President); (b) we are involved in a consolidation with or merger into any other person, or any merger of another person into us, or any other similar transaction or series of related transactions (other than a merger, consolidation or similar transaction that does not result in the conversion or exchange of outstanding shares of our common stock), in each case, in which 90% or more of the outstanding shares of our common stock are exchanged for or converted into cash, securities or other property, greater than 10% of the value of which consists of cash, securities or other property that is not (or will not be upon or immediately following the effectiveness of such consolidation, merger or transaction) common stock listed on any U.S. national securities exchange; (c) our common stock ceases to be listed on at least one U.S. national securities exchange (other than in connection with any consolidation, merger or similar transaction); or (d) our shareholders approve our liquidation, dissolution or termination.

We will provide each of the holders of Equity Units with a notice of the completion of a fundamental change within 10 business days of the effective date of such fundamental change. The notice will specify (1) a date, the fundamental change early settlement date, which will be at least 10 days after the date of the notice but no later than the earlier of 20 days after the date of the notice and two business days prior to the first day of the commencement of the optional remarketing period, or, if we do not elect to conduct an optional remarketing or the optional remarketing is not successful, two business days prior to the commencement of the final remarketing period or, if the final remarketing is not successful, the purchase contract settlement date, by which each holder's fundamental change early settlement right must be exercised, (2) the applicable settlement rate and (3) the amount (per share of common stock) of the cash, securities and other consideration receivable by the holder, including the amount of contract adjustment payments and deferred contract adjustment payments (including compounded contract adjustment payments thereon), upon settlement. To exercise the fundamental change early settlement right with respect to any purchase contracts, you must deliver to the purchase contract agent at the corporate trust office of the purchase contract agent or its agent, in each case, in the Borough of Manhattan, The City of New York, no later than 4:00 p.m., New York City time, on the third business day before the fundamental change early settlement date, payment of the applicable purchase price in immediately available funds less the amount of any accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the fundamental change early settlement date.

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If you exercise the fundamental change early settlement right, we will deliver to you on the fundamental change early settlement date for each purchase contract with respect to which you have elected fundamental change early settlement, the kind and amount of securities, cash or other property that you would have been entitled to receive if you had settled the purchase contract immediately before the fundamental change at the settlement rate described above, plus the number of make-whole shares determined by reference to the table set forth under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change. The notes, applicable ownership interests in the Treasury portfolio or Treasury securities underlying the Corporate Units or Treasury Units, as the case may be, with respect to which you are effecting a fundamental change early settlement, will be delivered to you. If you do not elect to exercise your fundamental change early settlement right, your Corporate Units or Treasury Units will remain outstanding and be subject to normal settlement on the purchase contract settlement date.

We have agreed that, if required under the U.S. federal securities laws, we will use our commercially reasonable efforts to (1) have in effect on the fundamental change early settlement date a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the fundamental change early settlement, subject to certain exceptions. In the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right will be void unless and until the registration statement is effective and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective.

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 20 Corporate Units. If the Treasury portfolio has replaced the notes as a component of Corporate Units, holders of the Corporate Units may exercise the fundamental change early settlement right only in integral multiples of Corporate Units.

A holder of Treasury Units may exercise the fundamental change early settlement right only in integral multiples of 20 Treasury Units.

### **What is the ranking of the notes?**

The notes will be subordinated to all our existing and future Senior Indebtedness. The notes will be effectively subordinated to existing or future preferred stock and indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries. See Description of the Notes Subordination.

### **How will the notes be evidenced?**

The notes that form a part of the Corporate Units will be issued in fully registered form and will be registered in the name of the purchase contract agent. The notes that do not form a part of the Corporate Units will be evidenced by one or more global notes registered in the name of DTC's nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC.

In a few special situations described in Description of the Notes Book Entry Issuance The Depository Trust Company, a book-entry security representing the notes will terminate and interests in it will be exchanged for physical certificates representing the notes.

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### **What are the U.S. federal income tax consequences related to the Equity Units and notes?**

Although the Internal Revenue Service (the "IRS") has issued a Revenue Ruling addressing the treatment of units similar to the Equity Units, no statutory, judicial or administrative authority directly addresses all aspects of the treatment of the Equity Units or instruments similar to the Equity Units for U.S. federal income tax purposes. Accordingly, no assurance can be given that the conclusions in the Revenue Ruling would apply to the Equity Units. As a result, the U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are unclear. In addition, there can be no assurance that the IRS or a court will agree with the characterization of the notes as indebtedness for U.S. federal income tax purposes.

Although the matter is not free from doubt, a beneficial owner of Equity Units will be treated for U.S. federal income tax purposes as separately owning the purchase contract and the undivided beneficial ownership interests in the notes, the Treasury portfolio or the Treasury securities constituting the Equity Unit, as applicable. By purchasing the Equity Units, you will be deemed to have agreed to treat the Equity Units in that manner for all U.S. federal income tax purposes. In addition, you must allocate the purchase price of the Equity Units between the notes and the purchase contract in proportion to their respective fair market values, which will establish your initial tax basis in the notes and the purchase contract. With respect to each Corporate Unit purchased in the offering, you will be deemed to have agreed to allocate \$\_\_\_\_\_ to the undivided beneficial ownership interest in the notes and \$\_\_\_\_\_ to the purchase contract.

We intend to treat the notes as variable rate debt instruments that are subject to applicable U.S. Treasury regulations that apply to reset bonds. Based on the above, you will be required to take into account interest payments on the notes at the time they are paid or accrued in accordance with your regular method of accounting for tax purposes. However, there are no U.S. Treasury regulations, rulings or other authorities that address the U.S. federal income tax treatment of debt instruments that are substantially similar to the notes, and therefore the U.S. federal income tax treatment of the notes is unclear. Under possible alternative characterizations of the notes, you may be required to accrue interest income in amounts that exceed the stated interest on the notes and/or treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, redemption or other taxable disposition of a note. See "Material U.S. Federal Income Tax Consequences U.S. Holders The Notes Possible Alternative Characterizations."

If the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, a beneficial owner of Corporate Units generally will be required to include in gross income its allocable share of any interest payments made with respect to such owner's applicable ownership interest in the Treasury portfolio, and, if appropriate, acquisition discount (as described under "Material U.S. Federal Income Tax Consequences") on the applicable ownership interest in the Treasury portfolio.

We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined under "Material U.S. Federal Income Tax Consequences") when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined under "Material U.S. Federal Income Tax Consequences") as payments generally subject to U.S. federal withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax.

***For a more comprehensive discussion of the U.S. federal income tax consequences of an investment in the Equity Units, please see "Material U.S. Federal Income Tax Consequences." Prospective investors in Equity Units should consult their tax advisors regarding the particular tax consequences to them of the purchase, ownership and disposition of Equity Units (including the application and effects of any state, local, or foreign and other tax laws).***

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### **What are the uses of proceeds from the offering?**

We estimate that the net proceeds from the sale of the Equity Units in this offering will be approximately \$       million (approximately \$ million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discounts and commissions but before deducting other offering expenses. These net proceeds will be used primarily to partially fund the Acquisition Obligations. Subject to the satisfaction of customary closing conditions, the closing of the Acquisition is anticipated to take place in mid-2012. The remainder of the net proceeds from the offering of the Equity Units, if any, will be used for general corporate purposes. If the Acquisition does not close, the net proceeds from the offering will be used for general corporate purposes. Pending use, we may, but are not required to, initially invest the net proceeds in short-term interest-bearing obligations.

### **What are the risks relating to the Equity Units?**

See **Risk Factors** and the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference in this prospectus supplement and in the accompanying prospectus, including the risk factors set forth under **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2011 and under **Risk Factors** in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 before you make an investment decision pursuant to this prospectus supplement and the accompanying prospectus.

### **The Offering Explanatory Diagrams**

The following diagrams illustrate some of the key features of the purchase contracts and the undivided beneficial ownership interests in notes, Corporate Units and Treasury Units.

### **Corporate Units**

A Corporate Unit consists of two components as described below:

Notes:

- <sup>(1)</sup> Contract adjustment payments may be deferred as described under **Description of the Purchase Contracts Contract Adjustment Payments** below.

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- (2) Each owner of an undivided beneficial ownership interest in notes will be entitled to 1/20, or 5%, of each interest payment paid in respect of a \$1,000 principal amount note.
- (3) Interest payments may be deferred as described under **Description of the Notes** **Option to Defer Interest Payments** below. The optional deferral provisions of the notes will cease to apply on the purchase contract settlement date.
- (4) Notes will be issued in minimum denominations of \$1,000, except in limited circumstances following a termination event. Each undivided beneficial ownership interest in notes represents a 1/20, or 5%, undivided beneficial ownership interest in a note having a principal amount of \$1,000.

The holder of a Corporate Unit owns the 1/20 undivided beneficial ownership interest in a note having a principal amount of \$1,000 that forms a part of the Corporate Unit, but will pledge it to us through the collateral agent to secure its obligations under the related purchase contract.

If the Treasury portfolio has replaced the notes as a result of a successful optional remarketing, the applicable ownership interests in the Treasury portfolio or cash, as applicable, will replace the notes as a component of the Corporate Unit.

## **Treasury Units**

A Treasury Unit consists of two components as described below:<sup>(1)</sup>

Notes:

- (1) Treasury Units may only be created in integral multiples of 20 Corporate Units. As a result, the creation of 20 Treasury Units will release \$1,000 principal amount of the notes held by the collateral agent. During a blackout period or following a successful remarketing, you may not create Treasury Units or recreate Corporate Units.
- (2) Contract adjustment payments may be deferred as described under **Description of the Purchase Contracts** **Contract Adjustment Payments** below.

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The holder of a Treasury Unit owns the 1/20 undivided beneficial ownership interest in the Treasury security that forms a part of the Treasury Unit, but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

### **Purchase Contract**

Corporate Units and Treasury Units both include a purchase contract under which the holder agrees to purchase shares of our common stock on the purchase contract settlement date. In addition, the purchase contracts require us to make contract adjustment payments as shown in the diagrams on the preceding pages.

Notes:

- (1) The reference price is \$ .
- (2) The threshold appreciation price is equal to \$50 divided by the minimum settlement rate, which is approximately \$ and represents appreciation of approximately % over the reference price.
- (3) If the applicable market value of our common stock is less than or equal to the reference price of \$ , shares of our common stock (subject to adjustment).
- (4) If the applicable market value of our common stock is between the reference price and the threshold appreciation price of approximately \$ , the number of shares of our common stock to be delivered to a holder of an Equity Unit will be calculated by dividing the stated amount of \$50 by the applicable market value, rounded to the nearest ten thousandth of a share (subject to adjustment).
- (5) If the applicable market value of our common stock is greater than or equal to the threshold appreciation price, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be shares (subject to adjustment).
- (6) The applicable market value means the average VWAP of our common stock on each of the 20 consecutive trading days ending on the third scheduled trading day immediately preceding the purchase contract settlement date.

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**The Notes**

The notes have the terms described below:

Notes:

- (1) Interest payments may be deferred as described under Description of the Notes Option to Defer Interest Payments and interest payment dates may be adjusted in a successful remarketing as described under Description of the Notes Remarketing. The interest deferral provisions of the notes will cease to apply on the purchase contract settlement date.
- (2) In connection with a remarketing, we may divide the notes into more than one tranche, shorten the maturity of any tranche to a date no earlier than August 1, 2017, extend the earliest optional redemption date to a date later than August 1, 2017 or eliminate the optional redemption provisions of any tranche and remarket any tranche of notes as fixed-rate notes or floating-rate notes, all as described under Description of the Purchase Contracts Remarketing.

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### **Transforming Corporate Units into Treasury Units and Notes**

#### Notes:

- (1) Each holder will own a 1/20, or 5%, undivided beneficial ownership interest in, and will be entitled to a corresponding portion of each interest payment payable in respect of, a note having a principal amount of \$1,000.
- (2) Notes will be issued in minimum denominations of \$1,000 and integral multiples thereof, except in limited circumstances following a termination event. In connection with a remarketing, we may divide the notes into more than one tranche, shorten the maturity of any tranche to a date no earlier than August 1, 2017, extend the earliest optional redemption date to a date later than August 1, 2017 or eliminate the optional redemption provisions of any tranche and remarket any tranche of notes as fixed-rate notes or floating-rate notes, all as described under **Description of the Notes Remarketing**.
- (3) Interest payments may be deferred as described in this prospectus supplement and interest payment dates may be adjusted in a successful remarketing as described under **Description of the Notes Option to Defer Interest**. The interest deferral provisions of the notes will cease to apply on the purchase contract settlement date.
- (4) Contract adjustment payments may be deferred as described under **Description of the Purchase Contracts Remarketing**.  
The diagram above describes each of a Corporate Unit, a Treasury Unit and a separate note.

Because the notes and the Treasury securities are issued in minimum denominations of \$1,000, holders of Corporate Units may only create Treasury Units in integral multiples of 20 Corporate Units.

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To create 20 Treasury Units, a holder separates 20 Corporate Units into their two components 20 purchase contracts and a note having a principal amount of \$1,000 and then combines the purchase contracts with a Treasury security having a principal amount at maturity of \$1,000 that matures on July 31, 2015.

The note, which is no longer a component of Corporate Units, is released to the holder and is tradable as a separate security.

A holder owns the Treasury security that forms a part of the 20 Treasury Units but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

The Treasury security together with the 20 purchase contracts constitute 20 Treasury Units.

During a blackout period or following a successful remarketing, you may not create Treasury Units or recreate Corporate Units.

Unless a blackout period is occurring or there has been a successful remarketing, the holder can also transform 20 Treasury Units and a note having a principal amount of \$1,000 into 20 Corporate Units. Following that transformation, the Treasury security, which will no longer be a component of the Treasury Unit, will be released to the holder and will be tradable as a separate security.

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### **Illustrative Remarketing Timeline**

The following timeline is for illustrative purposes only. The dates in this timeline are based on the time periods set forth in the purchase contract and pledge agreement and the form of remarketing agreement that will be an exhibit to the purchase contract and pledge agreement. This timeline assumes that we will elect to conduct an optional remarketing during the maximum permissible optional remarketing period.

<b>Date</b>	<b>Event</b>
No later than April 14, 2015 (15 days prior to the first day of the optional remarketing period)	We will notify holders of Corporate Units, Treasury Units and separate notes of such election. Such notice will specify the optional remarketing period and the procedures to be followed in the optional remarketing.
April 27, 2015 (two business days prior to the beginning of the optional remarketing period)	<p>Last day prior to the optional remarketing to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units (holders may once again be able to create and recreate units if the optional remarketing is not successful);</p> <p>Last day prior to the optional remarketing for holders of Corporate Units to settle the related purchase contracts early (holders may once again be able to early settle if the optional remarketing is not successful); and</p>
April 29, 2015 to July 15, 2015	<p>Last day for holders of separate notes to give notice of their election or to revoke their election to participate in the optional remarketing.</p> <p>Optional remarketing period:</p> <p>if the optional remarketing is successful, we will issue a press release on the business day after the optional remarketing date, the remarketing agent will purchase the Treasury portfolio and the settlement date for the optional remarketing will occur on the third business day following the optional remarketing date; and</p> <p>if the optional remarketing is not successful, we will issue a press release at the end of the optional remarketing period.</p>

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<b>Date</b>	<b>Event</b>
No later than July 16, 2015 (seven days prior to the first day of the final remarketing period)	If there has not been a successful optional remarketing, we will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes of the final remarketing. Such notice will specify the final remarketing period and the procedures to be followed in the final remarketing.
July 16, 2015 (seven days prior to the first day of the final remarketing period)	First day for holders of Corporate Units to give notice of election to settle with separate cash.
July 21, 2015 (two business days prior to the first day of the final remarketing period)	<p>Last day to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units;</p> <p>Last day for holders of Corporate Units to give notice of election to settle the related purchase contracts with separate cash on the purchase contract settlement date (holders may once again be able to settle the related purchase contracts with separate cash on the purchase contract settlement date if the final remarketing is not successful);</p> <p>Last day for holders of separate notes to give notice of their election or to revoke their election to participate in the remarketing; and</p> <p>Last day for holders of Corporate Units or Treasury Units to settle the related purchase contracts early.</p>
July 22, 2015 (one business day prior to the first day of the final remarketing period)	Last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash on the purchase contract date to pay the purchase price (holders may once again be able to settle the related purchase contracts with separate cash on the purchase contract settlement date if the final remarketing is not successful).
July 23, 2015 to July 29, 2015 (final remarketing period)	If there has not been a successful optional remarketing, we will attempt a remarketing during the final remarketing period. We may elect to postpone the final remarketing on any day other than one of the last three business days of the final remarketing period.

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<b>Date</b>	<b>Event</b>
July 30, 2015 (two business days prior to the purchase contract settlement date)	If the final remarketing has not been successful, last day for holders of Corporate Units to elect to settle the related purchase contracts with separate cash on the purchase contract settlement date.
July 31, 2015 (one business day prior to the purchase contract settlement date)	If the final remarketing has not been successful, last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash on the purchase contract settlement date to pay the purchase price.
August 1, 2015 (or if such day is not a business day, the following business day)	Purchase contract settlement date and settlement date for any successful final remarketing of the notes.

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### **RISK FACTORS**

*An investment in the Equity Units involves risks. You should carefully consider the risks and uncertainties described in this prospectus supplement and the accompanying prospectus, including the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference in this prospectus supplement and in the accompanying prospectus, such as the risk factors under **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2011 and under **Risk Factors** in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, before you make an investment decision pursuant to this prospectus supplement and the accompanying prospectus. Our business, financial condition, operating results and cash flows can be impacted by the factors set forth below, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results.*

*The Corporate Units consist of a purchase contract to acquire our common stock and an interest in notes issued by us. When considering an investment in our Corporate Units, you are making an investment decision with respect to our common stock and the notes as well as the Corporate Units. You can create Treasury Units from Corporate Units by substituting Treasury securities for the notes; you would be making an investment decision with respect to our common stock and the notes as well as the Treasury Units in such case. You should carefully review the information in this prospectus supplement and the accompanying prospectus about these securities. As used in this section, **UTC**, **we**, **us**, **our**, and **the Company** refer only to United Technologies Corporation and any successor obligor, and not to any of its subsidiaries.*

#### **Risks Related to the Acquisition**

**We may not complete the Acquisition within the time frame we anticipate or at all; the acquired business may underperform relative to our expectations; the Acquisition may cause our financial results to differ from our expectations or the expectations of the investment community; we may not be able to achieve anticipated cost savings or other anticipated synergies.**

The Acquisition is subject to a number of closing conditions, and the completion and success of the Acquisition is subject to a number of risks and uncertainties. The unpredictability of the business and regulatory conditions affecting the industries in which we and Goodrich operate, the uncertainty of regulatory approvals and other risks and uncertainties may adversely affect our ability to complete the Acquisition within the time frame we anticipate or at all.

In addition, if the Acquisition is consummated, the success of the Acquisition will depend, in part, on our ability to realize the anticipated synergies, cost savings and growth opportunities from the integration of Goodrich with our existing businesses. The integration process may be complex, costly and time-consuming. The potential difficulties of integrating the operations of Goodrich and realizing our expectations for the Acquisition include, among others:

failure to implement our business plan for the combined business;

unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;

unanticipated changes in applicable laws and regulations;

unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;

retaining key customers, suppliers and employees;

retaining and obtaining required regulatory approvals, licenses and permits;



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operating risks inherent in the Goodrich business and our business;

the impact on our or Goodrich's internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002; and

other unanticipated issues, expenses and liabilities.

**We have not identified any specific use of the net proceeds of this offering in the event that the Merger Agreement is terminated and the Acquisition is not consummated.**

Consummation of the Acquisition is subject to a number of conditions, and, if the Merger Agreement is terminated and the Acquisition is not consummated for any reason, our board of directors and management will have broad discretion in the application of the net proceeds. Since the primary purpose of this offering is to provide funds for the Acquisition, we have not identified a specific use for the net proceeds in the event the Acquisition is not completed. If the Acquisition is not completed for any reason, we intend to use the net proceeds of this offering for general corporate purposes, which may include financing acquisitions, repayment of debt, capital expenditures, working capital, share repurchases or satisfaction of other obligations. The failure of our management to use the net proceeds from this offering effectively could have a material adverse effect on our business.

**We have outstanding debt, and we will incur significant Acquisition-related costs in connection with financing the Acquisition; our debt will increase as a result of the Acquisition and any incurrence of indebtedness in connection with financing the Acquisition, and will further increase if we incur additional debt in the future and do not retire existing debt.**

We have outstanding debt and other financial obligations and significant unused borrowing capacity. As of March 31, 2012, we had approximately \$9.8 billion of outstanding indebtedness, approximately \$0.3 billion of which was aggregate outstanding debt of our subsidiaries, including short-term borrowings and excluding fair value adjustments. As of March 31, 2012, we had approximately \$9.7 billion of Senior Indebtedness. In addition, pursuant to a registered public offering which closed on June 1, 2012, we issued an additional \$9.8 billion of fixed and floating rate notes, which is considered Senior Indebtedness the proceeds of which will be used to pay part of the cash consideration for the Acquisition. We anticipate that Goodrich will have approximately \$1.9 billion of net debt as of the closing of the Acquisition, and we further anticipate incurring significant additional debt in connection with the financing of the Acquisition. See Summary Recent Developments Acquisition Financing. Our debt level and related debt service obligations could have negative consequences, including:

requiring us to dedicate significant cash flow from operations to the payment of principal and interest on our debt, which would reduce the funds we have available for other purposes, such as acquisitions;

reducing our flexibility in planning for or reacting to changes in our business and market conditions; and

exposing us to interest rate risk since a portion of our debt obligations are at variable rates.

We may incur significantly more debt in the future. If we add new debt and do not retire existing debt, the risks described above could increase.

On November 4, 2011, we entered into two revolving credit facilities with various financial institutions (the Revolving Credit Agreements). These Revolving Credit Agreements impose restrictions on us, including certain restrictions on our ability to incur liens on our assets. Our current Revolving Credit Agreements are available for general corporate purposes. There are currently no amounts outstanding under our Bridge Credit

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Agreement, Term Loan Agreement or Revolving Credit Agreements. Our long-term debt obligations include covenants that may adversely affect our ability to incur certain secured indebtedness or engage in certain types of sale and leaseback transactions. Our ability to comply with these restrictions and covenants may be affected by events beyond our control. If we breach any of these restrictions or covenants and do not obtain a waiver from the lenders, then, subject to applicable cure periods, our outstanding indebtedness could be declared immediately due and payable.

### **Risks Relating to the Equity Units**

#### **You assume the risk that the market value of our common stock may decline.**

The number of shares of our common stock that you will receive upon the settlement of a purchase contract is not fixed but instead will depend on the average VWAP of our common stock on each of the 20 consecutive trading days ending on the third scheduled trading day immediately preceding the purchase contract settlement date, which we refer to as the applicable market value. There can be no assurance that the market value of common stock you receive on the purchase contract settlement date will be equal to or greater than the effective price per share you paid for our common stock on the date of issuance of the Equity Units. If the applicable market value of the common stock is less than the reference price of \$ , the market value of the common stock issued to you pursuant to each purchase contract on the purchase contract settlement date (assuming that the market value on the purchase contract settlement date is the same as the applicable market value of the common stock) will be less than the effective price per share you paid for the common stock. Accordingly, you assume the risk that the market value of our common stock may decline, and that the decline could be substantial.

In addition, because the number of shares delivered to you on the purchase contract settlement date will be based upon the applicable market value, which is in turn calculated on the basis of the average of the VWAP per share of our common stock on each of the 20 consecutive trading days ending on the third scheduled trading day immediately preceding the purchase contract settlement date, the shares of common stock you receive on the purchase contract settlement date may be worth less than the shares of common stock you would have received had the applicable market value been equal to the VWAP per share of our common stock on the purchase contract settlement date or the average VWAP of our common stock over a different period of days. Also, to the extent that the shares of common stock are delivered after the purchase contract settlement date, you will bear the risk of a decline in the value of that common stock between the purchase contract settlement date and the date of delivery.

#### **The opportunity for equity appreciation provided by an investment in the Equity Units is less than that provided by a direct investment in our common stock.**

Your opportunity for equity appreciation afforded by investing in the Equity Units is less than your opportunity for equity appreciation if you directly invested in our common stock. This opportunity is less because the market value of the common stock to be received by you pursuant to the purchase contract on the purchase contract settlement date (assuming that the market value on the purchase contract settlement date is the same as the applicable market value of the common stock) will only exceed the effective price per share you paid for our common stock if the applicable market value of the common stock exceeds the threshold appreciation price (which represents an appreciation of approximately % over the reference price). If the applicable market value of our common stock exceeds the reference price but does not exceed the threshold appreciation price, you will realize no equity appreciation of the common stock for the period during which you own the purchase contract. Furthermore, if the applicable market value of our common stock equals or exceeds the threshold appreciation price, you would receive on the purchase contract settlement date only approximately % of the value of the shares of common stock you could have purchased with \$ at the closing price of our common stock on the date of the pricing of the Equity Units.

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**The trading prices for the Corporate Units and Treasury Units are expected to be affected by, among other things, the trading prices of our common stock, the general level of interest rates and our credit quality.**

The trading prices of Corporate Units, which we have applied to list on the New York Stock Exchange, and Treasury Units in the secondary market are expected to be affected by, among other things, the trading prices of our common stock, the general level of interest rates and our credit quality. It is impossible to predict whether the price of our common stock or interest rates will rise or fall. The price of our common stock could be subject to wide fluctuations in the future in response to many events or factors, including those discussed in the risk factors herein and in our Annual Report on Form 10-K for the year ended December 31, 2011 and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, as well as under Note Regarding Forward-Looking Statements in the accompanying prospectus, many of which events and factors are beyond our control. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the common stock underlying the purchase contracts and of the other components of the Equity Units. Any such arbitrage could, in turn, affect the trading prices of the Corporate Units, Treasury Units, notes and our common stock.

**If you hold Corporate Units or Treasury Units, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock.**

If you hold Corporate Units or Treasury Units, you will not be entitled to any rights with respect to our common stock, such as voting rights and rights to receive dividends or other distributions on our common stock. However, you will be subject to all changes affecting our common stock. You will only be entitled to rights with respect to our common stock if and when we deliver shares of common stock in exchange for Corporate Units or Treasury Units on the purchase contract settlement date, or as a result of early settlement, as the case may be, and the applicable record date, if any, for the exercise of those rights or the receipt of those dividends or distributions occurs after that date.

**The delivery of make-whole shares upon a fundamental change early settlement may not adequately compensate you.**

If a fundamental change (as defined below under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change ) occurs and you exercise your fundamental change early settlement right, you will be entitled to receive additional value in respect of make-whole shares unless the stock price (as defined under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change below), is in excess of \$ per share (subject to adjustment). A description of how the number of make-whole shares will be determined is set forth under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change Calculation of Make-Whole Shares. Although the make-whole shares are designed to compensate you for the lost value of your Equity Units as a result of the fundamental change, this feature may not adequately compensate you for such loss.

In addition, in the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right will be void unless and until the registration statement is effective and we have provided a prospectus in connection therewith and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective. For so long as there is a material business transaction or development that has not yet been publicly disclosed (but in no event for a period longer than 90 days), we will not be required to file such registration statement or provide such a prospectus, and the fundamental change early settlement right will not be available, until we have publicly disclosed such transaction or development.

**The Equity Units provide limited fixed settlement rate adjustments, and an event could occur that adversely affects the value of the Equity Units or our common stock but that does not result in an adjustment to the fixed settlement rates.**

The number of shares of common stock that you are entitled to receive on the purchase contract settlement date, or as a result of early settlement of a stock purchase contract, is subject to adjustment for certain

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events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other events. We will not adjust the number of shares of common stock that you are to receive on the purchase contract settlement date, or as a result of early settlement of a purchase contract, for other events, including without limitation issuances and purchases in connection with dividend reinvestment plans, employee stock option grants, ordinary dividends, offerings of common stock by us for cash or in connection with an acquisition, and share issuances pursuant to options and other convertible securities. See **Description of the Purchase Contracts** **Anti-dilution Adjustments**. There can be no assurance that an event that adversely affects the value of the Equity Units or our common stock, but does not result in an adjustment to the settlement rate, will not occur. Further, other than as described under **Underwriting**, we are not restricted from issuing additional common stock during the term of the stock purchase contracts and have no obligation to consider your interests for any reason. If we issue additional shares of common stock, it may materially and adversely affect the trading price of our common stock and the Equity Units. If we issue additional shares of common stock, those issuances may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares holders are to receive on the purchase contract settlement date to the price of our common stock, those issuances may adversely affect the trading prices of the Equity Units.

### **The secondary market for the Corporate Units, Treasury Units or notes may be illiquid.**

It is not possible to predict how Corporate Units, Treasury Units or notes will trade or whether a market for them will be liquid or illiquid. There is currently no market for our Corporate Units, Treasury Units or notes. We have applied to list the Corporate Units on the New York Stock Exchange under the symbol **UTX PR A** and expect trading to commence within 30 days of the date of initial issuance of the Corporate Units. If the Treasury Units or the notes are separately traded to a sufficient extent that applicable exchange listing or quotation system requirements are met, we may endeavor to list the Treasury Units or the notes on the same exchange or quotation system as the Corporate Units. However there can be no assurance that we will list the Treasury Units or the notes. There can be no assurance as to the liquidity of any market that may develop for the Corporate Units, the Treasury Units or the notes, your ability to sell these securities or whether a trading market, if one develops, will continue. In addition, in the event a sufficient number of holders of Equity Units were to convert their Treasury Units to Corporate Units or their Corporate Units to Treasury Units, as the case may be, the liquidity of Corporate Units or Treasury Units could be adversely affected. There can be no assurance that the Corporate Units will not be de-listed from the New York Stock Exchange or that trading in the Corporate Units will not be suspended as a result of holders' elections to create Treasury Units, which could cause the number of Corporate Units to fall below the requirement for listing securities on the New York Stock Exchange.

### **Your rights to the pledged securities will be subject to our security interest and may be affected by a bankruptcy proceeding.**

Although you will be the beneficial owner of the undivided beneficial ownership interests in notes, Treasury securities or applicable ownership interests in the portion of the Treasury portfolio described in the first bullet under **What is the Treasury portfolio?**, as applicable, those securities will be pledged to us through the collateral agent to secure your obligations under the related purchase contracts. Your rights to the pledged securities will be subject to our security interest. Additionally, notwithstanding the automatic termination of the purchase contracts in the event that we become the subject of a case under the U.S. Bankruptcy Code, the delivery of the pledged securities to you may be delayed by the imposition of the automatic stay under Section 362 of the U.S. Bankruptcy Code or by exercise of the bankruptcy court's power under Section 105(a) of the U.S. Bankruptcy Code, and claims arising out of the notes, like all other claims in bankruptcy proceedings, will be subject to the equitable jurisdiction and powers of the bankruptcy court.

### **Upon a successful remarketing of the notes, the terms of your notes may be modified even if you elect not to participate in the remarketing.**

When we attempt to remarket the notes, the remarketing agent will agree to use its commercially reasonable efforts to sell the notes included in the remarketing. In connection with the remarketing, we may elect

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to subdivide the notes into more than one tranche, to shorten the maturity of any tranche to a date not earlier than August 1, 2017, to modify the optional redemption terms and to change the method of calculating interest payments on the notes. If the remarketing is successful, the modified terms will apply to all the notes, even if they were not included in the remarketing. However, holders of the notes must elect to participate in the remarketing before knowing what the modified terms of the notes will be. If we subdivide the notes into more than one tranche and the remarketing is successful, holders of Corporate Units and holders of separate notes may not know which tranche or tranches of notes they will receive if they elect to settle their purchase contracts with separate cash or do not elect to sell their separate notes in the remarketing. Whenever we remarket the notes, we will notify holders of Corporate Units, Treasury Units and separate notes of such remarketing. If we subdivide the notes into more than one tranche and the remarketing is successful, on the business day following the optional remarketing date or the final remarketing date, as applicable, we will notify holders of separate notes who decided not to participate in the remarketing (and, in the case of a final remarketing, holders settling with cash) how we will allocate their notes between the tranches. You may determine that the revised terms of the notes you receive are not as favorable to you as you would deem appropriate.

### **The purchase contract and pledge agreement will not be qualified under the Trust Indenture Act and the obligations of the purchase contract agent are limited.**

The purchase contract and pledge agreement among us, the purchase contract agent and the collateral agent will not be qualified as an indenture under the Trust Indenture Act of 1939, or the Trust Indenture Act, and the purchase contract agent and collateral agent will not be required to qualify as a trustee under the Trust Indenture Act. You will not have the benefit of the protection of the Trust Indenture Act with respect to the purchase contract and pledge agreement or the purchase contract agent. The notes constituting a part of the Corporate Units will be issued pursuant to an indenture that has been qualified under the Trust Indenture Act. Accordingly, if you hold Corporate Units, you will have the benefit of the protections of the Trust Indenture Act only to the extent applicable to the ownership interests in notes included in the Corporate Units. The protections generally afforded the holder of a security issued under an indenture that has been qualified under the Trust Indenture Act include:

disqualification of the indenture trustee for conflicting interests, as defined under the Trust Indenture Act;

provisions preventing a trustee that is also a creditor of the issuer from improving its own credit position at the expense of the security holders immediately prior to or after a default under such indenture; and

the requirement that the indenture trustee deliver reports at least annually with respect to certain matters concerning the indenture trustee and the securities.

### **The trading price of the Corporate Units or any separate notes may not fully reflect the value of their accrued but unpaid interest.**

The Corporate Units and any separate notes may trade at a price that does not fully reflect the value of accrued but unpaid interest on the notes.

### **You may not be able to exercise your rights to settle a purchase contract prior to the purchase contract settlement date unless a registration statement under the Securities Act is in effect and a prospectus is available covering the shares of common stock and other securities, if any, deliverable upon early settlement of a purchase contract.**

The early settlement rights under the purchase contracts are subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act in effect on the

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applicable early settlement date. If such registration statement is so required, we have agreed to use our commercially reasonable efforts to have a registration statement in effect on the applicable early settlement date and have an available prospectus in connection therewith covering the shares of common stock and other securities, if any, deliverable upon settlement of the purchase contract, subject to certain exceptions. In the event that a holder seeks to exercise its early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right will be void unless and until such a registration statement is effective and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective.

### **The subordinated indenture under which the notes will be issued does not limit our indebtedness, prevent dividends or generally prevent highly leveraged transactions; there are no financial covenants in the indenture.**

Neither we nor any of our subsidiaries are restricted from incurring additional debt or other liabilities, including additional Senior Indebtedness, under the indenture pursuant to which the notes will be issued. If we incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. We expect that we will from time to time incur additional debt and other liabilities. In addition, except as described under Description of the Notes Dividend and Other Payment Stoppages During Interest Deferral and Under Certain Other Circumstances, we are not restricted under the indenture from paying dividends or issuing or repurchasing our securities.

There are no financial covenants in the indenture. Except for the covenants described under Description of the Notes Consolidation, Merger and Conveyance of Assets as an Entirety, there are no covenants or any other provisions in the indenture which may afford you protection in the event of a highly leveraged transaction including one that may or may not result in a change of control of the Company.

### **The notes and the contract adjustment payments are subordinated to our existing and future Senior Indebtedness and are structurally subordinated to any existing or future preferred stock, indebtedness, guarantees and other liabilities of our subsidiaries.**

The notes and the contract adjustment payments will be obligations exclusively of UTC and will not be guaranteed by any of our subsidiaries. The notes and contract adjustment payments are subordinated to our existing and future Senior Indebtedness (as defined under Description of the Notes Subordination ) and will be structurally subordinated to existing or future preferred stock, indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries. The indenture under which the notes will be issued will not restrict us or our subsidiaries from incurring substantial additional indebtedness in the future.

As of March 31, 2012, we had approximately \$9.8 billion of outstanding indebtedness, approximately \$0.3 billion of which was the aggregate outstanding debt of our subsidiaries, including short-term borrowings and excluding fair value adjustments. As of March 31, 2012, we had approximately \$9.7 billion of Senior Indebtedness. In addition, UTC anticipates financing the Acquisition Obligations through the issuance of the Equity Units offered hereby and (1) additional borrowings to be made under the \$2 billion Term Loan Agreement, (2) additional borrowings to be made in certain commercial paper issuances and (3) the issuance of \$9.8 billion of fixed and floating rate notes in a registered public offering which closed on June 1, 2012 (which is considered Senior Indebtedness). We may reduce a portion of these additional borrowings using available cash (up to approximately \$3.5 billion ) and the proceeds of certain non-core asset sales. See Summary Recent Developments Acquisition Financing.

Our subsidiaries are separate and distinct legal entities from us. Our subsidiaries have no obligation to pay any amounts due on the notes or the purchase contracts or to provide us with funds to meet our respective payment obligations on the notes or purchase contracts. Any payment of dividends, loans or advances by our

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subsidiaries to us could be subject to statutory or contractual restrictions and will be contingent upon the subsidiaries' earnings and business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or similar reorganization, and therefore the right of the holders of the notes or purchase contracts to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors. Even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

### **Recent regulatory developments may adversely affect the trading price of the Equity Units.**

We expect that many investors in, and potential purchasers of, the Equity Units will employ, or seek to employ, a convertible arbitrage strategy with respect to the Equity Units. Investors that employ a convertible arbitrage strategy with respect to convertible debt instruments typically implement that strategy by selling short the common stock underlying the instrument or by entering into cash-settled over-the-counter derivative transactions with respect to the common stock that have the same economic effect as a short sale of the common stock. As a result, any specific rules regulating short selling of securities or other governmental action that interferes with the ability of market participants to effect short sales in our common stock could adversely affect the ability of investors in, or potential purchasers of, the Equity Units to conduct the convertible arbitrage strategy that we believe they may employ, or seek to employ, with respect to the Equity Units. This could, in turn, adversely affect the trading price and liquidity of the Equity Units.

The SEC and other regulatory and self-regulatory authorities have implemented various rule changes and are expected to adopt additional rule changes in the future that may impact those engaging in short selling activity involving equity securities (including our common stock). In particular, Rule 201 of the SEC Regulation SHO now restricts short selling when the price of a covered security triggers a circuit breaker by falling 10% in one day. If this circuit breaker is triggered, short sale orders can be displayed or executed only if the order price is above the current national best bid, subject to certain limited exceptions. Because our common stock is a covered security, these Rule 201 restrictions may interfere with the ability of investors in, and potential purchasers of, the Equity Units, to effect short sales in our common stock and conduct the convertible arbitrage strategy that we believe they may employ, or seek to employ, with respect to the Equity Units.

The SEC also approved a pilot program allowing several national securities exchanges and the Financial Industry Regulatory Authority, Inc. (FINRA) to halt trading in securities included in the S&P 500 Index, Russell 1000 Index and over 300 exchange traded funds if the price of any such security moves 10% or more from a sale price in a five-minute period (the SRO pilot program). The SRO pilot program was initially extended to August 11, 2011 or the date on which a proposed new limit up/limit down mechanism to address extraordinary market volatility is adopted and effective as to the securities covered by the SRO pilot program (the limit up/limit down proposal). However, the pilot period has been extended to July 31, 2012. The limit up/limit down proposal advanced by FINRA and other SROs would lock trading in listed equity securities into a price band based on the security's average price over the preceding five minutes. The price bands would be 5% above or below the average price for securities currently subject to the SRO pilot program, and 10% for securities not subject to the SRO pilot program; the percentage bands would be doubled during opening or closing. The inability to trade within those price bands would trigger a trading pause. On May 31, 2012, the SEC approved various amendments to the limit up/limit down proposal and the SRO pilot program, as well as their implementation on a pilot basis for a one-year period beginning on February 4, 2013. The amendments will, among other things, update the method for calculating price bands under the limit up/limit down proposal by providing for price bands of 5% or 10%, 20% and 75%, depending on the average price of the applicable stock over a preceding five-minute period. These percentages will be doubled during the opening and closing. In addition, with respect to the SRO pilot program, the amendments will, among other things, reduce previously stipulated trigger percentages to 7%, 13% and 20%, shorten the duration of trading halts associated with each market decline level that do not close the market for the day to 15 minutes, modify the times when a trading halt may be triggered, use the S&P 500 Index rather than the Dow Jones Industrial Average as the pricing reference to measure a market decline and require daily rather than quarterly recalculation of trigger thresholds.

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FINRA and national security exchange rule amendments intended to clarify the review process for potentially erroneous trades in exchange-listed securities have also been adopted. In particular, these rule amendments establish uniform standards for reviews of (a) multi-stock events involving 20 or more securities and (b) transactions that trigger an individual stock trading pause by a primary listing market and subsequent transactions that occur before the trading halt is in effect for over-the-counter trading. The relevant amendments to FINRA Rule 11892 (Clearly Erroneous Transactions in Exchange-Listed Securities) and corresponding national security exchange rules were approved on September 10, 2010 on a pilot basis, with an original end date of April 11, 2011. However, the SEC has approved rule changes to extend the pilot period, the most recent of which extends to the earlier of July 31, 2012 or the date on which the limit up/limit down proposal is adopted and effective as to the securities covered by the pilot.

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act on July 21, 2010 also introduces regulatory uncertainty that may impact trading activities relevant to the Equity Units. This new legislation may require many over-the-counter swaps to be centrally cleared through regulated clearinghouses and traded on exchanges or comparable trading facilities. In addition, swap dealers and major market participants may be required to comply with margin and capital requirements as well as public reporting requirements to provide transaction and pricing data on both cleared and uncleared swaps. These requirements could adversely affect the ability of investors in, or potential purchasers of, the Equity Units to implement a convertible arbitrage strategy with respect to the Equity Units (including increasing the costs incurred by such investors in implementing such strategy). This could, in turn, adversely affect the trading price and liquidity of the Equity Units. The legislation will become effective 60 days after the publication of the final rule. However, it is unclear whether the margin requirements will apply retroactively to existing swap transactions. We cannot predict how this legislation will ultimately be implemented by the SEC and other regulators or the magnitude of the effect that this legislation will have on the trading price or liquidity of the Equity Units.

Although the direction and magnitude of the effect that the amendments to Regulation SHO, FINRA and national securities exchange rule changes and/or implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act may have on the trading price and the liquidity of the Equity Units will depend on a variety of factors, many of which cannot be determined at this time, past regulatory actions have had a significant impact on the trading prices and liquidity of convertible debt instruments. For example, in September 2008, the SEC issued emergency orders generally prohibiting short sales of the common stock of a variety of financial services companies while Congress worked to provide a comprehensive legislative plan to stabilize the credit and capital markets. The orders made the convertible arbitrage strategy that many convertible debt investors employ difficult to execute and adversely affected both the liquidity and trading price of convertible debt instruments issued by many of the financial services companies subject to the prohibition. Any governmental action that similarly restricts the ability of investors in, or potential purchasers of, the Equity Units to effect short sales of our common stock, including the recently adopted amendments to Regulation SHO, FINRA and exchange rule changes and the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act, could similarly adversely affect the trading price and the liquidity of the Equity Units.

### **We may defer contract adjustment payments under the purchase contracts, and this may have an adverse effect on the trading prices of the Equity Units.**

We may at our option defer the payment of all or part of the contract adjustment payments under the purchase contracts. If we exercise our right to defer contract adjustment payments, the market price of the Equity Units is likely to be adversely affected. As a result of the existence of our deferral rights, the market price of the Equity Units may be more volatile than would otherwise be the case. In addition, there is risk that we may not be able to pay such deferred contract adjustment payments (including compounded contract adjustment payments thereon) in the future. If we make such a deferral you may be required to continue to recognize income for U.S. federal income tax purposes in respect of the purchase contracts in advance of your receipt of any corresponding cash distributions.

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**If we exercise our right to defer interest payments on the notes, the market price of the Corporate Units and any separate notes is likely to be adversely affected.**

Prior to the purchase contract settlement date, we may at our option defer interest payments on the notes for one or more consecutive interest periods. During any deferral period (as defined under Description of the Notes Option to Defer Interest Payments below), holders of the notes will receive limited or no current payments and, so long as we are otherwise in compliance with our obligations, holders will have no remedies against us for nonpayment unless we fail to pay all previously deferred interest (including compounded interest thereon) in cash within 30 days of the date due after the end of the deferral period. If we exercise our right to defer interest, the market price of the Corporate Units and any separate notes is likely to be adversely affected. As a result of the existence of our deferral rights, the market price of the Corporate Units and any separate notes may be more volatile than would otherwise be the case. In addition, there is the risk that we may not be able to pay such deferred interest (including compounded interest thereon) in the future.

**You may have to include interest in your taxable income before you receive cash.**

If we defer interest payments on the notes, you will be required to accrue income, in the form of original issue discount (OID), for U.S. federal income tax purposes in respect of your notes, even if you normally report income when received and even though you may not receive the cash attributable to that income during the deferral period. You will also not receive the cash payment of any accrued and unpaid interest if you sell your interest in the notes before the record date for any such payment, even if you held the interest in such notes on the date that the payments would normally have been paid. See Material U.S. Federal Income Tax Consequences U.S. Holders The Notes.

**Other tax treatments of the notes are possible.**

We intend to treat the notes as variable rate debt instruments that are subject to applicable U.S. Treasury regulations that apply to reset bonds. Under such treatment, you will be required to take into account interest payments on the notes at the time the interest is paid or accrued in accordance with your regular method of tax accounting. However, because there are no U.S. Treasury regulations, rulings or other authorities that address the U.S. federal income tax treatment of debt instruments that are substantially similar to the notes, alternative characterizations of the notes are possible. For example, the notes could be treated as contingent payment debt instruments for U.S. federal income tax purposes. In that event, you would generally be required to (1) accrue interest income based on a projected payment schedule and comparable yield, which may be higher than the stated interest rate on the notes, regardless of your regular method of tax accounting, and (2) treat any gain recognized on a sale, exchange, redemption or other taxable disposition of a note as ordinary income. See Material U.S. Federal Income Tax Consequences U.S. Holders The Notes Possible Alternative Characterizations.

**The U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are unclear.**

Although the IRS has issued a Revenue Ruling addressing the treatment of units similar to the Equity Units, no statutory, judicial or administrative authority directly addresses all aspects of the treatment of the Equity Units or instruments similar to the Equity Units for U.S. federal income tax purposes. Accordingly, no assurance can be given that the conclusions in the Revenue Ruling would apply to the Equity Units. As a result, the U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are unclear. In addition, there can be no assurance that the IRS or a court will agree with the characterization of the notes as indebtedness for U.S. federal income tax purposes. You should consult with your own tax advisors regarding the tax consequences of an investment in the Equity Units. See Material U.S. Federal Income Tax Consequences.

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**Under certain circumstances, you may be treated as receiving a taxable distribution on our common stock even though you do not receive any actual distribution.**

For U.S. federal income tax purposes, you may be treated as receiving a constructive distribution from us with respect to the purchase contract if (1) the fixed settlement rates are adjusted (or fail to be adjusted) and, as a result of the adjustment (or failure to adjust), your proportionate interest in our assets or earnings and profits is increased, and (2) the adjustment (or failure to adjust) is not made pursuant to a bona fide, reasonable anti-dilution formula. For example, if the fixed settlement rates are adjusted as a result of a distribution that is taxable to the holders of our common stock, such as a cash dividend, you will be deemed to have received a constructive distribution of our stock. Thus, under certain circumstances, an adjustment to the fixed settlement rates might give rise to a taxable deemed dividend to you even though you do not actually receive any cash or other distribution in connection with such adjustment. If you are a non-U.S. holder (as defined under Material U.S. Federal Income Tax Consequences ), such deemed dividend may be subject to U.S. federal withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax. See Material U.S. Federal Income Tax Consequences U.S. Holders Purchase Contracts and Material U.S. Federal Income Tax Consequences Non-U.S. Holders U.S. Federal Withholding Tax.

**We will report contract adjustment payments as ordinary income and we will withhold tax on payments made to non-U.S. holders.**

We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined under Material U.S. Federal Income Tax Consequences ) when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined under Material U.S. Federal Income Tax Consequences ) as payments generally subject to withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax and the holder satisfies the relevant certification requirements. See Material U.S. Federal Income Tax Consequences U.S. Holders Purchase Contracts and Material U.S. Federal Income Tax Consequences Non-U.S. Holders U.S. Federal Withholding Tax. Persons considering the purchase of Equity Units should consult their own tax advisors concerning the possible alternative characterization and tax treatment of Equity Units and the contract adjustment payments.

## **Risk Factors Relating to Our Common Stock**

**The price of our common stock may be volatile.**

During the year to date, the high sales price per share of our common stock on the New York Stock Exchange was \$87.50 and the low sales price per share was \$70.71. The price of our common stock could be subject to wide fluctuations in the future in response to many events or factors, including those discussed in the risk factors herein, in our Annual Report on Form 10-K for the year ended December 31, 2011 and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, as well as under Note Regarding Forward-Looking Statements in the accompanying prospectus, many of which events and factors are beyond our control. For this reason, investors should not rely on recent trends to predict future prices of our common stock or financial condition or results. In addition, future or concurrent issuances of equity or equity-linked securities by us may cause the market price of shares of our common stock to fall.

**Our corporate documents and provisions of Delaware law may prevent a change in control or management that stockholders may consider desirable.**

Section 203 of the Delaware General Corporation Law, laws of states in which we operate, and our charter and by-laws contain and may in the future contain certain provisions (including certain super majority shareholders voting provisions related to transactions with interested stockholders) that might enable our management to resist a takeover of our company in certain circumstances. These provisions could have the effect

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of delaying, deferring, or preventing a change in control of UTC or a change in our management that stockholders may consider favorable or beneficial. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors and take other corporate actions. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock.

### **We may not pay cash dividends on our common stock in the future and are under no legal obligation to do so.**

We are under no obligation to pay dividends. Payment of dividends on our common stock is at all times subject to, among other things, prior satisfaction of dividend and sinking fund requirements, if any, of any series of preferred stock that may then be outstanding, and the availability of funds to UTC, which in turn may be subject to fixed payment obligations which UTC may incur in the future. Payment of dividends on our common stock is also subject to limitation if we are deferring contract adjustment payments or interest payments on the notes. Therefore, there can be no guarantee that we will continue to pay dividends on our common stock in the future or that if paid such dividends will be as large as in prior periods.

### **There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.**

Except as described under "Underwriting," we are not restricted from issuing additional shares of our common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, our common stock. The market price of our common stock could decline as a result of sales of shares of our common stock or sales of such other securities made after this offering or the perception that such sales could occur.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

<b>Quarter Ended March 31,</b>			<b>Year Ended December 31,</b>		
<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
8.59	10.01	8.15	7.57	8.91	8.70

For purposes of computing the ratio of earnings to fixed charges, earnings are divided by fixed charges. Earnings represent the sum of income before income taxes and minority interests for UTC and its consolidated subsidiaries plus fixed charges, minus interest capitalized, plus amortization of interest capitalized. Fixed charges represent interest accrued on indebtedness of UTC and its consolidated subsidiaries and interest related to unrecognized tax benefits, including interest capitalized, plus one-third of rents, the proportion deemed representative of the interest factor.

**USE OF PROCEEDS**

We anticipate that we will receive approximately \$        in net proceeds from the offering of the Equity Units (approximately \$        if the underwriters exercise their option to buy additional Corporate Units in full), after deducting underwriting discounts and commissions but before deducting other offering expenses. These net proceeds will be used primarily to partially fund the Acquisition Obligations. Subject to the satisfaction of customary closing conditions, the closing of the Acquisition is anticipated to take place in mid-2012. The remainder of the net proceeds from the offering of the Equity Units, if any, will be used for general corporate purposes. If the Acquisition does not close, the net proceeds from the offering will be used for general corporate purposes, which may include financing acquisitions, repayment of debt, capital expenditures, working capital, share repurchases or satisfaction of other obligations. Pending use, we may, but are not required to, initially invest the net proceeds in short-term interest-bearing obligations. See [Summary Recent Developments Pending Acquisition of Goodrich Corporation](#) and [Summary Recent Developments Acquisition Financing](#).

**Table of Contents****CAPITALIZATION**

The following table sets forth our short-term borrowings and total long-term debt and equity as of March 31, 2012 and as adjusted to give effect to the sale of the Equity Units offered hereby and the sale of \$9.8 billion of fixed and floating rate notes in a registered public offering which closed on June 1, 2012, the proceeds of which will be used to pay part of the Acquisition Obligations. This table should be read in conjunction with the section of this prospectus supplement entitled "Use of Proceeds," the consolidated condensed financial statements and the notes related thereto and the financial and operating data incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<b>As of March 31, 2012</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(Dollars in millions)</b>	
Short-term borrowings:		
Commercial paper	\$ 20	\$ 20
Other borrowings	201	201
Total short-term borrowings	\$ 221	\$ 221
Long-term debt:		
4.875% notes due 2015*	\$ 1,200	\$ 1,200
5.375% notes due 2017*	1,000	1,000
6.125% notes due 2019*	1,250	1,250
8.875% notes due 2019	272	272
4.500% notes due 2020*	1,250	1,250
8.750% notes due 2021	250	250
6.700% notes due 2028	400	400
7.500% notes due 2029*	550	550
5.400% notes due 2035*	600	600
6.050% notes due 2036*	600	600
6.125% notes due 2038*	1,000	1,000
5.700% notes due 2040*	1,000	1,000
1.200% notes due 2015*, **		1,000
1.800% notes due 2017*, **		1,500
3.100% notes due 2022*, **		2,300
4.500% notes due 2042*, **		3,500
Floating rate notes due 2013**		1,000
Floating rate notes due 2015**		500
% junior subordinated notes due 2022***		
Project financing obligations	87	87
Other (including capitalized leases)	111	111
Total long-term debt	9,570	
Less current portion	(79)	(79)
Long-term debt, net of current portion	9,491	
Equity:		
Common stock	13,653	****
Treasury stock	(19,400)	(19,400)
Retained earnings	33,389	33,389
Unearned ESOP shares	(149)	(149)
Accumulated other comprehensive loss	(5,001)	(5,001)
Noncontrolling interest	1,057	1,057
Total equity	23,549	

Total long-term debt and equity	\$ 33,040	\$
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- \* We may redeem some or all of these series of notes at any time at a redemption price in U.S. dollars equal to the greater of 100% of the principal amount outstanding of the applicable series of notes to be redeemed, or the sum of the present values of the remaining scheduled payments of principal and interest on the applicable series of notes to be redeemed. The discounts applied on such redemptions are based on a semiannual calculation at an adjusted treasury rate plus 10-50 basis points, depending on the particular series. The redemption price will also include interest accrued to the date of redemption on the principal balance of the notes being redeemed.
- \*\* If we do not complete the Acquisition on or prior to March 25, 2013, or if the Merger Agreement is terminated prior to that date, we must redeem all of the notes on the earlier to occur of (1) March 29, 2013, if the Acquisition has not been completed on or prior to March 25, 2013, or (2) the 15th day (or if such day is not a business day, the first business day thereafter) following the termination of the Merger Agreement prior to March 25, 2013 (the Mandatory Redemption Date), at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest to, but excluding, the Mandatory Redemption Date.
- \*\*\* The % junior subordinated notes due 2022 are a component of the Equity Units offered hereby. The as adjusted amount will increase to approximately \$ million if the underwriters exercise their over-allotment option in full.
- \*\*\*\* Reflects an adjustment of approximately \$ million representing the estimated present value of the contract adjustments payable in connection with the Equity Units. In addition, an increase or decrease in the number of Equity Units offered will result in a decrease or increase, respectively, of our shareowners' common equity to reflect the change in the present value of contract adjustment payments relating to the purchase contract component of the Equity Units.

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**ACCOUNTING TREATMENT**

The net proceeds from the sale of the Corporate Units will be allocated between the purchase contracts and the notes in our financial statements based on the underlying fair value of each instrument at the time of issuance taking into consideration the contract adjustment payments. The fair value of the purchase contracts is expected to approximate the present value of the contract adjustment payments and will be initially recorded as a reduction to shareowners' common equity (common stock), with an offsetting credit to liabilities. This liability is accreted over three years by interest charges to the income statement based on a constant rate calculation. Subsequent contract adjustment payments will reduce this liability.

The purchase contracts are forward transactions in our common stock. Upon settlement of each purchase contract, we will receive \$50 pursuant to that purchase contract and will issue the requisite number of shares of our common stock. The \$50 we receive will be credited to shareowners' common equity (common stock).

Before the issuance of shares of our common stock upon settlement of the purchase contracts, the purchase contracts will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share, based on the settlement formula applied at the end of each reporting period, is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts less the number of shares that could be purchased by us in the market, at the average market price during the period, using the proceeds receivable upon settlement. Consequently, we anticipate there will be little to no dilutive effect on our earnings per share except during periods when the average market price of our common stock is above the threshold appreciation price of approximately \$ .

Both the Financial Accounting Standards Board and its Emerging Issues Task Force continue to study the accounting for financial instruments and derivative instruments, including instruments such as the Corporate Units. It is possible that our accounting for the purchase contracts and the notes could be affected by any new accounting rules that might be issued by these groups or other accounting standard setting groups or in the event of any other change in any law or regulation of any accounting rule, pronouncement or interpretation.

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### **DESCRIPTION OF THE EQUITY UNITS**

*In this Description of the Equity Units, UTC, we, us, our and the Company refer only to United Technologies Corporation and any successor obligor, and not to any of its subsidiaries.*

*The following is a summary of some of the terms of the Equity Units. This summary, together with the summaries of the terms of the purchase contracts, the purchase contract and pledge agreement and the notes set forth under the captions Description of the Purchase Contracts, Certain Provisions of the Purchase Contract and Pledge Agreement and Description of the Notes in this prospectus supplement, contain a description of the material terms of the Equity Units, but are only summaries and are not complete. This summary is subject to and is qualified by reference to all the provisions of the purchase contract and pledge agreement, the subordinated indenture, the supplemental indenture, the notes and the form of remarketing agreement, which has been attached as an exhibit to the purchase contract and pledge agreement, including the definitions of certain terms used therein, forms of which have been or will be filed and incorporated by reference as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus form a part.*

#### **General**

We will issue the Equity Units under the purchase contract and pledge agreement among us and The Bank of New York Mellon Trust Company, N.A., as purchase contract agent (the purchase contract agent ), and Wilmington Trust, National Association, as collateral agent (the collateral agent ), custodial agent (the custodial agent ) and securities intermediary. The Equity Units may be either Corporate Units or Treasury Units. The Equity Units will initially consist of 20,000,000 Corporate Units (up to 22,000,000 Corporate Units if the underwriters exercise their over-allotment option in full), each with a stated amount of \$50.

Each Corporate Unit offered will consist of:

a purchase contract under which

the holder will agree to purchase from us, and we will agree to sell to the holder, on August 1, 2015 (or if such day is not a business day, the following business day), which we refer to as the purchase contract settlement date, or earlier upon early settlement, for \$50, a number of shares of our common stock equal to the applicable settlement rate described under Description of the Purchase Contracts Purchase of Common Stock, Description of the Purchase Contracts Early Settlement or Description of the Purchase Contracts Early Settlement Upon a Fundamental Change, as the case may be; and

we will pay the holder quarterly contract adjustment payments at the rate of % per year on the stated amount of \$50, or \$ per year, subject to our right to defer such contract adjustment payments as described under Description of the Purchase Contracts Contract Adjustment Payments , and

either:

a 1/20, or 5%, undivided beneficial ownership interest in a \$1,000 principal amount % junior subordinated note due 2022 issued by us, and under which we will pay to the holder 1/20, or 5%, of the interest payment on a \$1,000 principal amount note at the initial rate of %, or \$ per year per \$1,000 principal amount of notes, subject to our right to defer such interest payments as described under Description of the Notes Option to Defer Interest Payments ; or

following a successful optional remarketing, the applicable ownership interest in a portfolio of U.S. Treasury securities, which we refer to as the Treasury portfolio.

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Applicable ownership interest means, with respect to the Treasury portfolio,

(1) a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) included in the Treasury portfolio that matures on or prior to August 1, 2015; and

(2) for the scheduled interest payment occurring on the purchase contract settlement date, a % undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date.

If U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the Treasury portfolio in connection with a successful optional remarketing have a yield that is less than zero, the Treasury portfolio will consist of an amount in cash equal to the aggregate principal amount at maturity of the U.S. Treasury securities described in clauses (1) and (2) above. If the provisions set forth in this paragraph apply, references to Treasury security and U.S. Treasury securities (or principal or interest strips thereof) in connection with the Treasury portfolio will, thereafter, be deemed to be references to such amount of cash.

So long as the Equity Units are in the form of Corporate Units, the related undivided beneficial ownership interest in the note or the applicable ownership interest in the Treasury portfolio described in clause (1) of the definition of Applicable ownership interest above (or \$50 in cash, if the immediately preceding paragraph applies), as the case may be, will be pledged to us through the collateral agent to secure the holders obligations to purchase our common stock under the related purchase contracts.

### **Creating Treasury Units by Substituting a Treasury Security for a Note**

Each holder of 20 Corporate Units may create, at any time other than after a successful remarketing or during a blackout period (as defined below), 20 Treasury Units by substituting for a note a zero-coupon U.S. Treasury security (CUSIP No. 912820WH6 ) with a principal amount at maturity equal to \$1,000 and maturing on July 31, 2015, which we refer to as a Treasury security. This substitution would create 20 Treasury Units and the note would be released to the holder and would be separately tradable and transferable from the Treasury Units. Because Treasury securities and notes are issued in integral multiples of \$1,000, holders of Corporate Units may make the substitution only in integral multiples of 20 Corporate Units. After a successful remarketing, holders may not create Treasury Units from Corporate Units or recreate Corporate Units from Treasury Units.

Each Treasury Unit will consist of:

a purchase contract under which

the holder will agree to purchase from us, and we will agree to sell to the holder, on the purchase contract settlement date, or earlier upon early settlement, for \$50, a number of shares of our common stock equal to the applicable settlement rate; and

we will pay the holder quarterly contract adjustment payments at the rate of % per year on the stated amount of \$50, or \$ per year, subject to our right to defer the contract adjustment payments; and

a 1/20, or 5%, undivided beneficial ownership interest in a Treasury security.

The term blackout period means the period (i) if we elect to conduct an optional remarketing, from 5:00 p.m., New York City time, on the second business day (as defined below) immediately preceding the first day of the optional remarketing period until the settlement date of such optional remarketing or the date we announce that such remarketing was unsuccessful and (ii) after 5:00 p.m., New York City time, on the second business day immediately preceding the first day of the final remarketing period.

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The term **business day** means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York are authorized or obligated by law or executive order to close.

The Treasury Unit holder's beneficial ownership interest in the Treasury security will be pledged to us through the collateral agent to secure the holder's obligation to purchase our common stock under the related purchase contracts.

To create 20 Treasury Units, a holder is required to:

deposit with the collateral agent a Treasury security that has a principal amount at maturity of \$1,000, which must be purchased in the open market at the expense of the Corporate Unit holder, unless otherwise owned by the holder; and

transfer to the purchase contract agent 20 Corporate Units, accompanied by a notice stating that the holder of the Corporate Units has deposited a Treasury security with the collateral agent, and requesting that the purchase contract agent instruct the collateral agent to release the related note.

Upon receiving instructions from the purchase contract agent and receipt of the Treasury security, the collateral agent will release the related note from the pledge and deliver it to the purchase contract agent on behalf of the holder, free and clear of our security interest. The purchase contract agent then will:

cancel the 20 Corporate Units;

transfer the related note to the holder; and

deliver 20 Treasury Units to the holder.

The Treasury security will be substituted for the note and will be pledged to us through the collateral agent to secure the holder's obligation to purchase shares of our common stock under the related purchase contracts. The note thereafter will trade and be transferable separately from the Treasury Units.

Holders who create Treasury Units will be responsible for any taxes, governmental charges or other fees or expenses (including, without limitation, fees and expenses payable to the collateral agent) attributable to such collateral substitution. See **Certain Provisions of the Purchase Contract and Pledge Agreement** Miscellaneous.

## **Recreating Corporate Units**

Each holder of 20 Treasury Units will have the right, at any time, other than during a blackout period or after a successful remarketing, to substitute for the related Treasury security held by the collateral agent a note having a principal amount equal to \$1,000. This substitution would recreate 20 Corporate Units and the applicable Treasury security would be released to the holder and would be separately tradable and transferable from the Corporate Units. Because Treasury securities and notes are issued in integral multiples of \$1,000, holders of Treasury Units may make this substitution only in integral multiples of 20 Treasury Units. After a successful remarketing, holders may not recreate Corporate Units from Treasury Units.

To recreate 20 Corporate Units, a holder is required to:

deposit with the collateral agent a note having a principal amount of \$1,000, which must be purchased in the open market at the expense of the Treasury Unit holder, unless otherwise owned by the holder; and

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transfer to the purchase contract agent 20 Treasury Units, accompanied by a notice stating that the holder of the Treasury Units has deposited a note having a principal amount of \$1,000 with the collateral agent and requesting that the purchase contract agent instruct the collateral agent to release the related Treasury security.

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Upon receiving instructions from the purchase contract agent and receipt of the note having a principal amount of \$1,000, the collateral agent will promptly release the related Treasury security from the pledge and promptly instruct the securities intermediary to transfer such Treasury security to the purchase contract agent for distribution to the holder, free and clear of our security interest. The purchase contract agent then will:

cancel the 20 Treasury Units;

transfer the related Treasury security to the holder; and

deliver 20 Corporate Units to the holder.

The \$1,000 principal amount note will be substituted for the Treasury security and will be pledged to us through the collateral agent to secure the holder's obligation to purchase shares of our common stock under the related purchase contracts. The Treasury security thereafter will trade and be transferable separately from the Corporate Units.

Holders who recreate Corporate Units will be responsible for any taxes, governmental charges or other fees or expenses (including, without limitation, fees and expenses payable to the collateral agent) attributable to the collateral substitution. See Certain Provisions of the Purchase Contract and Pledge Agreement Miscellaneous.

### **Payments on the Equity Units**

Holders of Corporate Units and Treasury Units will receive quarterly contract adjustment payments payable by us at the rate of % per year on the stated amount of \$50 per Equity Unit. We will make all contract adjustment payments on the Corporate Units and the Treasury Units quarterly in arrears on February 1, May 1, August 1 and November 1 of each year (except that if any such date is not a business day, contract adjustment payments will be payable on the following business day, without adjustment), commencing November 1, 2012. Unless the purchase contracts have been terminated (as described under Description of the Purchase Contracts Termination below), we will make such contract adjustment payments until the earliest of the purchase contract settlement date, the fundamental change early settlement date (in the case of a fundamental change early settlement, as described under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change below) and the most recent quarterly payment date on or before any other early settlement of the related purchase contracts (in the case of an early settlement as described under Description of the Purchase Contracts Early Settlement below). If the purchase contracts have been terminated, our obligation to pay the contract adjustment payments, including any accrued and unpaid contract adjustment payments and deferred contract adjustment payments (including compounded contract adjustment payments thereon), will cease. In addition, holders of Corporate Units will receive quarterly cash distributions consisting of their pro rata share of interest payments on the notes (or distributions on the applicable ownership interest in the Treasury portfolio, as applicable), equivalent to the rate of % per year. There will be no interest payments in respect of the Treasury securities that are a component of the Treasury Units, but to the extent that such holders of Treasury Units continue to hold the notes that were released to them when they created the Treasury Units, such holders will continue to receive the scheduled interest payments on their separate notes for as long as they hold the notes.

We have the right to defer payment of quarterly contract adjustment payments and of interest on the notes as described under Description of the Purchase Contracts Contract Adjustment Payments and Description of the Notes Option to Defer Interest Payments, respectively.

### **Listing**

We have applied to list the Corporate Units on the New York Stock Exchange and expect trading to commence within 30 days of the initial issuance of the Corporate Units under the symbol UTX PR A. Except in connection with early settlement, fundamental change early settlement, a termination event or cash settlement,

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unless and until substitution has been made as described in Creating Treasury Units by Substituting a Treasury Security for a Note or Recreating Corporate Units, neither the note or applicable ownership interest in the Treasury portfolio component of a Corporate Unit nor the Treasury security component of a Treasury Unit will trade separately from Corporate Units or Treasury Units. The note or applicable ownership interest in the Treasury portfolio component will trade as a unit with the purchase contract component of the Corporate Units, and the Treasury security component will trade as a unit with the purchase contract component of the Treasury Units. In addition, if Treasury Units or notes are separately traded to a sufficient extent that the applicable exchange listing requirements are met, we will endeavor to cause the Treasury Units or notes to be listed on the exchange on which the Corporate Units are then listed, including, if applicable, the New York Stock Exchange. However, there can be no assurance that we will list the Treasury Units or the notes.

## **Ranking**

The notes will be our junior subordinated obligations, subordinated to our existing and future Senior Indebtedness (as defined under Description of the Notes Subordination ). The notes will be issued under a subordinated indenture, as amended and supplemented by the supplemental indenture (each as defined under Description of Notes ), each between us and The Bank of New York Mellon Trust Company, N.A., as trustee (the trustee ), to be dated as of June , 2012 (collectively, the subordinated indenture ).

In addition, our obligations with respect to contract adjustment payments will be subordinate in right of payment to our existing and future Senior Indebtedness.

The notes and our obligations with respect to contract adjustments payments will be structurally subordinated to existing or future preferred stock and indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries.

Our subsidiaries are separate and distinct legal entities from us. Our subsidiaries have no obligation to pay any amounts due on the notes or the purchase contracts or to provide us with funds to meet our respective payment obligations on the notes or purchase contracts. Any payment of dividends, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions and will be contingent upon the subsidiaries' earnings and business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or similar reorganization, and therefore the right of the holders of the notes or purchase contracts to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors. Even if we are a creditor of any of our subsidiaries, our right as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

As of March 31, 2012, we had approximately \$9.8 billion of outstanding indebtedness, approximately \$0.3 billion of which was the aggregate outstanding debt of our subsidiaries, including short-term borrowings and excluding fair value adjustments. As of March 31, 2012, we had approximately \$9.7 billion of Senior Indebtedness. We anticipate Goodrich will have approximately \$1.9 billion in net debt as of the closing of the Acquisition, and we further anticipate incurring significant additional debt in connection with the financing of the Acquisition. See

Summary Recent Development Acquisition Financing. In addition, pursuant to a registered public offering which closed on June 1, 2012, we issued an additional \$9.8 billion of fixed and floating rate notes, all of which is considered Senior Indebtedness.

## **Voting and Certain Other Rights**

Prior to the purchase of shares of common stock under each purchase contract, such purchase contract shall not entitle the holder of the Corporate Units or Treasury Units to any rights of a holder of shares of our common stock, including, without limitation, the right to vote or receive any dividends or other payments or distributions or to consent to or to receive notice as a shareholder or other rights in respect of our common stock.

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### **Agreed U.S. Federal Income Tax Treatment**

Each beneficial owner of an Equity Unit, by purchasing such Equity Unit, will be deemed to have agreed (unless otherwise required by any taxing authority) (1) to be treated as the owner of each of the stock purchase contract, the related note, the applicable ownership interests in the Treasury portfolio or Treasury security, as the case may be, for U.S. federal, state and local income tax purposes, (2) to treat the note as indebtedness for all tax purposes, and (3) to allocate, as of the issue date, % of the purchase price paid for the Corporate Units to its ownership interest in the notes and % to each purchase contract, which will establish its initial tax basis in each purchase contract as \$ and its initial tax basis in its ownership interest in the notes as \$. This position will be binding on each beneficial owner of each Equity Unit, but not on the IRS. See Material U.S. Federal Income Tax Consequences.

### **Repurchase of the Equity Units**

We may purchase from time to time any of the Equity Units that are then outstanding by tender, in the open market, by private agreement or otherwise, subject to compliance with applicable law.

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### **DESCRIPTION OF THE PURCHASE CONTRACTS**

*In this Description of the Purchase Contracts, UTC, we, us, our and the Company refer only to United Technologies Corporation and any successor obligor, and not to any of its subsidiaries.*

*The following is a summary of some of the terms of the purchase contracts. The purchase contracts will be issued pursuant to the purchase contract and pledge agreement among us, the purchase contract agent, the collateral agent, the custodial agent and the securities intermediary. The summaries of the purchase contracts and the purchase contract and pledge agreement contain a description of the material terms of the contracts but are only summaries and are not complete. This summary is subject to and is qualified by reference to all the provisions of the purchase contract and pledge agreement, the subordinated indenture, the supplemental indenture, the notes and the form of remarketing agreement, including the definitions of certain terms used therein, forms of which have been or will be filed and incorporated by reference as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus form a part.*

#### **Purchase of Common Stock**

Each purchase contract that is a component of a Corporate Unit or a Treasury Unit will obligate its holder to purchase, and us to sell, on August 1, 2015, or if such day is not a business day, the following business day (the purchase contract settlement date), for \$50 in cash a number of shares of our common stock equal to the settlement rate (together with cash, if applicable, in lieu of any fractional shares of common stock in the manner described below), in each case, unless the purchase contract terminates prior to that date or is settled early at the holder's option. The number of shares of our common stock issuable upon settlement of each purchase contract on the purchase contract settlement date (which we refer to as the settlement rate) will be determined as follows, subject to adjustment as described under Anti-dilution Adjustments and Early Settlement Upon a Fundamental Change below:

(1) If the applicable market value of our common stock is equal to or greater than the threshold appreciation price of approximately \$ , the settlement rate will be shares of our common stock (we refer to this settlement rate as the minimum settlement rate).

Accordingly, if the market price for the common stock increases between the date of this prospectus supplement and the period during which the applicable market value is measured and the applicable market value is greater than the threshold appreciation price, the aggregate market value of the shares of common stock issued upon settlement of each purchase contract will be higher than the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock. If the applicable market value is the same as the threshold appreciation price, the aggregate market value of the shares issued upon settlement will be equal to the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock.

(2) If the applicable market value of our common stock is less than the threshold appreciation price but greater than the reference price of \$ , the settlement rate will be a number of shares of our common stock equal to \$50 divided by the applicable market value, rounded to the nearest ten thousandth of a share.

Accordingly, if the market price for the common stock increases between the date of this prospectus supplement and the period during which the applicable market value is measured, but the market price does not exceed the threshold appreciation price, the aggregate market value of the shares of common stock issued upon settlement of each purchase contract will be equal to the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock.

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(3) If the applicable market value of our common stock is less than or equal to the reference price of \$ \_\_\_\_\_, the settlement rate will be \_\_\_\_\_ shares of our common stock, which is equal to the stated amount divided by the reference price (we refer to this settlement rate as the maximum settlement rate \_\_\_\_\_).

Accordingly, if the market price for the common stock decreases between the date of this prospectus supplement and the period during which the applicable market value is measured and the market price is less than the reference price, the aggregate market value of the shares of common stock issued upon settlement of each purchase contract will be less than the stated amount, assuming that the market price on the purchase contract settlement date is the same as the applicable market value of the common stock. If the market price of the common stock is the same as the reference price, the aggregate market value of the shares will be equal to the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock.

The threshold appreciation price is equal to \$50 divided by the minimum settlement rate (such quotient rounded to the nearest \$0.0001), which is approximately \$ \_\_\_\_\_ and represents appreciation of approximately \_\_\_\_\_ % over the reference price.

If you elect to settle your purchase contract early in the manner described under \_\_\_\_\_ Early Settlement, the number of shares of our common stock issuable upon settlement of such purchase contract will be \_\_\_\_\_, the minimum settlement rate, subject to adjustment as described under \_\_\_\_\_ Anti-dilution Adjustments. We refer to the minimum settlement rate and the maximum settlement rate as the \_\_\_\_\_ fixed settlement rates.

The \_\_\_\_\_ applicable market value means the average volume weighted average price, or VWAP, of our common stock on each trading day during the 20 consecutive trading day period ending on the third scheduled trading day immediately preceding the purchase contract settlement date. The \_\_\_\_\_ VWAP of our common stock means, for the relevant trading day, the per share VWAP on the principal exchange or quotation system on which our common stock is listed or admitted for trading as displayed under the heading Bloomberg VWAP on Bloomberg page UTX<EQUITY>AQR (or its equivalent successor if that page is not available) in respect of the period from the scheduled open of trading on the relevant trading day until the scheduled close of trading on the relevant trading day (or if such VWAP is unavailable, the market price of one share of our common stock on such trading day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by us).

A \_\_\_\_\_ trading day means, for purposes of determining a VWAP or closing price, a business day on which the principal exchange or quotation system on which our common stock is listed or admitted for trading is scheduled to be open for business and a day on which there has not occurred or does not exist a market disruption event.

A \_\_\_\_\_ market disruption event means any of the following events:

any suspension of, or limitation imposed on, trading by the principal exchange or quotation system on which our common stock is listed or admitted for trading during the one-hour period prior to the close of trading for the regular trading session on such exchange or quotation system (or for purposes of determining VWAP any period or periods aggregating one half hour or longer) and whether by reason of movements in price exceeding limits permitted by the relevant exchange or quotation system or otherwise relating to our common stock or in futures or option contracts relating to our common stock on the relevant exchange or quotation system; or

any event (other than a failure to open or a closure as described below) that disrupts or impairs the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the principal exchange or quotation system on which our common stock is listed or admitted for trading (or for purposes of determining VWAP any period or periods aggregating

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one half hour or longer) in general to effect transactions in, or obtain market values for, our common stock on the relevant exchange or quotation system or futures or options contracts relating to our common stock on any relevant exchange or quotation system; or

the failure to open of the principal exchange or quotation system on which futures or options contracts relating to our common stock are traded or the closure of such exchange or quotation system prior to its respective scheduled closing time for the regular trading session on such day (without regard to after hours or other trading outside the regular trading session hours) unless such earlier closing time is announced by such exchange or quotation system at least one hour prior to the earlier of the actual closing time for the regular trading session on such day and the submission deadline for orders to be entered into such exchange or quotation system for execution at the actual closing time on such day.

If a market disruption event occurs during a day that would otherwise constitute one of the 20 trading days for determining the applicable market value, we will notify investors on the calendar day on which such event occurs to the extent reasonably practicable.

If 20 trading days for our common stock have not occurred prior to the third scheduled trading day immediately prior to the purchase contract settlement date, all remaining trading days will be deemed to occur on that third scheduled trading day and the VWAP of our common stock for each of the remaining trading days will be the VWAP of our common stock on that third scheduled trading day or, if such day is not a trading day, the closing price as determined in its reasonable discretion by a nationally recognized independent investment banking firm retained by us for this purpose.

The closing price per share of our common stock means, on any date of determination, the closing sale price or, if no closing sale price is reported, the last reported sale price of our common stock on the principal U.S. securities exchange on which our common stock is listed, or if our common stock is not so listed on a U.S. securities exchange, the last quoted bid price for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization, or, if that bid price is not available, the market value of our common stock on that date as determined by a nationally recognized independent investment banking firm retained by us for this purpose.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, the holder will receive an amount of cash equal to the percentage of a whole share represented by such fractional share multiplied by the closing price of our common stock on the trading day immediately preceding the purchase contract settlement date (or the trading day immediately preceding an earlier settlement date, in the case of early settlement). If, however, a holder surrenders for settlement at one time more than one purchase contract, then the number of shares of our common stock issuable pursuant to such purchase contracts will be computed based upon the aggregate number of purchase contracts surrendered.

Unless:

a holder has settled early the related purchase contracts by delivery of cash to the purchase contract agent in the manner described under Early Settlement or Early Settlement Upon a Fundamental Change ;

a holder of Corporate Units has settled the related purchase contracts with separate cash in the manner described under Notice to Settle with Cash ; or

an event described under Termination has occurred;  
then, on the purchase contract settlement date,

in the case of Corporate Units where there has not been a successful optional or final remarketing, the holder will be deemed to have exercised its put right as described under Remarketing

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(unless it shall have elected not to exercise such put right by delivering cash as described thereunder) and to have elected to apply a portion of the proceeds of the put price equal to the principal amount of the notes to satisfy in full the holder's obligation to purchase our common stock under the related purchase contracts and any excess proceeds will be delivered to the purchase contract agent for the benefit of the holders of Corporate Units;

in the case of Corporate Units where the Treasury portfolio or cash has replaced the notes as a component of the Corporate Units following a successful optional remarketing, the portion of the proceeds of the applicable ownership interests in the Treasury portfolio when paid at maturity or an amount of cash equal to the stated amount of \$50 per Corporate Unit will be applied to satisfy in full the holder's obligation to purchase common stock under the related purchase contracts and any excess proceeds will be delivered to the purchase contract agent for the benefit of the holders of Corporate Units;

in the case of Corporate Units where the notes have been successfully remarketed during the final remarketing period, the portion of the remarketing proceeds sufficient to satisfy the holder's obligation to purchase our common stock under the related purchase contracts will be applied to satisfy in full the holder's obligation to purchase common stock under the related purchase contracts and any excess proceeds will be delivered to the purchase contract agent for the benefit of the holders of Corporate Units; and

in the case of Treasury Units, the proceeds of the related Treasury securities, when paid at maturity, will be applied to satisfy in full the holder's obligation to purchase our common stock under the related purchase contracts and any excess proceeds will be delivered to the purchase contract agent for the benefit of the holders of Treasury Units.

The common stock will then be issued and delivered to the holder or the holder's designee. We will pay all stock transfer and similar taxes attributable to the initial issuance and delivery of the shares of our common stock pursuant to the purchase contracts, subject to certain exceptions.

Prior to the settlement of a purchase contract, the shares of our common stock underlying each purchase contract will not be outstanding, and the holder of the purchase contract will not have any voting rights, rights to dividends or other distributions or other rights of a holder of our common stock by virtue of holding such purchase contract.

By purchasing a Corporate Unit or a Treasury Unit, a holder will be deemed to have, among other things:

irrevocably appointed the purchase contract agent as its attorney-in-fact to enter into and perform the related purchase contract and the purchase contract and pledge agreement in the name of and on behalf of such holder;

agreed to be bound by the terms and provisions of the Corporate Units or Treasury Units, as applicable, including but not limited to the terms of the related purchase contract and the purchase contract and pledge agreement, for so long as the holder remains a holder of Corporate Units or Treasury Units;

consented to and agreed to be bound by the pledge of such holder's right, title and interest in and to its undivided beneficial ownership interest in notes, the portion of the Treasury portfolio (or cash) described in the first clause of the definition of applicable ownership interest, or the Treasury securities, as applicable, and the delivery of such collateral by the purchase contract agent to the collateral agent; and

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agreed to the satisfaction of the holder's obligations under the purchase contracts with the proceeds of the pledged undivided beneficial ownership in the notes, Treasury portfolio (or cash) or Treasury securities, as applicable, in the manner described above.

### **Remarketing**

We have agreed to enter into a remarketing agreement with one or more remarketing agents, the remarketing agent, no later than 20 days prior to the first day of the final remarketing period or, if we elect to conduct an optional remarketing, the optional remarketing period.

During a blackout period that relates to each remarketing period:

you may not settle a purchase contract early;

you may not create Treasury Units; and

you may not recreate Corporate Units from Treasury Units.

We refer to each of an optional remarketing and a final remarketing as a remarketing. In a remarketing, the notes that are a part of Corporate Units and any separate notes whose holders have elected to participate in the remarketing, as described under Description of the Notes Remarketing of the Notes That Are Not Included in Corporate Units, will be remarketed.

In consultation with the remarketing agent and without the consent of any holders of notes, we may elect (but shall not be required to elect) to:

divide the notes into more than one tranche, so long as no tranche immediately after the settlement date of the remarketing will have an aggregate principal amount of less than \$400 million;

move up the maturity date of any tranche to a date earlier than August 1, 2022 but not earlier than August 1, 2017;

extend the earliest redemption date on which any tranche may be redeemed at our option, in whole or in part, from August 1, 2017 to a later date or to eliminate the redemption provisions of the notes of such tranche altogether; and

remarket any tranche as fixed-rate notes or floating-rate notes and, in the case of floating-rate notes, provide that the interest on the notes of any such tranche will be equal to an index rate determined by the Company plus a spread determined by the remarketing agent, in consultation with the Company, in which case interest on the notes may be calculated on the basis of a 365 day year and the actual number of days elapsed (or such other basis as is customarily used for floating-rate notes bearing interest at a rate based on such index rate).

All such modifications shall take effect only if the remarketing is successful, without the consent of the holders, upon the earlier of the optional remarketing settlement date and the purchase contract settlement date, and will apply to all of the notes whether or not included in the remarketing. See Description of the Notes Remarketing. If we elect to divide the notes into tranches, we will allocate the notes of holders of separate notes who did not elect to participate in any remarketing (and, in the case of a final remarketing, the notes of holders that are settling with cash), without any requirement for the consent of such holders, among the tranches, so long as no tranche immediately after the settlement date of the remarketing will have an aggregate principal amount of less than \$400 million. If we conduct an optional remarketing that is not successful, we may change the elections described above prior to the final remarketing period.

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In order to remarket the notes, the remarketing agent, in consultation with us, may reset the interest rate on any tranche of notes (either upward or downward), or if any tranche is remarketed as floating-rate notes, determine the interest rate spread applicable to such tranche of notes, in order to produce the required price in the remarketing, as discussed under **Optional Remarketing** and **Final Remarketing** below. The interest deferral provisions of the notes will not apply after a successful remarketing.

We will use commercially reasonable efforts to ensure that, if required by applicable law, a registration statement, including a prospectus, with regard to the full amount of the notes to be remarketed will be effective under the securities laws in a form that may be used by the remarketing agent in connection with the remarketing (unless a registration statement is not required under the applicable laws and regulations that are in effect at that time or unless we conduct any remarketing in accordance with an exemption under the securities laws) (it being understood that for so long as there is a material business transaction or development that has not yet been publicly disclosed, other than in connection with an optional remarketing, we will not be required to file such registration statement or provide such a prospectus until we have publicly disclosed such transaction or development).

We will separately pay a fee to the remarketing agent for its services as remarketing agent. Holders whose notes are remarketed will not be responsible for the payment of any remarketing fee in connection with the remarketing.

### ***Optional Remarketing***

Unless a termination event has occurred, we may elect, at our option, to engage the remarketing agent pursuant to the terms of the remarketing agreement, to remarket the notes over a period selected by us that begins on or after April 29, 2015 (the second business day immediately preceding the last interest payment date prior to the purchase contract settlement date) and ends anytime on or before July 15, 2015 (the eighth day immediately preceding the first day of the final remarketing period). We refer to this period as the **optional remarketing period**, a remarketing that occurs during the optional remarketing period as an **optional remarketing** and the date the notes are priced in an optional remarketing as the **optional remarketing date**. In any optional remarketing, the aggregate principal amount of the notes that are a part of Corporate Units and any separate notes whose holders have elected to participate in the optional remarketing, as described under **Description of the Notes Remarketing of the Notes That Are Not Included in Corporate Units**, will be remarketed. If we elect to conduct an optional remarketing, the remarketing agent will use its commercially reasonable efforts to obtain a price for the notes that results in proceeds of at least 100% of the aggregate of the Treasury portfolio purchase price (as defined below) and the separate notes purchase price (as defined below). To obtain that price, the remarketing agent may, in consultation with us, reset the interest rate on any tranche remarketed as fixed-rate notes, or determine the interest rate spread for any tranche remarketed as floating-rate notes as described under **Description of the Notes Interest Rate Reset**. We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes of our election to conduct an optional remarketing no later than 15 days prior to the date we begin the optional remarketing. On the business day following the optional remarketing date, we will notify holders of separate notes who decided not to participate in the optional remarketing how we will allocate their notes among the tranches.

Notwithstanding anything in this prospectus supplement to the contrary, we may not elect to conduct an optional remarketing if we are then deferring interest on the notes. See **Description of the Notes Option to Defer Interest Payments**.

An optional remarketing on any remarketing date will be considered successful if the remarketing agent is able to remarket the notes for a price of at least 100% of the Treasury portfolio purchase price and the separate notes purchase price. If we elect to divide the notes into tranches in connection with an optional remarketing, the optional remarketing date will be the same for each tranche and the settlement of each tranche will be conditioned on the settlement of every other tranche.

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Following a successful optional remarketing of the notes, on the optional remarketing settlement date (as defined below), the portion of the remarketing proceeds equal to the Treasury portfolio purchase price will, except as described below, be used to purchase the Treasury portfolio and the remaining proceeds attributable to the notes underlying the Corporate Units will be remitted to the purchase contract agent for distribution pro rata to the holders of such Corporate Units. The portion of the proceeds attributable to the separate notes sold in the remarketing will be remitted to the custodial agent for distribution on the optional remarketing settlement date pro rata to the holders of such separate notes.

If we elect to conduct an optional remarketing and the remarketing is successful:

settlement of the remarketed notes will occur on the third business day following the optional remarketing date (we refer to this third business day as the optional remarketing settlement date );

the interest rate on each tranche of remarketed notes will be reset, or, if we remarketed any tranche as floating-rate notes, the interest rate spread will be determined, by the remarketing agent in consultation with us on the optional remarketing date and will become effective on the optional remarketing settlement date, if applicable;

after the optional remarketing settlement date, your Corporate Units will consist of a purchase contract and the applicable ownership interest in the Treasury portfolio (or cash), as described herein; and

you may no longer create Treasury Units or recreate Corporate Units from Treasury Units.

If we do not elect to conduct an optional remarketing during the optional remarketing period or no optional remarketing succeeds for any reason, the notes will continue to be a component of the Corporate Units or will continue to be held separately and the remarketing agent will use its commercially reasonable efforts to remarket the notes during the final remarketing period.

For the purposes of a successful optional remarketing, Treasury portfolio purchase price means the lowest aggregate ask-side price quoted by a primary U.S. government securities dealer in New York City to the quotation agent selected by us between 9:00 a.m. and 4:00 p.m., New York City time, on the optional remarketing date for the purchase of the Treasury portfolio for settlement on the optional remarketing settlement date.

Following a successful optional remarketing, the collateral agent will purchase, at the Treasury portfolio purchase price, a Treasury portfolio consisting of:

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the principal amount of the notes underlying the undivided beneficial ownership interests in notes included in the Corporate Units on the optional remarketing date; and

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount equal to the aggregate interest payment (assuming no reset of the interest rate) that would have been paid to the holders of the Corporate Units on the purchase contract settlement date on the principal amount of the notes underlying the undivided beneficial ownership interests in notes included in the Corporate Units on the optional remarketing date.

If U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the Treasury portfolio in connection with a successful optional remarketing have a yield that is less than zero, the Treasury

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portfolio will consist of an amount in cash equal to the aggregate principal amount at maturity of the U.S. Treasury securities described in the bullet points above. If the provisions set forth in this paragraph apply, references in this prospectus supplement to a Treasury security and U.S. Treasury securities (or principal or interest strips thereof) in connection with the Treasury portfolio will, thereafter, be deemed to be references to such amount in cash.

The applicable ownership interests in the Treasury portfolio will be substituted for the undivided beneficial ownership interests in notes that are components of the Corporate Units and the portion of the Treasury portfolio described in the first bullet will be pledged to us through the collateral agent to secure the Corporate Unit holders' obligation under the purchase contracts. On the purchase contract settlement date, for each Corporate Unit, \$50 of the proceeds from the Treasury portfolio will automatically be applied to satisfy the Corporate Unit holder's obligation to purchase common stock under the purchase contract. In addition, proceeds from the portion of the Treasury portfolio described in the second bullet, which will equal the interest payment (assuming no reset of the interest rate) that would have been paid on the notes that were components of the Corporate Units at the time of remarketing, will be paid on the purchase contract settlement date to the holders of the Corporate Units.

If we elect to remarket the notes during the optional remarketing period and a successful remarketing has not occurred on or prior to July 15, 2015 (the last day of the optional remarketing period), we will cause a notice of the failed remarketing to be published no later than 9:00 a.m., New York City time, on the business day immediately following the last date of the optional remarketing period. This notice will be validly published by making a timely release to any appropriate news agency, including Bloomberg Business News and the Dow Jones News Service. We will similarly cause a notice of a successful remarketing of the notes to be published no later than 9:00 a.m., New York City time, on the business day immediately following the date of such successful remarketing.

On each business day during any optional remarketing period, we have the right in our sole and absolute discretion to determine whether or not an optional remarketing will be attempted. At any time and from time to time during the optional remarketing period prior to the announcement of a successful optional remarketing, we have the right to postpone any remarketing in our sole and absolute discretion.

### ***Final Remarketing***

Unless a termination event or a successful optional remarketing has occurred prior to the purchase contract settlement date, we will remarket the notes during the five business day period ending on July 29, 2015 (the third business day immediately preceding the purchase contract settlement date). We refer to this period as the final remarketing period, the remarketing during this period as the final remarketing and the date the notes are priced in the final marketing as the final remarketing date. In the final remarketing, the aggregate principal amount of the notes that are a part of Corporate Units and any separate notes whose holders have elected to participate in the final remarketing will be remarketed. The remarketing agent will use its commercially reasonable efforts to obtain a price for the notes to be remarketed that results in proceeds of at least 100% of the principal amount of all the notes offered in the remarketing. To obtain that price, the remarketing agent, in consultation with us, may reset the interest rate on any tranche remarketed as fixed-rate notes or determine the interest rate spread on any tranche remarketed as floating-rate notes, as described under Description of the Notes Interest Rate Reset. The final remarketing date will be the same for each tranche of notes and the settlement of each tranche will be conditioned on the settlements of every other tranche. We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes of the final remarketing no later than seven days prior to the first day of the final remarketing period. In such notice, we will set forth the dates of the final remarketing period, applicable procedures for holders of separate notes to participate in the final remarketing, the applicable procedures for holders of Corporate Units to create Treasury Units and for holders of Treasury Units to recreate Corporate Units, the applicable procedures for holders of Corporate Units to settle their purchase contracts early and any other applicable procedures, including the

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procedures that must be followed by a separate note holder in the case of a failed remarketing if a separate note holder wishes to exercise its right to put its notes to us as described below and under **Description of the Notes Put Option upon Failed Remarketing**. We have the right to postpone the final remarketing in our sole and absolute discretion on any day prior to the last three business days of the final remarketing period. On the business day following the final remarketing date, if we have elected to divide the notes into tranches, we will notify holders who are settling with cash and holders of separate notes who decided not to participate in the final remarketing how we will allocate their notes between or among the tranches.

A remarketing during the final remarketing period will be considered successful if the remarketing agent is able to remarket the notes for a price of at least 100% of the aggregate principal amount of all the notes offered in the remarketing.

If the final remarketing is successful:

settlement of the remarketed notes will occur on the purchase contract settlement date;

the interest rate of each tranche of remarketed notes will be reset, or, if we remarket any tranche as floating-rate notes, the interest rate spread will be determined, by the remarketing agent in consultation with us, and will become effective on the reset effective date, which will be the purchase contract settlement date, as described under **Description of the Notes Interest Rate Reset** below; and

the collateral agent will remit the portion of the proceeds equal to the total principal amount of the notes underlying the Corporate Units to us to satisfy in full the Corporate Unit holders' obligations to purchase common stock under the related purchase contracts. Any excess proceeds attributable to notes underlying Corporate Units that were remarketed will be remitted to the purchase contract agent for distribution pro rata to the holders of such notes. Proceeds from the final remarketing attributable to the separate notes remarketed will be remitted to the custodial agent for distribution pro rata to the holders of the remarketed separate notes.

Unless a termination event has occurred, a holder has effected an early settlement or a fundamental change early settlement, or there has been a successful optional remarketing, each Corporate Unit holder has the option at any time on or after the date the Company gives notice of a final remarketing to notify the purchase contract agent at any time prior to 4:00 p.m., New York City time, on the second business day immediately prior to the first day of the final remarketing period of its intention to settle the related purchase contracts on the purchase contract settlement date with separate cash and to provide that cash on or prior to the business day immediately prior to the first day of the final remarketing period, as described under **Notice to Settle with Cash**. The notes of any holder of Corporate Units who has not given this notice or failed to deliver the cash will be remarketed during the final remarketing period. In addition, holders of notes that do not underlie Corporate Units may elect to participate in the remarketing as described under **Description of the Notes Remarketing of Notes That Are Not Included in Corporate Units**.

If, in spite of using its commercially reasonable efforts, the remarketing agent cannot remarket the notes during the final remarketing period at a price equal to or greater than 100% of the aggregate principal amount of the notes offered in the remarketing, a condition precedent set forth in the remarketing agreement has not been fulfilled or a successful remarketing has not occurred for any other reason, in each case resulting in a failed remarketing, holders of all notes will have the right to put their notes to us for an amount equal to the principal amount of their notes, plus accrued and unpaid interest (including deferred interest and compounded interest thereon), to, but excluding, the purchase contract settlement date (the put price). The conditions precedent in the remarketing agreement will include, but not be limited to, the timely filing with the SEC of all material related to the remarketing required to be filed by the Company, the truth and correctness of certain representations and warranties made by the Company in the remarketing agreement, the furnishing of certain officer's certificates to the remarketing agent, and the receipt by the remarketing agent of customary comfort

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letters from our auditors and opinions of counsel. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the notes underlying such Corporate Units unless the holder has provided a written notice to the purchase contract agent of its intention to settle the purchase contract with separate cash as described below under Notice to Settle with Cash prior to 4:00 p.m., New York City time, on the second business day immediately prior to the purchase contract settlement date, and on or prior to the business day immediately preceding the purchase contract settlement date has delivered the \$50 in cash per purchase contract. Settlement with separate cash may only be effected in integral multiples of 20 Corporate Units. If a holder of Corporate Units elects to settle with separate cash, upon receipt of the required cash payment, the related notes underlying the Corporate Units will be released from the pledge under the purchase contract and pledge agreement and delivered promptly to the purchase contract agent for delivery to the holder. The holder of the Corporate Units will then receive the applicable number of shares of our common stock on the purchase contract settlement date. The cash received by the collateral agent upon this settlement with separate cash will be invested promptly in permitted investments, as defined in the purchase contract and pledge agreement, and the portion of the proceeds equal to the aggregate purchase price of all purchase contracts of such holders will be paid to us on the purchase contract settlement date. Any excess funds received by the collateral agent in respect of the permitted investments over the aggregate purchase price remitted to us in satisfaction of the obligations of the holders under the purchase contracts will be distributed to the purchase contract agent for ratable payment to the applicable holders who settled with separate cash. Unless a holder of Corporate Units has elected to settle the related purchase contracts with separate cash and delivered the separate cash on or prior to the business day immediately preceding the purchase contract settlement date, the holder will be deemed to have elected to apply a portion of the put price equal to the principal amount of the notes against the holder's obligations to pay the aggregate purchase price for the shares of our common stock to be issued under the related purchase contracts, thereby satisfying the obligations in full, and we will deliver to the holder our common stock pursuant to the related purchase contracts, and the excess, if any, of the put price over the principal amount of the notes will be remitted by the purchase contract agent to holders of the Corporate Units to which such undivided beneficial ownership in the notes relate.

If a successful final remarketing has not occurred on or prior to July 29, 2015 (the last day of the final remarketing period), we will cause a notice of the failed remarketing of the notes to be published before 9:00 a.m., New York City time, on the business day immediately following the last date of the final remarketing period. This notice will be validly published by making a timely release to any appropriate news agency, including Bloomberg Business News and the Dow Jones News Service.

## **Early Settlement**

Subject to the conditions described below, a holder of Corporate Units or Treasury Units may settle the related purchase contracts at any time prior to 4:00 p.m., New York City time, on the second business day immediately preceding the purchase contract settlement date, other than during a blackout period in the case of Corporate Units. An early settlement may be made only in integral multiples of 20 Corporate Units or 20 Treasury Units; however, if the Treasury portfolio has replaced the notes as a component of the Corporate Units following a successful optional remarketing, holders of Corporate Units may settle early only in integral multiples of Corporate Units. In order to settle purchase contracts early, a holder of Equity Units must deliver to the purchase contract agent at the corporate trust office of the purchase contract agent or its agent, in each case, in the Borough of Manhattan, The City of New York (1) a completed Election to Settle Early form, along with the Corporate Unit or Treasury Unit certificate, if they are in certificated form and (2) a cash payment in immediately available funds in an amount equal to:

\$50 times the number of purchase contracts being settled; *plus*

if the delivery is made with respect to any purchase contract during the period from the close of business on any record date next preceding any contract adjustment payment date to the opening of business on such contract adjustment payment date, an amount equal to the contract adjustment payments payable on the contract adjustment payment date with respect to the purchase contracts being settled, unless we have elected to defer the contract adjustment payments payable on such contract adjustment payment date.

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So long as you hold Equity Units as a beneficial interest in a global security certificate deposited with the depository, procedures for early settlement will also be governed by standing arrangements between the depository and the purchase contract agent.

The early settlement right is also subject to the condition that, if required under U.S. federal securities laws, we have a registration statement under the Securities Act in effect with respect to the shares of common stock and other securities, if any, deliverable upon settlement of a purchase contract. We have agreed that, if such a registration statement is required, we will use our commercially reasonable efforts to (1) have a registration statement in effect covering those shares of common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the early settlement right (it being understood that if there is a material business transaction or development that has not yet been publicly disclosed, we will not be required to file such registration statement or provide such a prospectus, and the early settlement right will not be available, until we have publicly disclosed such transaction or development). In the event that a holder seeks to exercise its early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right will be void unless and until such a registration statement is effective and we have provided a prospectus in connection therewith, and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective.

Upon early settlement, except as described below in **Early Settlement Upon a Fundamental Change**, we will sell, and the holder will be entitled to buy, the minimum settlement rate of \_\_\_\_\_ shares of our common stock (or in the case of an early settlement following a reorganization event, a number of exchange property units, as described under **Reorganization Events** below) for each purchase contract being settled (regardless of the market price of our common stock on the date of early settlement), subject to adjustment under the circumstances described under **Anti-dilution Adjustments** below. We will cause, no later than the third business day after the applicable early settlement date, (1) the shares of our common stock to be issued and (2) the related notes or applicable ownership interests in the Treasury portfolio or Treasury securities, as the case may be, underlying the Equity Units and securing such purchase contracts to be released from the pledge under the purchase contract and pledge agreement, and delivered to the purchase contract agent for delivery to the holder. Upon early settlement, the holder will be entitled to receive any accrued and unpaid contract adjustment payments (including any accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the quarterly payment date immediately preceding the early settlement date. The holder's right to receive future contract adjustment payments will also terminate.

If the purchase contract agent receives a completed **Election to Settle Early** form (along with the Corporate Unit or Treasury Unit certificate, if they are in certificated form) and payment of \$50 for each purchase contract being settled prior to 4:00 p.m., New York City time, on any business day and all conditions to early settlement have been satisfied, then that day will be considered the early settlement date. If the purchase contract agent receives the foregoing at or after 4:00 p.m., New York City time, on any business day or at any time on a day that is not a business day, then the next business day will be considered the early settlement date.

### **Early Settlement Upon a Fundamental Change**

If a fundamental change (as defined below) occurs prior to the purchase contract settlement date, then, following the fundamental change, each holder of a purchase contract, subject to certain conditions described in this prospectus supplement, will have the right to accelerate and settle the purchase contract early on the fundamental change early settlement date (defined below) at the settlement rate determined as if the applicable market value equaled the stock price (as defined below), plus an additional make-whole amount of shares (such additional make-whole amount of shares being hereafter referred to as the **make-whole shares**). We refer to this right as the **fundamental change early settlement right**.

We will provide each of the holders with a notice of the completion of a fundamental change within 10 business days of the effective date of a fundamental change. The notice will specify (1) a date, the **fundamental**

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change early settlement date , which will be at least 10 days after the date of the notice but no later than the earlier of 20 days after the date of such notice and two business days prior to the first day of the commencement of the optional remarketing period, or, if we do not elect to conduct an optional remarketing or the optional remarketing is not successful, two business days prior to the commencement of the final remarketing period or, if the final remarketing is not successful, the purchase contract settlement date, by which date each holder's fundamental change early settlement right must be exercised, (2) the applicable settlement rate and (3) the amount (per share of common stock) of the cash, securities and other consideration receivable by the holder, including the amount of contract adjustment payments and deferred contract adjustment payments (including compounded contract adjustment payments thereon), upon settlement. To exercise the fundamental change early settlement right, you must deliver to the purchase contract agent at the corporate trust office of the purchase contract agent or its agent, in each case, in the Borough of Manhattan, The City of New York, no later than 4:00 p.m., New York City time, on the third business day immediately preceding the fundamental change early settlement date, the certificate evidencing your Corporate Units or Treasury Units if they are held in certificated form, and payment of the applicable purchase price in immediately available funds less the amount of any accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the fundamental change early settlement date.

A fundamental change will be deemed to have occurred if any of the following occurs:

(1) a person or group within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (or the Exchange Act ), has become the direct or indirect beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of shares of our common stock representing more than 50% of the voting power of our common stock without the approval of our board of directors and effectuates a change in a majority of the members of our board of directors (including the Chairman and the President);

(2) we are involved in a consolidation with or merger into any other person, or any merger of another person into us, or any other similar transaction or series of related transactions (other than a merger, consolidation or similar transaction that does not result in the conversion or exchange of outstanding shares of our common stock), in each case, in which 90% or more of the outstanding shares of our common stock are exchanged for or converted into cash, securities or other property, greater than 10% of the value of which consists of cash, securities or other property that is not (or will not be upon or immediately following the effectiveness of such consolidation, merger or transaction) common stock listed on any U.S. national securities exchange;

(3) our common stock ceases to be listed on at least one U.S. national securities exchange (other than in connection with any consolidation, merger or similar transaction); or

(4) our shareholders approve our liquidation, dissolution or termination.

If you exercise the fundamental change early settlement right, we will deliver to you on the fundamental change early settlement date for each purchase contract with respect to which you have elected fundamental change early settlement, the kind and amount of securities, cash or other property that you would have been entitled to receive if you had settled the purchase contract immediately before the fundamental change and received shares of our common stock at the settlement rate described above plus the additional make-whole shares. You will also receive the notes, applicable ownership interest in the Treasury portfolio or Treasury securities underlying the Corporate Units or Treasury Units, as the case may be, with respect to which you are effecting a fundamental change early settlement. If you do not elect to exercise your fundamental change early settlement right, your Corporate Units or Treasury Units will remain outstanding and will be subject to normal settlement on the purchase contract settlement date.

We have agreed that, if required under the U.S. federal securities laws, we will use our commercially reasonable efforts to (1) have in effect on the fundamental change early settlement date a registration statement

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covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the fundamental change early settlement (it being understood that for so long as there is a material business transaction or development that has not yet been publicly disclosed (but in no event for a period longer than 90 days), we will not be required to file such registration statement or provide such a prospectus, and the fundamental change early settlement right will not be available, until we have publicly disclosed such transaction or development). In the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right will be void unless and until such a registration statement is effective and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective.

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units as result of a successful remarketing, holders of Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 20 Corporate Units. If the Treasury portfolio has replaced the notes as a component of Corporate Units, holders of the Corporate Units may exercise the fundamental change early settlement right only in integral multiples of Corporate Units.

A holder of Treasury Units may exercise the fundamental change early settlement right only in integral multiples of 20 Treasury Units.

*Calculation of Make-Whole Shares.* The amount of make-whole shares per purchase contract applicable to a fundamental change early settlement will be determined by reference to the table below, based on the date on which the fundamental change occurs or becomes effective (the effective date) and the stock price in the fundamental change, which will be:

in the case of a fundamental change described in clause (2) above and the holders of our common stock receive only cash in the fundamental change, the stock price will be the cash amount paid per share of our common stock;

otherwise, the stock price paid per share will be the average of the closing prices of our common stock over the 20 trading-day period ending on the trading day immediately preceding the effective date of the fundamental change.

Effective Date	Stock Price on Effective Date											
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
, 2012												
August 1, 2013												
August 1, 2014												
August 1, 2015												

The stock prices set forth in the second row of the table (*i.e.*, the column headers) will be adjusted upon the occurrence of certain events requiring anti-dilution adjustments to the fixed settlement rates.

Each of the make-whole share amounts in the table will be subject to adjustment in the same manner as the fixed settlement rates as set forth under Anti-dilution Adjustments.

The exact stock price and effective date applicable to a fundamental change may not be set forth on the table, in which case:

if the stock price is between two stock price amounts on the table or the effective date is between two dates on the table, the amount of make-whole shares will be determined by straight line

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interpolation between the make-whole share amounts set forth for the higher and lower stock price amounts and the two dates, as applicable, based on a 365-day year;

if the stock price is in excess of \$ \_\_\_\_\_ per share (subject to adjustment as described above), then the make-whole share amount will be zero; and

if the stock price is less than \$ \_\_\_\_\_ per share (subject to adjustment as described above) (the minimum stock price), then the make-whole share amount will be determined as if the stock price equaled the minimum stock price, using straight line interpolation, as described above, if the effective date is between two dates on the table.

### **Notice to Settle with Cash**

Unless a termination event has occurred, a holder effects an early settlement or a fundamental change early settlement of the underlying purchase contract, or a successful remarketing has occurred, a holder of Corporate Units may settle the related purchase contract with separate cash by delivering the Corporate Unit certificate, if in certificated form, to the purchase contract agent at the corporate trust office of the purchase contract agent or its agent, in each case, in the Borough of Manhattan, The City of New York with the completed Notice to Settle with Cash form at any time on or after the date the Company gives notice of a final remarketing and prior to 4:00 p.m., New York City time on the second business day immediately preceding the first day of the final remarketing period or, if there has been a failed final remarketing, on the second business day immediately preceding the purchase contract settlement date. Holders of Corporate Units may only cash-settle Corporate Units in integral multiples of 20 Corporate Units.

The holder must also deliver to the securities intermediary the required cash payment in immediately available funds. Such payment must be delivered prior to 4:00 p.m., New York City time, on the first business day immediately preceding the final remarketing period or, if there has been a failed remarketing, on the first business day immediately preceding the purchase contract settlement date.

Upon receipt of the cash payment, the related note will be released from the pledge arrangement and transferred to the purchase contract agent for distribution to the holder of the related Corporate Units. The holder of the Corporate Units will then receive the applicable number of shares of our common stock on the purchase contract settlement date.

If a holder of Corporate Units that has given notice of its election to settle with cash fails to deliver the cash by the applicable time and date specified above, such holder shall be deemed to have consented to the disposition of its notes in the final remarketing, or to have exercised its put right (as described under Remarketing above), in each case, as applicable.

Any cash received by the collateral agent upon cash settlement will be invested promptly in permitted investments, as defined in the purchase contract and pledge agreement, and the portion of the proceeds equal to the aggregate purchase price of all purchase contracts of such holders will be paid to us on the purchase contract settlement date. Any excess funds received by the collateral agent in respect of permitted investments over the aggregate purchase price remitted to us in satisfaction of the obligations of the holders under the purchase contracts will be distributed to the purchase contract agent for payment to the holders who settled with cash.

### **Contract Adjustment Payments**

Contract adjustment payments in respect of Corporate Units and Treasury Units will be fixed at a rate per year of \_\_\_\_\_ % of the stated amount of \$50 per purchase contract. Contract adjustment payments payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. Contract adjustment payments will accrue from the date of issuance of the purchase contracts and will be payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing November 1, 2012.

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Contract adjustment payments will be payable to the holders of purchase contracts as they appear on the books and records of the purchase contract agent at the close of business on the relevant record dates, which will be the 15th day of the month preceding the month in which the relevant payment date falls (whether or not a business day) or if the Equity Units are held in book-entry form, the record date will be the business day immediately preceding the applicable payment date. These distributions will be paid through the purchase contract agent, which will hold amounts received in respect of the contract adjustment payments for the benefit of the holders of the purchase contracts relating to the Equity Units. Subject to any applicable laws and regulations, each such payment will be made as described under Certain Provisions of the Purchase Contract and Pledge Agreement Book-Entry System.

If any date on which contract adjustment payments are to be made on the purchase contracts related to the Corporate Units or Treasury Units is not a business day, then payment of the contract adjustment payments payable on that date will be made on the next succeeding day that is a business day, and no interest or payment will be paid in respect of the delay.

Our obligations with respect to contract adjustment payments will be subordinated and junior in right of payment to our obligations under any of our Senior Indebtedness and will rank *pari passu* with the notes.

We may, at our option and upon prior written notice to the purchase contract agent, defer all or part of the contract adjustment payments, but not beyond the purchase contract settlement date (or, with respect to an early settlement upon a fundamental change, not beyond the fundamental change early settlement date or, with respect to an early settlement other than upon a fundamental change, not beyond the early settlement date).

Deferred contract adjustment payments will accrue additional contract adjustment payments at the rate equal to % per annum (which is equal to the rate of total distributions on the Corporate Units), compounded on each contract adjustment payment date, to, but excluding, the contract adjustment payment date on which such deferred contract adjustment payments are paid. We refer to additional contract adjustment payments that accrue on deferred contract adjustment payments as compounded contract adjustment payments. We may pay any such deferred contract adjustment payments (including compounded contract adjustment payments thereon) on any scheduled payment date. If the purchase contracts are terminated (upon the occurrence of certain events of bankruptcy, insolvency or similar reorganization with respect to us), the right to receive contract adjustment payments and deferred contract adjustment payments (including compounded contract adjustment payments thereon) will also terminate.

If we exercise our option to defer the payment of contract adjustment payments, then, until the deferred contract adjustment payments (including compounded contract adjustment payments thereon) have been paid, we will not (1) declare or pay any dividends on, or make any distributions on, or redeem, purchase or acquire, or make a liquidation payment with respect to, any shares of our capital stock, (2) make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that upon our liquidation rank *pari passu* with, or junior in interest to, the contract adjustment payments, or (3) make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks *pari passu* with, or junior in interest to, the contract adjustment payments.

The restrictions listed above do not apply to:

any repurchase, redemption or other acquisition of shares of our capital stock in connection with (1) any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or independent contractors or (2) a dividend reinvestment or stockholder purchase plan;

any issuance of options or other awards in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or independent contractors or the exercise of such options or other awards;

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any exchange, redemption, recapitalization or conversion of any class or series of our capital stock, or the capital stock of one of our subsidiaries, for any other class or series of our capital stock;

any exchange, redemption, recapitalization or conversion of any class or series of our indebtedness for any class or series of our capital stock;

any purchase of, or payment of cash in lieu of, fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the securities being converted or exchanged;

any declaration of a dividend in connection with the issuance of rights, stock or other property under any rights plan, or the redemption or repurchase of rights pursuant thereto;

any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock;

any payment of current interest or deferred interest on *pari passu* securities during a deferral period that is made pro rata to the amounts due on *pari passu* securities and the purchase contracts;

any purchase or repurchase of shares of the Company's capital stock pursuant to contractually binding requirements to buy such capital stock existing prior to the commencement of the deferral period;

the payment of any dividend during a deferral period within 90 days after the date of declaration thereof, if at the date of declaration no contract adjustment payment had been deferred;

any payment of deferred interest or principal on *pari passu* or junior securities, or dividends or distributions on shares of preferred stock that, if not made, would cause the Company to breach the terms of the instrument governing such *pari passu* or junior securities or preferred stock; and

the repayment, repurchase or redemption of any security necessary to avoid a breach of the instrument governing the same.

### **Anti-dilution Adjustments**

Each fixed settlement rate will be subject to the following adjustments:

(1) *Stock Dividends*. If we pay or make a dividend or other distribution on our common stock in common stock (other than pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the Equity Units were first issued), each fixed settlement rate in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution will be increased by dividing:

each fixed settlement rate by

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a fraction, the numerator of which will be the number of shares of our common stock outstanding at the close of business on the date fixed for such determination and the denominator will be the sum of such number of shares and the total number of shares constituting the dividend or other distribution.

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If any dividend or distribution in this paragraph (1) is declared but not so paid or made, the new fixed settlement rates shall be readjusted to the fixed settlement rates that would then be in effect if such dividend or distribution had not been declared.

(2) *Stock Purchase Rights.* If we issue to all or substantially all holders of our common stock rights, options, warrants or other securities (other than pursuant to a dividend reinvestment, share purchase or similar plan), entitling them to subscribe for or purchase shares of our common stock for a period expiring within 45 days from the date of issuance of such rights, options, warrants or other securities at a price per share of our common stock less than the current market price (as defined below) calculated as of the date fixed for the determination of stockholders entitled to receive such rights, options, warrants or other securities, each fixed settlement rate in effect at the opening of business on the day following the date fixed for such determination will be increased by dividing:

each fixed settlement rate by

a fraction, the numerator of which will be the number of shares of our common stock outstanding at the close of business on the date fixed for such determination plus the number of shares of our common stock which the aggregate consideration expected to be received by us upon the exercise of such rights, options, warrants or other securities would purchase at such current market price and the denominator of which will be the number of shares of our common stock outstanding at the close of business on the date fixed for such determination plus the number of shares of our common stock so offered for subscription or purchase.

Adjustments with respect to shareholder rights plans are discussed below under (4).

If any right, option, warrant or other security described in this paragraph (2) is not exercised or converted prior to the expiration of the exercisability or convertibility thereof (and as a result no additional shares of common stock are delivered or issued pursuant to such rights or warrants), the new fixed settlement rates shall be readjusted to the fixed settlement rates that would then be in effect had the increase with respect to the issuance of such rights, options, warrants or other securities been made on the basis of delivery or issuance of only the number of shares of common stock actually delivered.

For purposes of this clause (2), in determining whether any rights, options, warrants or other securities entitle the holders to subscribe for or purchase shares of the common stock at a price per share of our common stock less than the current market price on the date fixed for the determination of stockholders entitled to receive such rights, options, warrants or other securities, and in determining the aggregate price payable to exercise such rights, options, warrants or other securities, there shall be taken into account any consideration received by us for such rights, options, warrants or other securities and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined in good faith by our board of directors.

(3) *Stock Splits; Reverse Splits; and Combinations.* If outstanding shares of our common stock shall be subdivided, split or reclassified into a greater number of shares of common stock, each fixed settlement rate in effect at the opening of business on the day following the day upon which such subdivision, split or reclassification becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of our common stock shall each be combined or reclassified into a smaller number of shares of common stock, each fixed settlement rate in effect at the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced.

(4) *Debt, Asset or Security Distributions.* If we, by dividend or otherwise, distribute to all or substantially all holders of our common stock evidences of our indebtedness, assets or securities (but

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excluding any rights, options, warrants or other securities referred to in paragraph (2) above, any dividend or distribution paid exclusively in cash referred to in paragraph (5) below (in each case, whether or not an adjustment to the fixed settlement rates is required by such paragraph) and any dividend, shares of capital stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit in the case of a spin-off referred to below, or dividends or distributions referred to in paragraph (1) above), each fixed settlement rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution shall be increased by dividing:

each fixed settlement rate by

a fraction, the numerator of which shall be the current market price of our common stock calculated as of the date fixed for such determination less the then fair market value (as determined in good faith by our board of directors) of the portion of the assets, securities or evidences of indebtedness so distributed applicable to one share of our common stock and the denominator of which shall be such current market price.

In the case of the payment of a dividend or other distribution on our common stock of shares of capital stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit of ours, which we refer to as a spin-off, the fixed settlement rate in effect immediately before the close of business on the date fixed for determination of stockholders entitled to receive that distribution will be increased by dividing:

each fixed settlement rate by

a fraction, the numerator of which is the current market price of our common stock and the denominator of which is such current market price plus the fair market value, determined as described below, of those shares of capital stock or similar equity interests so distributed applicable to one share of common stock.

The adjustment to the fixed settlement rate under the preceding paragraph will occur on:

the 10th trading day from and including the effective date of the spin-off; or

if the spin-off is effected simultaneously with an initial public offering of the securities being distributed in the spin-off, the issue date of the securities being offered in such initial public offering.

For purposes of this section, initial public offering means the first time securities of the same class or type as the securities being distributed in the spin-off are offered to the public for cash.

In the event of a spin-off that is not effected simultaneously with an initial public offering of the securities being distributed in the spin-off, the fair market value of the securities to be distributed to holders of our common stock means the average of the closing sale prices of those securities on the principal U.S. securities exchange or quotation system on which such securities are listed or quoted at that time over the first 10 trading days following the effective date of the spin-off. Also, for purposes of such a spin-off, the current market price of our common stock means the average of the closing sale prices of our common stock on the principal U.S. securities exchange or quotation system on which our common stock is listed or quoted at that time over the first 10 trading days following the effective date of the spin-off.

If, however, an initial public offering of the securities being distributed in the spin-off is to be effected simultaneously with the spin-off, the fair market value of the securities being distributed in the

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spin-off means the initial public offering price, while the current market price of our common stock means the closing sale price of our common stock on the principal U.S. securities exchange or quotation system on which our common stock is listed or quoted at that time on the trading day on which the initial public offering price of the securities being distributed in the spin-off is determined.

If any dividend or distribution described in this paragraph (4) is declared but not so paid or made, the new fixed settlement rates shall be readjusted to the fixed settlement rates that would then be in effect if such dividend or distribution had not been declared.

(5) *Cash Distributions.* If we, by dividend or otherwise, make distributions to all or substantially all holders of our common stock exclusively in cash during any quarterly period (excluding any cash that is distributed in a reorganization event to which the provisions described below under Reorganization Events apply or as part of a distribution referred to in paragraph (4) above) in an amount that exceeds \$0.48 per share per quarter in the case of a regular quarterly dividend (such per share amount being referred to as the reference dividend), then immediately after the close of business on the date fixed for determination of the stockholders entitled to receive such distribution, each fixed settlement rate in effect immediately prior to the close of business on such date will be increased by dividing:

each fixed settlement rate by

a fraction, the numerator of which will be equal to the current market price on the date fixed for such determination less the amount, if any, by which the per share amount of the distribution exceeds the reference dividend and the denominator of which will be equal to such current market price.

The reference dividend will be subject to an inversely proportional adjustment whenever each fixed settlement rate is adjusted, other than pursuant to this paragraph (5). For the avoidance of doubt, the reference dividend will be zero in the case of a cash dividend amount that is not a regular quarterly dividend.

If any dividend or distribution described in this paragraph (5) is declared but not so paid or made, the new fixed settlement rate shall be readjusted to the fixed settlement rate that would then be in effect if such dividend or distribution had not been declared.

(6) *Tender and Exchange Offers.* In the case that a tender offer or exchange offer made by us or any subsidiary for all or any portion of our common stock shall expire and such tender or exchange offer (as amended through the expiration thereof) requires the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender offer or exchange offer) of purchased shares) of an aggregate consideration having a fair market value per share of our common stock that exceeds the closing price of our common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender offer or exchange offer, then, immediately prior to the opening of business on the day after the date of the last time (which we refer to as the expiration time) tenders or exchanges could have been made pursuant to such tender offer or exchange offer (as amended through the expiration thereof), each fixed settlement rate in effect immediately prior to the close of business on the date of the expiration time will be increased by dividing:

each fixed settlement rate by

a fraction (1) the numerator of which will be equal to (a) the product of (i) the current market price on the date of the expiration time and (ii) the number of shares of common

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stock outstanding (including any tendered or exchanged shares) on the date of the expiration time less (b) the amount of cash plus the fair market value of the aggregate consideration payable to stockholders pursuant to the tender offer or exchange offer (assuming the acceptance by us of purchased shares (as defined below)), and (2) the denominator of which will be equal to the product of (x) the current market price on the date of the expiration time and (y) the result of (i) the number of shares of our common stock outstanding (including any tendered or exchanged shares) on the date of the expiration time less (ii) the number of all shares validly tendered, not withdrawn and accepted for payment on the date of the expiration time (such actually validly tendered or exchanged shares, up to any maximum acceptance amount specified by us in the terms of the tender offer or exchange offer, being referred to as the "purchased shares").

Except as otherwise defined in paragraph (4) above, the "current market price" per share of our common stock or any other security on any day for purposes of paragraphs (1) through (6) above means the average VWAP of our common stock or such other security on the principal U.S. securities exchange or quotation system on which our common stock or such other security, as applicable, is listed or quoted at that time for the 10 consecutive trading days preceding the earlier of the day preceding the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, means the first date on which our common stock or such other security, as applicable, trades, regular way, on the principal U.S. securities exchange or quotation system on which our common stock or such other security, as applicable, is listed or quoted at that time, without the right to receive the issuance or distribution.

We currently do not have a shareholders rights plan with respect to any common stock. To the extent that we have a shareholders rights plan involving the issuance of share purchase rights or other similar rights to all or substantially all holders of our common stock in effect upon settlement of a purchase contract, you will receive, in addition to the common stock issuable upon settlement of any purchase contract, the related rights for the common stock under the shareholders rights plan, unless, prior to any settlement of a purchase contract, the rights have separated from the common stock, in which case each fixed settlement rate will be adjusted at the time of separation as if we made a distribution to all holders of our common stock as described in clause (4) above, subject to readjustment in the event of the expiration, termination or redemption of the rights under the shareholder rights plan.

You may be treated as receiving a constructive distribution from us with respect to the purchase contract if (1) the fixed settlement rates are adjusted (or fail to be adjusted) and, as a result of the adjustment (or failure to adjust), your proportionate interest in our assets or earnings and profits is increased, and (2) the adjustment (or failure to adjust) is not made pursuant to a bona fide, reasonable anti-dilution formula. For example, if the fixed settlement rate is adjusted as a result of a distribution that is taxable to the holders of our common stock, such as a cash dividend, you will be deemed to have received a "constructive distribution" of our stock. Thus, under certain circumstances, an adjustment to the fixed settlement rates might give rise to a taxable dividend to you even though you will not receive any cash in connection with such adjustment. In addition, non-U.S. holders (as defined in "Material U.S. Federal Income Tax Consequences") may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax. See "Material U.S. Federal Income Tax Consequences" U.S. Holders' Purchase Contracts and "Material U.S. Federal Income Tax Consequences" Non-U.S. Holders' U.S. Federal Withholding Tax.

In addition, we may increase the fixed settlement rates if our board of directors deems it advisable to avoid or diminish any income tax to holders of our common stock resulting from any dividend or distribution of shares (or rights to acquire shares) or from any event treated as a dividend or distribution for income tax purposes or for any other reasons. We may only make such a discretionary adjustment if we make the same proportionate adjustment to each fixed settlement rate.