

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
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FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 10, 1999

UNITED TECHNOLOGIES CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation)

001-00812  
(Commission File No.)

06-0570975  
(IRS Employer Identification No.)

One Financial Plaza  
Hartford, Connecticut 06101  
(Address of principal executive offices, including ZIP code)

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

Not Applicable  
(Former name or former address, if changed since last report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On June 10, 1999, Sundstrand Corporation, a Delaware corporation ("Sundstrand"), merged (the "Merger") with and into a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("United Technologies"). The surviving corporation of the Merger will continue as a wholly owned subsidiary of United Technologies named "Hamilton Sundstrand Corporation." The Merger was consummated pursuant to an Agreement and Plan of Merger, dated as of February 21, 1999, among United Technologies, HSSail Inc. and Sundstrand (the "Merger Agreement").

In the Merger, each share of Sundstrand common stock, \$0.50 par value per share, was converted into the right to receive 0.558 shares of United Technologies common stock, par value \$1.00 per share, and \$35 of cash, plus cash in lieu of any fractional shares. See Notes to Unaudited Pro Forma Condensed Balance Sheet, which are attached as Exhibit 99.2 hereto and incorporated herein by reference, for further discussion of the consideration that former Sundstrand stockholders have a right to receive pursuant to the Merger.

The above description of the Merger Agreement is qualified in its entirety by reference to that document, which has been previously filed with the Securities and Exchange Commission as Exhibit 2.1 to the Current Report on Form 8-K of United Technologies filed on February 23, 1999 and is incorporated herein by reference. A copy of the press release announcing the consummation of the Merger is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL STATEMENTS, AND EXHIBITS

(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED.

The consolidated balance sheet of Sundstrand as of December 31, 1998, the consolidated statements of earnings, cash flows and shareholders' equity of Sundstrand for the fiscal year ended December 31, 1998, the related notes to the financial statements and the related accountant's report are incorporated herein by reference to the Annual Report on Form 10-K of Sundstrand for the fiscal year ended December 31, 1998 (previously filed on March 31, 1999, Commission File No. 001-05358). The unaudited consolidated condensed balance sheet of Sundstrand as of March 31, 1999, the unaudited consolidated condensed statements of earnings, cash flows and shareholders' equity of Sundstrand for the quarter ended March 31, 1999 and the related notes to the financial statements are incorporated herein by reference to the Quarterly Report on Form 10-Q of Sundstrand for the quarter ended March 31, 1999 (previously filed on May 13, 1999, Commission File No. 001-05358).

(b) PRO FORMA FINANCIAL INFORMATION.

The following pro forma financial information of United Technologies, giving effect to the Merger, is set forth as Exhibit 99.2 and is incorporated herein by reference:

Introduction to Unaudited Pro Forma Condensed Financial Statements.

Unaudited Pro Forma Condensed Balance Sheet as of March 31, 1999.

Notes to Unaudited Pro Forma Condensed Balance Sheet.

Unaudited Pro Forma Condensed Statement of Operations for the quarter ended March 31, 1999.

Unaudited Pro Forma Condensed Statement of Operations for the year ended December 31, 1998.

Notes to Unaudited Pro Forma Condensed Statement of Operations.

(c) EXHIBITS.

2.1 Agreement and Plan of Merger, dated as of February 21, 1999, among United Technologies Corporation, HSSail Inc. and Sundstrand Corporation, incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of United Technologies filed on February 23, 1999.

23.1 Consent of Ernst & Young LLP.

99.1 Press Release, dated as of June 10, 1999, issued by United Technologies Corporation.

99.2 Unaudited Pro Forma Condensed Financial Statements related to the Merger.

SIGNATURE

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

Dated: June 18, 1999

UNITED TECHNOLOGIES CORPORATION

By: /s/ William H. Trachsel

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Name: William H. Trachsel  
Title: Senior Vice President, General  
Counsel and Secretary

EXHIBIT LIST

EXHIBIT NO. -----	DESCRIPTION -----
2.1	Agreement and Plan of Merger, dated as of February 21, 1999, among United Technologies Corporation, HSSail Inc. and Sundstrand Corporation, incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of United Technologies filed on February 23, 1999.
23.1	Consent of Ernst & Young LLP.
99.1	Press Release, dated as of June 10, 1999, issued by United Technologies Corporation.
99.2	Unaudited Pro Forma Condensed Financial Statements related to the Merger.

CONSENT OF INDEPENDENT AUDITORS

We consent to the use of our report dated January 25, 1999 with respect to the financial statements of Sundstrand Corporation included in its Annual Report (Form 10-K) for the year ended December 31, 1998, incorporated by reference in the Current Report (Form 8-K) of United Technologies Corporation.

/s/ ERNST & YOUNG LLP

Chicago, Illinois  
June 17, 1999

UNITED TECHNOLOGIES CORP. COMPLETES  
ACQUISITION OF SUNDSTRAND

HARTFORD, Conn., June 10, 1999 - United Technologies Corp. (NYSE: UTX) today announced it has completed its acquisition of Sundstrand Corp., following a vote of Sundstrand shareholders approving the transaction.

Sundstrand merged with a wholly owned subsidiary of UTC, and was renamed Hamilton Sundstrand Corp.

Under the terms of the acquisition agreement announced in February, Sundstrand shareholders have the right to receive \$35 in cash and 0.5580 of a share of UTC common stock for each share of Sundstrand common stock they own. The total value of the transaction is \$4.3 billion, including approximately \$500 million in assumed debt.

United Technologies Corp., based in Hartford, Conn., provides a broad range of high technology products and support services to the building systems and aerospace industries.

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## INTRODUCTION TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma condensed financial information has been prepared from the historical financial statements of United Technologies Corporation, a Delaware corporation ("United Technologies"), and Sundstrand Corporation, a Delaware corporation ("Sundstrand"), adjusted to reflect the sale of the UT Automotive division of United Technologies ("UT Automotive"), which occurred on May 4, 1999, and the merger (the "Merger") of Sundstrand with and into a wholly owned subsidiary of United Technologies using the purchase method of accounting. The pro forma condensed balance sheet adjustment to reflect the sale of UT Automotive, as though it had occurred on March 31, 1999, is based upon net cash proceeds of approximately \$2.1 billion, after payment of taxes and the estimated \$600 million gain on the sale after the accrual of other transaction-related expenses. The pro forma condensed statements of operations reflect UT Automotive as a discontinued operation and do not reflect the effects of the gain.

The unaudited pro forma condensed balance sheet has been prepared to reflect the Merger and the issuance of 0.558 shares of United Technologies common stock and \$35 in cash for each outstanding share of Sundstrand common stock, as if the Merger occurred on March 31, 1999, and the issuance of United Technologies stock options to Sundstrand stock option holders in exchange for Sundstrand stock options. Based on the price per share of United Technologies common stock of \$62.71875 on February 19, 1999, the last trading day prior to entering into the Agreement and Plan of Merger, dated as of February 21, 1999, among United Technologies, HSSail Inc., a Delaware corporation and a wholly owned subsidiary of United Technologies, and Sundstrand, total consideration would be \$70 per share resulting in an aggregate purchase price of approximately \$3.9 billion including related transaction costs of approximately \$40 million. The purchase price of Sundstrand common stock has been preliminarily allocated to tangible and intangible assets and liabilities of Sundstrand based upon estimates of their respective values. These allocations will be subsequently adjusted based upon appraisals, valuations and other studies, which will be conducted over the next several months. Final values may differ substantially from those shown herein. The unaudited pro forma condensed statements of operations combine the results of operations of United Technologies and Sundstrand as if the Merger occurred on January 1, 1998.

The pro forma condensed financial statements should be read in conjunction with United Technologies' and Sundstrand's historical financial statements. The pro forma information presented is for informational purposes only and it is not necessarily indicative of future earnings or financial position or of what the earnings or financial position would have been had the Merger been completed on January 1, 1998 or as of March 31, 1999. Historical financial statements of United Technologies can be found in United Technologies' Annual Report on Form 10-K for the fiscal year ended December 31, 1998, as amended to reflect UT Automotive as a discontinued operation by United Technologies' Current Report on Form 8-K filed on June 11, 1999, and in United Technologies' Form 10-Q for the quarter ended March 31, 1999, which are incorporated herein by reference. Sundstrand's historical financial statements can be found in its Annual Report on Form 10-K, filed on March 31, 1999, and Sundstrand's Quarterly Report on Form 10-Q,

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filed on May 13, 1999, for the quarter ended March 31, 1999, both of which are incorporated herein by reference insofar as they relate to the periods ended December 31, 1998 and March 31, 1999.

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Unaudited Pro Forma Condensed Balance Sheet  
As of March 31, 1999  
(In millions of dollars)

	Historical United Technologies -----	UT Automotive Adjustment -----	Adjusted United Technologies -----	Historical Sundstrand -----	Merger Pro Forma Adjustments -----	United Technologies Pro Forma -----
<b>ASSETS</b>						
Cash and cash equivalents	\$ 657	\$ 2,100	\$ 2,757	\$ 17	\$ (906) 1	\$ 1,868
Accounts receivable, net	3,418	-	3,418	376	-	3,794
Inventories and contracts in progress	3,302	-	3,302	409	24 3	3,735
Other current assets	1,426	-	1,426	68	-	1,494
Net investment in discontinued operation	1,255	(1,255)	-	-	-	-
<b>Total Current Assets</b>	<b>10,058</b>	<b>845</b>	<b>10,903</b>	<b>870</b>	<b>(882)</b>	<b>10,891</b>
Fixed assets, net	3,461	-	3,461	525	263 3	4,249
Goodwill	1,404	-	1,404	327	3,097 5	4,828
Other assets	2,989	-	2,989	98	-	3,087
<b>Total Assets</b>	<b>\$ 17,912</b>	<b>\$ 845</b>	<b>\$ 18,757</b>	<b>\$ 1,820</b>	<b>\$ 2,478</b>	<b>\$ 23,055</b>
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>						
Long-term debt currently due	\$ 100	\$ -	\$ 100	\$ 136	\$ -	\$ 236
Short-term borrowings	541	-	541	118	-	659
Accounts payable	1,648	-	1,648	114	40 1	1,802
Accrued liabilities	5,092	245	5,337	197	-	5,534
<b>Total Current Liabilities</b>	<b>7,381</b>	<b>245</b>	<b>7,626</b>	<b>565</b>	<b>40</b>	<b>8,231</b>
Long-term debt	1,553	-	1,553	215	1,031 1,3	2,799
Other long-term liabilities	4,025	-	4,025	469	6 3,4	4,500
Series A ESOP Convertible Preferred Stock	827	-	827	-	-	827
ESOP deferred compensation	(373)	-	(373)	-	-	(373)
	454	-	454	-	-	454
Shareowners' Equity:						
Common Stock	2,818	-	2,818	204	1,037 1,2	4,059
Unamortized value restricted stock issued	-	-	-	(6)	6 2	-
Treasury Stock	(3,212)	-	(3,212)	(665)	1,396 1,2	(2,481)
Retained earnings	5,595	600	6,195	1,054	(1,054) 2	6,195
Accumulated other non-shareowner changes in equity	(702)	-	(702)	(16)	16 2	(702)
	4,499	600	5,099	571	1,401	7,071
<b>Total Liabilities and Shareowners' Equity</b>	<b>\$ 17,912</b>	<b>\$ 845</b>	<b>\$ 18,757</b>	<b>\$ 1,820</b>	<b>\$ 2,478</b>	<b>\$ 23,055</b>

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED BALANCE SHEET  
AS OF MARCH 31, 1999

The unaudited pro forma condensed balance sheet includes the pro forma adjustments to reflect the sale of UT Automotive and the Merger as if both took place on March 31, 1999.

UT AUTOMOTIVE PRO FORMA ADJUSTMENT:

Reflects the sale of UT Automotive for net cash proceeds of approximately \$2.1 billion after payment of taxes and the estimated \$600 million gain on the sale after the accrual of other transaction-related expenses.

Merger Pro Forma Adjustments:

1. Adjustment to reflect the issuance of 30 million shares of United Technologies Common Stock based on an exchange ratio of 0.558 in the Merger, the payment of \$1.906 billion for the cash consideration paid to Sundstrand stockholders, the accrual of the cash transaction costs and the issuance of United Technologies stock options to Sundstrand stock option holders. The adjustment assumes that the cash consideration was funded by the issuance of approximately \$1.0 billion of medium-term and long-term debt and \$906 million of cash from the sale of UT Automotive which occurred on May 4, 1999.
2. Adjustment to eliminate Sundstrand equity pursuant to the Merger.
3. Adjustment to record Sundstrand assets and liabilities at their estimated fair market value.
4. Adjustment to record the tax effects related to the pro forma adjustments.
5. Adjustment to reflect the incremental goodwill resulting from the Merger.

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS  
FOR THE QUARTER ENDED MARCH 31, 1999  
(In millions, except per share amounts)

	HISTORICAL UNITED TECHNOLOGIES -----	HISTORICAL SUNDSTRAND -----	MERGER PRO FORMA ADJUSTMENTS -----	UNITED TECHNOLOGIES PRO FORMA -----
<b>Revenues:</b>				
Product sales	\$ 3,980	\$ 504	\$ (6) D	\$ 4,478
Service sales	1,402	-	-	1,402
Financing revenues and other income, net	60	3	-	63
	-----	-----	-----	-----
	5,442	507	(6)	5,943
<b>Costs and Expenses:</b>				
Cost of products sold	3,110	310	14 A, C, D	3,434
Cost of services sold	867	-	-	867
Research and development	274	32	-	306
Selling, general and administrative	701	71	-	772
Interest	55	9	16 B	80
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	5,007	422	30	5,459
<b>Income from continuing operations before income taxes and minority interests</b>				
	435	85	(36)	484
Income taxes	136	29	(8) E	157
Minority interests	21	-	-	21
	-----	-----	-----	-----
<b>Income from continuing operations</b>	<b>\$ 278</b>	<b>\$ 56</b>	<b>\$ (28)</b>	<b>\$ 306</b>
<b>Discontinued Operation:</b>				
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provision of \$15 million)	30	-	-	30
	-----	-----	-----	-----
<b>Net Income</b>	<b>\$ 308</b>	<b>\$ 56</b>	<b>\$ (28)</b>	<b>\$ 336</b>
	=====	=====	=====	=====
<b>Earnings per share of Common Stock</b>				
<b>Continuing operations:</b>				
Basic	\$ .60			\$ .62
Diluted	\$ .57			\$ .58
<b>Discontinued operation:</b>				
Basic	\$ .07			\$ .06
Diluted	\$ .06			\$ .06
<b>Net earnings per share:</b>				
Basic	\$ .67			\$ .68
Diluted	\$ .63			\$ .64
<b>Average number of shares outstanding (millions):</b>				
Basic	451		30	481
Diluted	492		32	524

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

Unaudited Pro Forma Condensed Statement of Operations  
For the Year Ended December 31, 1998  
(In millions, except per share amounts)

	HISTORICAL UNITED TECHNOLOGIES -----	HISTORICAL SUNDSTRAND -----	MERGER PRO FORMA ADJUSTMENTS -----	UNITED TECHNOLOGIES PRO FORMA -----
<b>Revenues:</b>				
Product sales	\$ 17,348	\$ 2,005	\$ (25)D	\$ 19,328
Service sales	5,439	-	-	5,439
Financing revenues and other income, net	22	10	-	32
	-----	-----	-----	-----
	22,809	2,015	(25)	24,799
<b>Costs and Expenses:</b>				
Cost of products sold	13,436	1,266	60 A, C, D	14,762
Cost of services sold	3,461	-	-	3,461
Research and development	1,168	92	-	1,260
Selling, general and administrative	2,737	275	-	3,012
Interest	197	35	65 B	297
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	20,999	1,668	125	22,792
Income from continuing operations before income taxes and minority interests	1,810	347	(150)	2,007
Income taxes	568	121	(32) E	657
Minority interests	85	-	-	85
	-----	-----	-----	-----
Income from continuing operations	\$ 1,157	\$ 226	\$ (118)	\$ 1,265
<b>Discontinued Operation:</b>				
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provision of \$55 million)	98	-	-	98
	-----	-----	-----	-----
Net Income	\$ 1,255	\$ 226	\$ (118)	\$ 1,363
	=====	=====	=====	=====
<b>Earnings Per Share of Common Stock</b>				
<b>Continuing operations:</b>				
Basic	\$ 2.47			\$ 2.54
Diluted	\$ 2.33			\$ 2.39
<b>Discontinued operation:</b>				
Basic	\$ .21			\$ .20
Diluted	\$ .20			\$ .19
<b>Net earnings per share:</b>				
Basic	\$ 2.68			\$ 2.74
Diluted	\$ 2.53			\$ 2.58
<b>Average number of shares outstanding (millions):</b>				
Basic	456		30	486
Diluted	495		32	527

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED STATEMENTS OF OPERATIONS  
FOR THE PERIODS ENDED MARCH 31, 1999 AND DECEMBER 31, 1998

The unaudited pro forma condensed statements of operations include the pro forma adjustments to reflect the Merger as if it took place on January 1, 1998.

- A. Adjustment to reflect goodwill amortization from the Merger over an estimated useful life of 40 years.
- B. Reflects the interest expense incurred by United Technologies in connection with the Merger. Interest expense was calculated (360-day basis) on a pro forma basis using an interest rate of 6.5% on medium-term and long-term debt of \$1.0 billion. A 50 basis-point change in interest rates would have a \$5 million annual impact on interest expense.
- C. Adjustment reflects the additional depreciation on the write-up of fixed assets to fair value over a 10 year useful life.
- D. Adjustment to eliminate sales and cost of sales between Sundstrand and United Technologies.
- E. Adjustment to record the tax effects related to the pro forma adjustments.