



NEWS RELEASE

FOR IMMEDIATE RELEASE
April 11, 2007

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Derco projects increased revenue from logistics solutions

April 11, 2007, MILWAUKEE — During the past five years, Derco Aerospace, Inc. has witnessed first hand a significant shift in the aerospace supply chain management paradigm; Derco's supply chain solution programs (Performance Based Logistics, Contractor Logistics Support (CLS), and Prime Vendor) have grown fourfold and are expected to expand in the future.

"Operators are now faced with the challenge of managing larger supply chains with fewer people. Increasingly, aircraft operators are finding they can no longer manage supply chains using dated approaches," said Mark Hoehnen, Executive Vice President and General Manager of Derco Aerospace. "Sophisticated and customized supply chain solutions are required to provide operators with greater fill rates, less inventory, and lower overhead investments."

For the past decade, Derco has been at the forefront of customized aerospace supply chain management solutions. Derco currently manages 11 supply chain programs for customers worldwide and is actively pursuing more than a dozen new programs. Derco has entered the market by customizing supply chain management solutions around its customers' unique requirements.

"We have found that no two customers are alike. Each requires a solution that meets their individual needs," said Hoehnen. "Separating Derco from traditional distributors and jobbers is the infrastructure and technical knowledge resident in our organization."



It's no coincidence that Derco's exponential increase in supply chain management revenues began with its multi-million dollar investment in a sophisticated ERP system designed especially for the aerospace industry. Technology facilitates our ability to meet the customer demand for faster, better, and cheaper supply chain management," said Hoehnen.

Critical to Derco's success is its ability to bridge the gap between the maintainers and operators with the supply chain managers. With an extensive history of parts consumption for multiple platforms worldwide, Derco is able to forecast consumption based on projected flying hours, mission profiles, and maintenance plans. While Derco has developed and deployed robust forecasting models, the technical expertise and knowledge that Derco maintains through its engineering team, comprised of experienced structural, mechanical, and aeronautical engineers, empowers Derco to bridge the gap between maintainers and supply chain managers.

Derco secures its two largest contracts

In early 2006, Derco was part of the **Herc Solutions** team selected by the Canadian Forces to provide program management, engineering, maintenance, material, and information systems support for Canada's fleet of 31 CC130 Hercules aircraft. As the world's leading supplier of C-130 spares, Derco brings its logistic solutions and global purchasing power to the Canadian military forces and the Herc Solutions team. With access to more than C\$75 million in C-130 inventories, Derco continues to meet the supply chain challenges faced by Canada's CC130 fleet. Derco will provide critical material support to the CC130 fleet for the duration program.

Later in 2006, Derco was awarded a subcontract from Sikorsky Support Services, Inc. (SSSI) in support of the T-34/T-44/T-6A CLS Program from the U.S. government. As a subcontractor to SSSI, Derco's role in the program includes spares support and repair and overhaul management. Derco's management role includes supporting activities in Whiting Field, FL and Corpus Christi, TX.



These U.S. Navy and Canadian programs are the largest logistics contracts in Derco's history. The T-34/T-44/T-6A CLS Program further demonstrates Derco's ability to apply its proven processes and procedures in support of multiple aircraft programs as the company transforms to a full-service, full-platform logistics and solutions provider.

For more information regarding Derco's logistics solutions, please call (414) 355-3066 or visit www.dercoaerospace.com.

This release includes "forward looking statements" concerning the anticipated completion and benefits of a transaction that remains subject to uncertainties. Important factors that could cause actual results to differ materially from those anticipated or implied in forward looking statements include changes in economic conditions and changes in government procurement policies and practices. For information identifying other important economic, political, regulatory, legal, technological, competitive and other uncertainties, see United Technologies Corporation's Securities and Exchange Commission filings as submitted from time to time.

About Derco

Founded in 1979, Derco Aerospace, Inc. is a world leader in providing aircraft spares, services, and solutions to customers around the globe. Through solid relationships with premier original equipment manufactures (OEMs), Derco maintains one of the largest and most diversified aircraft spares inventories in the world. Today, Derco is a full-service logistics and solutions provider, supporting military and commercial fleets in more than 65 countries. Derco is a wholly owned subsidiary of Sikorsky Aircraft Corporation. Sikorsky is a subsidiary of United Technologies Corporation (NYSE:UTX), of Hartford, Conn., which provides a broad range of high-technology products and support services to the aerospace and building systems industries. For more information regarding Derco Aerospace, Inc., call (414) 355-3066 or visit www.dercoaerospace.com.

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