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THE M&A "PITCH BOOK": PROPOSED ACQUISITION OF HELLER FINANCIAL BY UNITED TECHNOLOGIES CORPORATION

This technical note offers an example of a complete "pitch book" for use as a basis of class discussion and learning. Actual pitch books are almost never made available for public use. This presentation was prepared by a group of Darden students in April 2001 for a jury of M&A executives from United Technologies Corporation—they judged this work to be of excellent quality, among the best they had seen in any setting. A separate validation of the deal concept is given in the final exhibit, which records the announcement on July 30, 2001, by General Electric of its acquisition of Heller.

As you review this document, consider both its form and content. Why are each exhibit and section included in the document? What analytical work underpins the exhibits? What might explain the presentation format? What oral comments might one make in supporting this presentation before a group of executives? Consider the work from two standpoints:

Presenter: The person or team presenting a pitch book is seeking a mandate to do the deal. A corporate-development officer seeks the resources, time, and commitment of senior executives in order to initiate negotiations, due-diligence research, closing, and integration. An outside financial adviser seeks these resources, and also hopes to obtain a signed letter or contract committing the buyer to pay the adviser's fee. Thus, from the presenter's standpoint, a pitch book is necessarily a selling document.

Audience: The executives hearing the presentation may receive hundreds of such recommendations each year. Their main task is to decide quickly whether this deal concept merits further work and research. They will be impatient, and will want to get to the key ideas right away. Given the high failure rate of such recommendations, executives are bound to be a skeptical audience, looking for reasons to reject the proposal. Careful reasoning and some solid analysis will be vital to persuading this audience.

Consider how the following pitch book meets the requirements of both presenter and audience.

This note was prepared by Professor Robert Bruner from an original presentation by Allison Bridges, Jessica Chan, Leslie Glatz, Miguel Palacios, Christopher Stringer, and Karen Whitney. It was written as a basis for class discussion rather than to illustrate effective or ineffective handling of an administrative situation.

April 19, 2001

Allison Bridges ◆ Jessica Chan ◆ Leslie Glatz ◆ Miguel Palacios ◆ Christopher Stringer ◆ Karen Whitney

Term Sheet

Purchase Price		
Total Deal Size	$4,845	million.
Implied Price per Share	$50.00	
Resulting HF Ownership of UTX	11.2%	
Transaction Fees	$16.11	million (0.10% of deal size for Investment Bank + 0.15% to legal and accounting firms and $4 million in other fees).
Exchange Ratio	0.66	
Cap	$57.50	
Accounting Issues		
Form	Purchase Accounting.	
Consideration	100% Stock.	
	UTX will issue shares for the 100% deal price and stagger the stock issue so that it can have the option to sell shares on the open market to pay HF's B Shareholders (i.e. Fuji Bank) cash for 19.9% of the deal. We assume that Fuji Bank may be interested in liquidity, and consequently prefer cash consideration over stock. The acquisition will still qualify as a section 368(a) reverse triangular merger for tax purposes.	
Number of Shares to be issued	64.35	million shares.
Tax Considerations	Section 368(a) Reverse Triangular Merger.	
	This structure will allow HF to maintain its contractual relationships. Also, this structure facilitates elimination of minority interest in HF.	
Legal	It will be necessary to create a Special Purchase Vehicle to merge into HF.	
Synergy Value	$2.5 billion in Revenue Enhancements.	
	$0.4 billion in Cost Savings.	
	($0.1) billion in Transaction Costs.	
Transaction Process Requirements		
Termination Penalties	Cash penalty of $145 million plus out-of-pocket expenses up to $20 million.	
Other	No Shop Clause.	
Shareholder Vote	UTX and HF shareholders must approve the deal.	
Closing Date	December 31, 2001.	
Social Issues		
Organization Structure	HF becomes a stand-alone subsidiary of UTX.	
Executives	HF top five executives will get three year contracts and sign-on bonuses.	
Board Seats	Richard Almeida, HF Chair & CEO, will get a board seat.	
Headquarters	Maintain both headquarters.	
Name	Subsidiary will remain Heller Financial, Inc.	
Reduction in Workforce	None.	

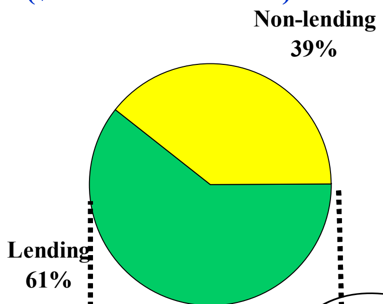
Deal Rationale

- **Heller will enable UTX to**
  - ✓ Increase sales by meeting financing needs of customers
  - ✓ Respond to the growing importance of leasing as an order-winning criteria and as a distribution channel used by OEMs to sell capital equipment*
  - ✓ Promote the concept of "lifetime customer management" by offering financing with products, maintenance and services
  - ✓ Respond to competitors' actions
  - ✓ Improve capital management and efficiency
  - ✓ Develop a new base of revenue growth, recurring revenue, and profit stability
  - ✓ Improve UTC's margins**

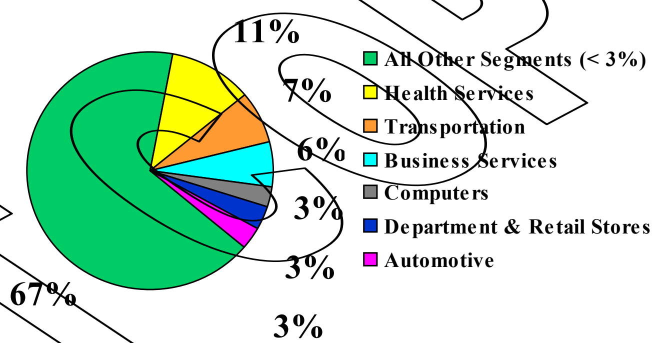
* See Exhibit 1
** See Exhibit 2

Business Description

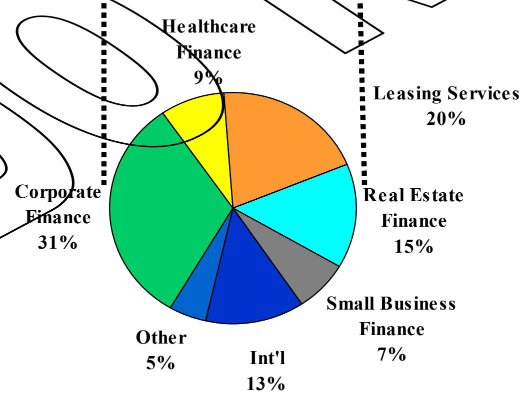
Net Revenue Breakdown
($1.04 billion in 2000)



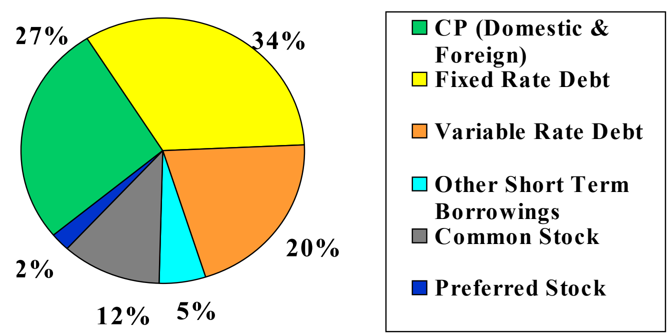
Lending Portfolio By Industry
(Total Lending Assets of $18.7 billion in 2000)



Breakdown of Revenue from Lending Business



Sources of Funds
(Total Sources of $18.7 billion in 2000)



Industry Overview

• Structure

- ✓ Highly fragmented
- ✓ Underserved by banks
- ✓ Low equipment rental penetration rate in the US (20% vs. 70% in Japan)
- ✓ A large portion of business originates from leasing companies with industrial affiliates*

• Performance**

3-yr	High	Low	Average
Sales growth (%)	108.1	-9.2	20.1
Net income growth (%)	28.8	-374.2	14.8
ROE (%)	27.4	-15.9	11.0
ROA (%)	-4.0	3.7	1.3

• Trends

- ✓ Consolidation activity slowing
- ✓ Increasing OEM creep into the industry
- ✓ Increasing segmentation
- ✓ Heightened importance of management and credit quality
- ✓ Technology has improved ability to manage risks

• Recession Outlook

- ✓ Rental activity increases during recessions
- ✓ Banks become highly selective, shying away from the middle market
- ✓ Historically, leasing companies have used recessions as a time to expand their businesses
- ✓ Technology improvements will allow companies to respond more quickly, confidently and precisely, thus improving risk management
- ✓ Conclusion: Recession not to be feared

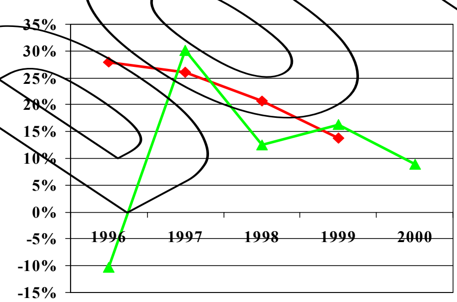
* See Exhibit 3
** See Exhibit 4

Why Heller *versus* Other Leasing Companies?*

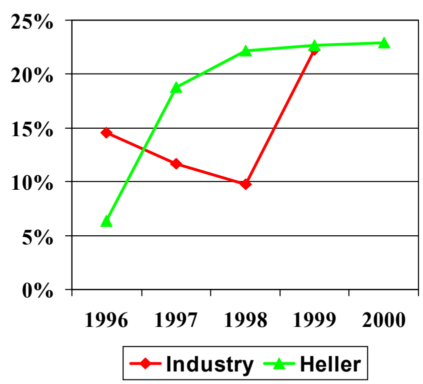
- ✓ The best target among Monitor's Top 25 Equipment Finance/Leasing companies
- ✓ High quality management
- ✓ Strong domestic and international brand name
- ✓ Recently implemented growth initiatives have been very successful
- ✓ Accelerating earnings momentum
- ✓ Broad origination platform
- ✓ Stable credit quality

Outpacing the Industry

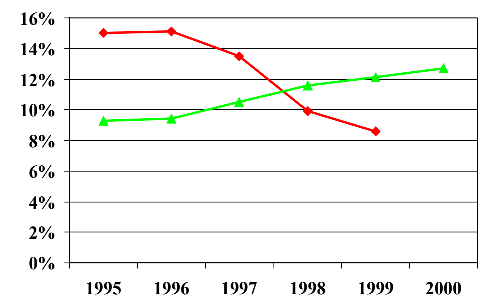
Sales growth



Net income growth



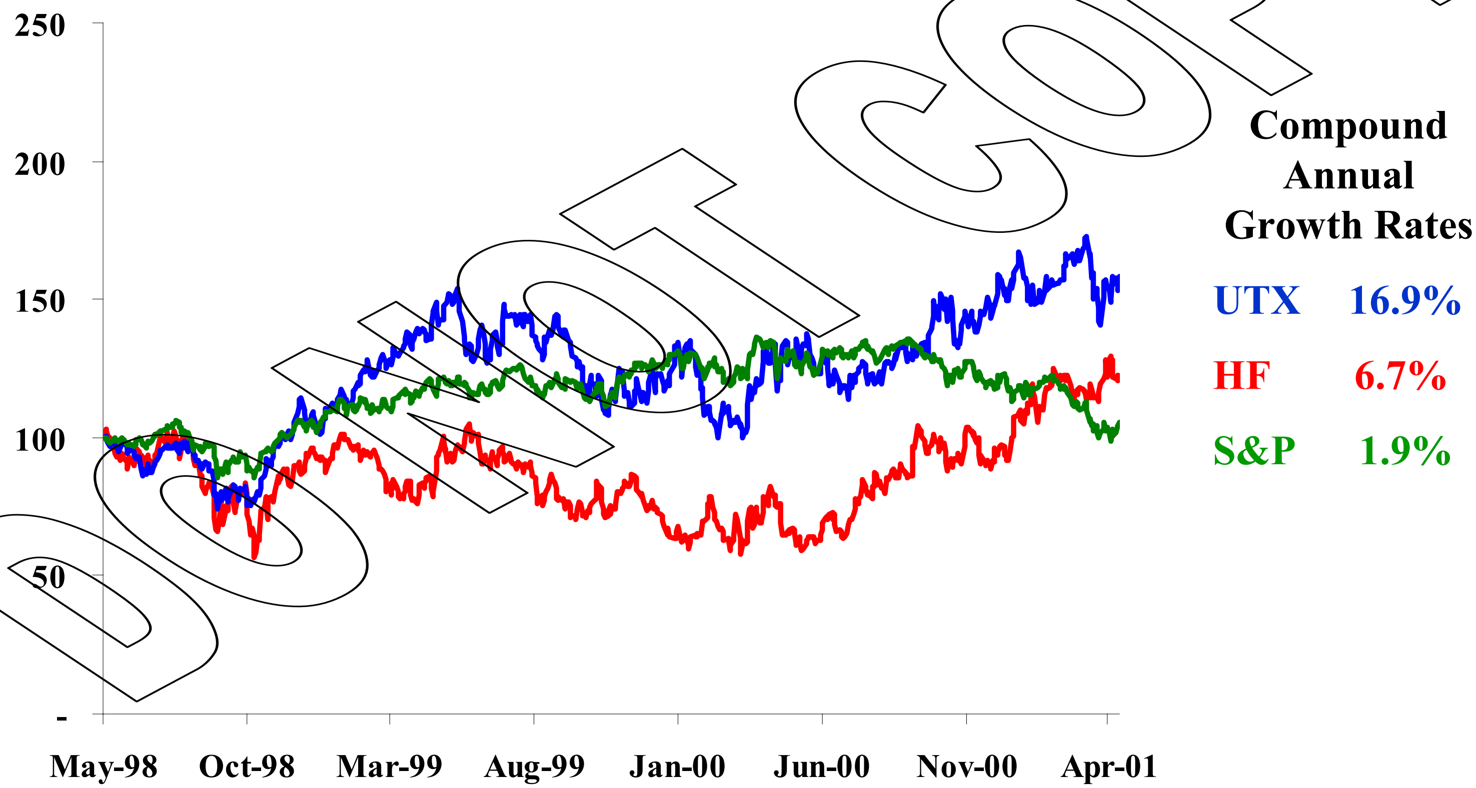
Return on Equity



* See Exhibit 5

Stock Performance

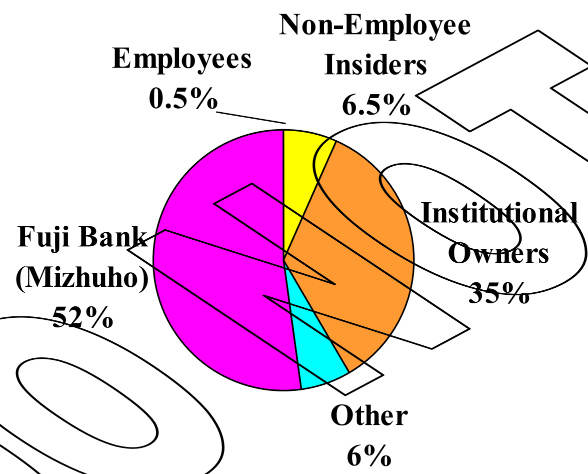
May 1998 – Current*



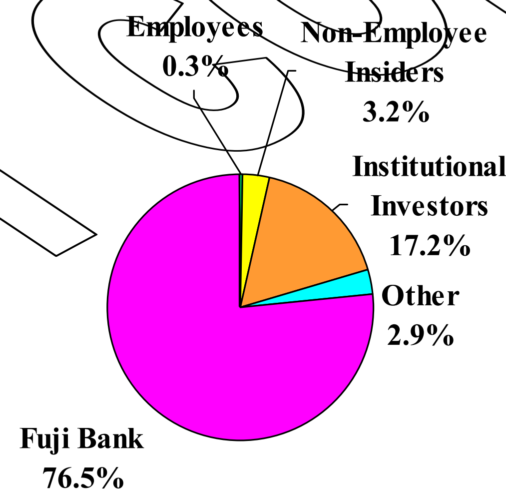
* As of 4/12/01

Ownership*

Economic



Voting



* See Exhibit 6

Market Multiples*

Company	Share Price	PEG Ratio	Price: Net Revenues	Price: Tangible Book	Price: 2000 EPS	Price: 2001 EPS	Price: 2002 EPS
Allied Capital Corp.	$19.90	0.64	9.26 x	1.65 x	11.94 x	8.66 x	7.60 x
Comdisco Inc.	1.20	0.03	0.75 x	13.84 x	0.05 x	0.67 x	0.90 x
DVI, Inc.	14.41	0.63	9.47 x	1.01 x	10.40 x	9.85 x	7.39 x
Financial Federal Corp.	24.30	0.95	7.41 x	2.31 x	15.77 x	18.54 x	16.32 x
GATX Corp.	38.27	1.09	1.34 x	148.07 x	60.57 x	14.60 x	12.63 x
Median of Leasing Companies		0.64	7.41 x	2.31 x	11.94 x	9.85 x	7.60 x
Bank of America Corp.	$52.45	1.55	1.51 x	1.83 x	11.62 x	10.73 x	9.75 x
Citigroup Inc	46.95	0.79	3.20 x	3.38 x	17.66 x	15.34 x	13.54 x
FleetBoston Financial Corp.	39.00	0.91	1.65 x	2.22 x	10.49 x	11.14 x	10.05 x
Median of Full Service Banks		0.93	1.65 x	2.22 x	11.62 x	11.14 x	10.05 x
Overall Low:		0.03	0.75 x	1.01 x	0.05 x	0.67 x	0.90 x
Overall Median:		0.85	2.42 x	2.27 x	11.78 x	10.93 x	9.90 x
Overall High:		1.55	9.47 x	148.07 x	60.57 x	18.54 x	16.32 x
Implied HF Share Price			$25.96	$60.50	$35.50		

* See Exhibit 7

Transaction Multiples*

Target	Acquiring Company	Equity Value	Equity Value Multiples: Net Revenue	Equity Value Multiples: Net Income	Equity Value Multiples: Book Value
Associates First Capital Corp.	Citigroup	30,938	2.36 x	20.57 x	30.05 x
CIT Group, The	Tyco International	9,417	2.57 x	14.93 x	0.13 x
Healthcare Financial Partners	Heller Financial Inc.	485	9.26 x	28.55 x	2.01 x
		Overall Low:	2.4 x	14.9 x	0.1 x
		Overall Median:	2.6 x	20.6 x	2.0 x
		Overall High:	9.3 x	28.5 x	30.0 x
Implied HF Share Price			$27.54	$61.97	$53.63

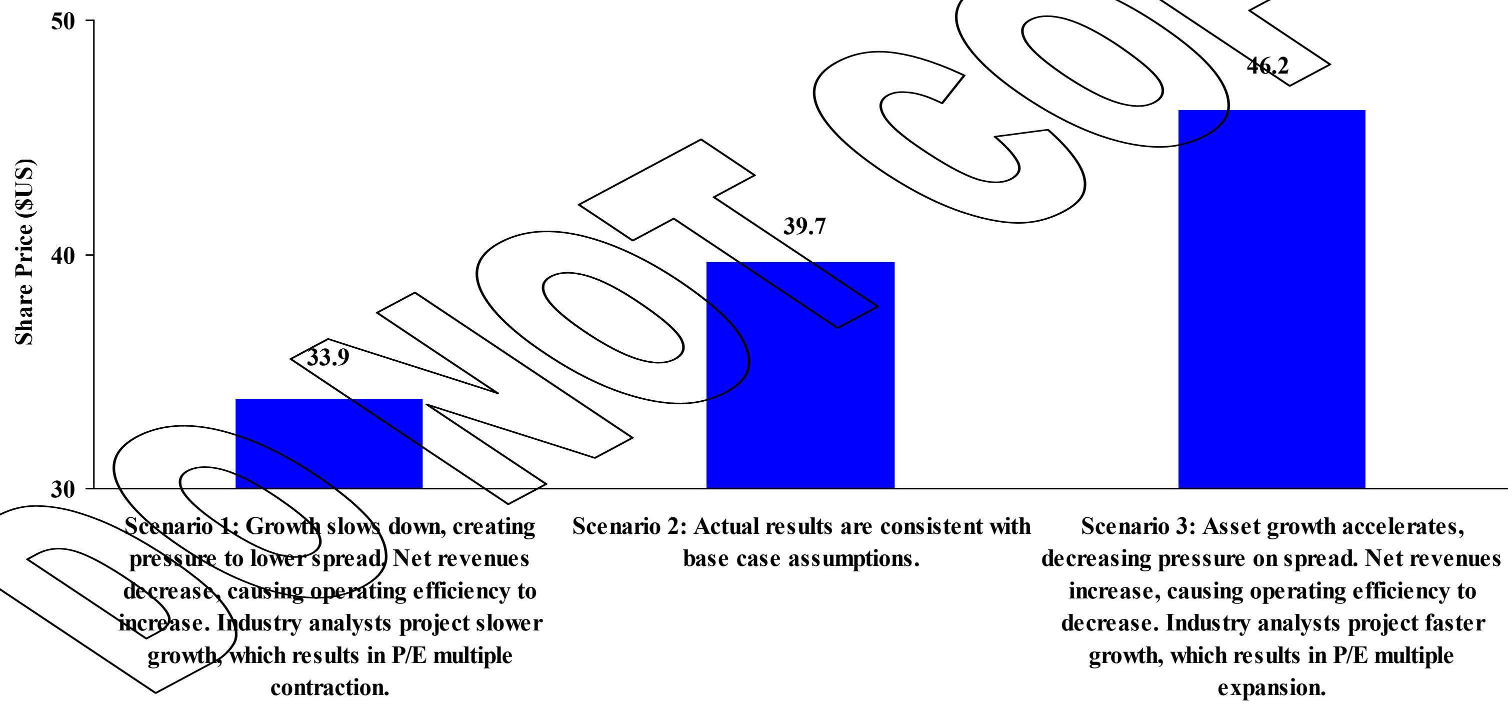
* See Exhibit 8

DCF Model Assumptions*

	2000A	2001E	2002-06E
Growth in Funds Employed	12.0%	12.6%	12.6%
Net Interest Margin	3.75%	3.75%	3.75%
Leverage Ratios			
Total Liabilities to Equity	6.79x	7.00x	7.00x
Senior Debt to Equity	6.08x	6.34x	6.38-6.48x
Efficiency Ratio	44%	42%	42%
Tax Rate	32%	32%	32%
Terminal Value P/E Multiple			8.75x
Cost of Equity			11.24%

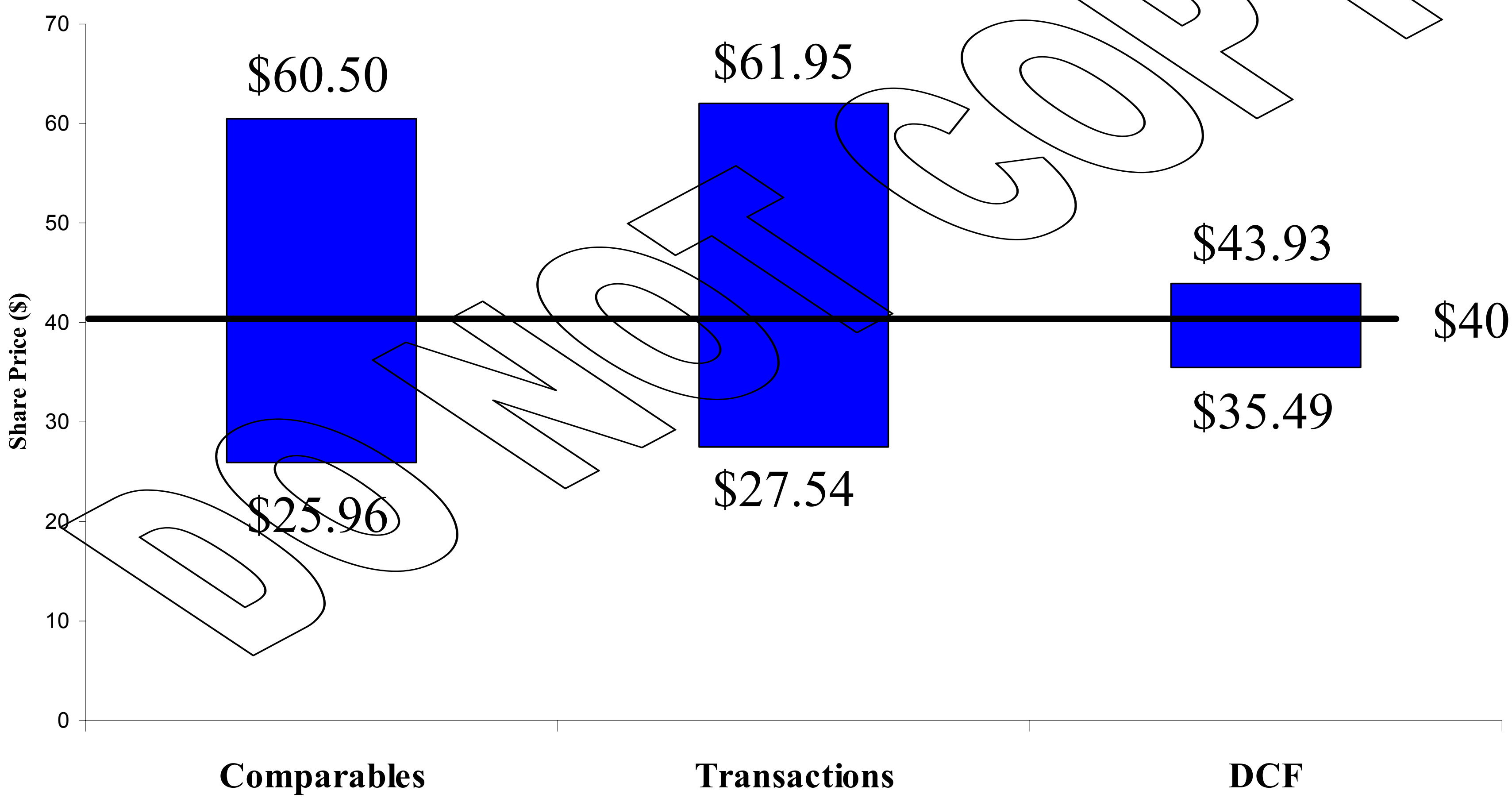
* See Exhibit 9

Stand Alone DCF Scenario Analysis



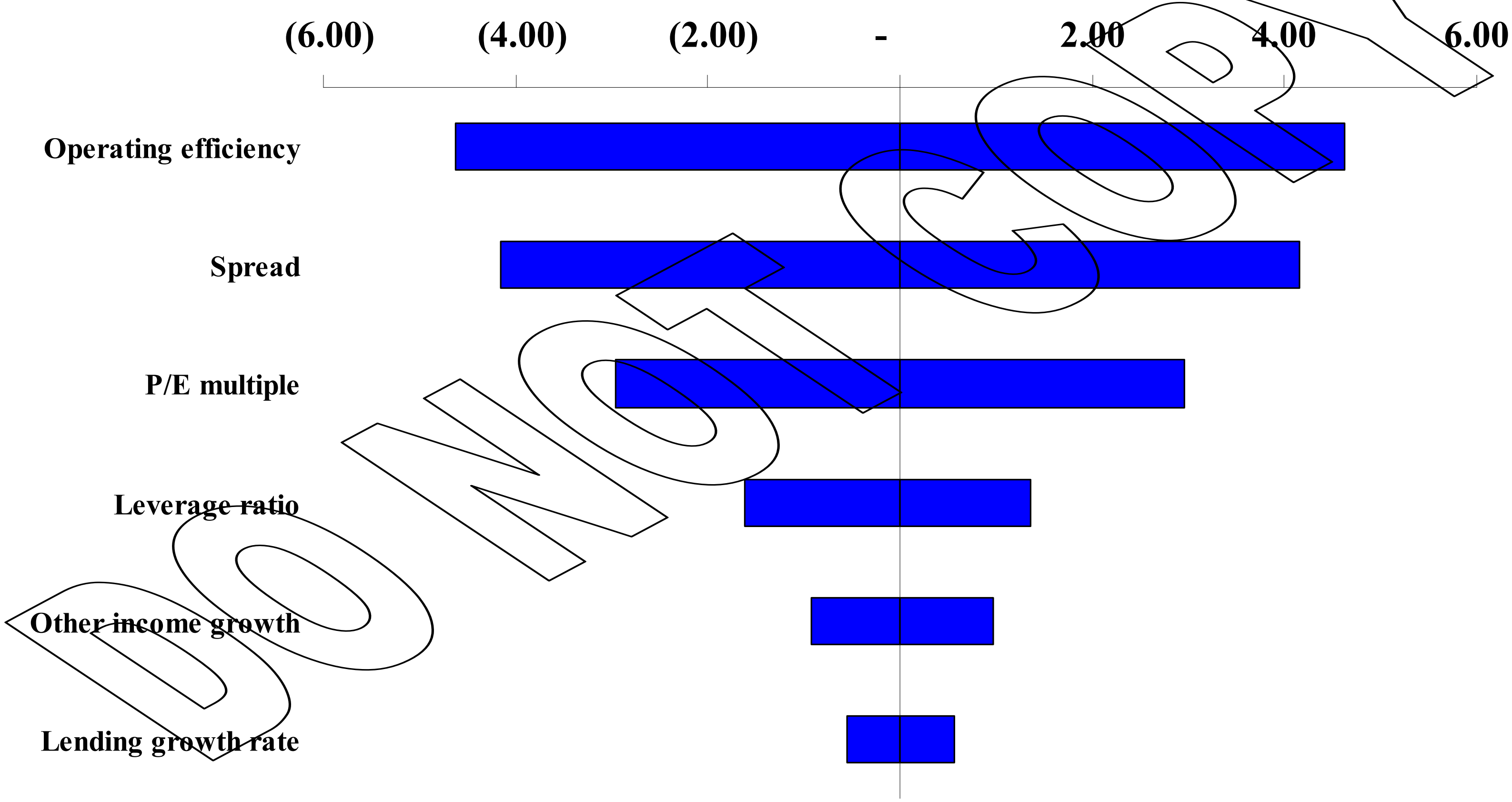
Note: This scenario analysis involves changing selected parameters +/-5% from the base case assumptions.

Stand Alone Valuation Summary



Sensitivity Analysis*

($ per share)



Note: Sensitivity based on 10% variations of base case.

* See Exhibit 10

Heller Integration with UTX

UTX Division	Heller Division	Fit with UTX
Carrier Otis A United Technologies Company	Special Purpose Property Group	Financing source for real property and equipment
Pratt & Whitney A United Technologies Company	Aircraft Finance Group	Financing for commercial aircraft and engines through operating leases and loans
International Fuel Cells A United Technologies Company Hamilton Sundstrand A United Technologies Company	Global Vendor Finance	Customized sales financing programs in commercial, industrial and information technology markets

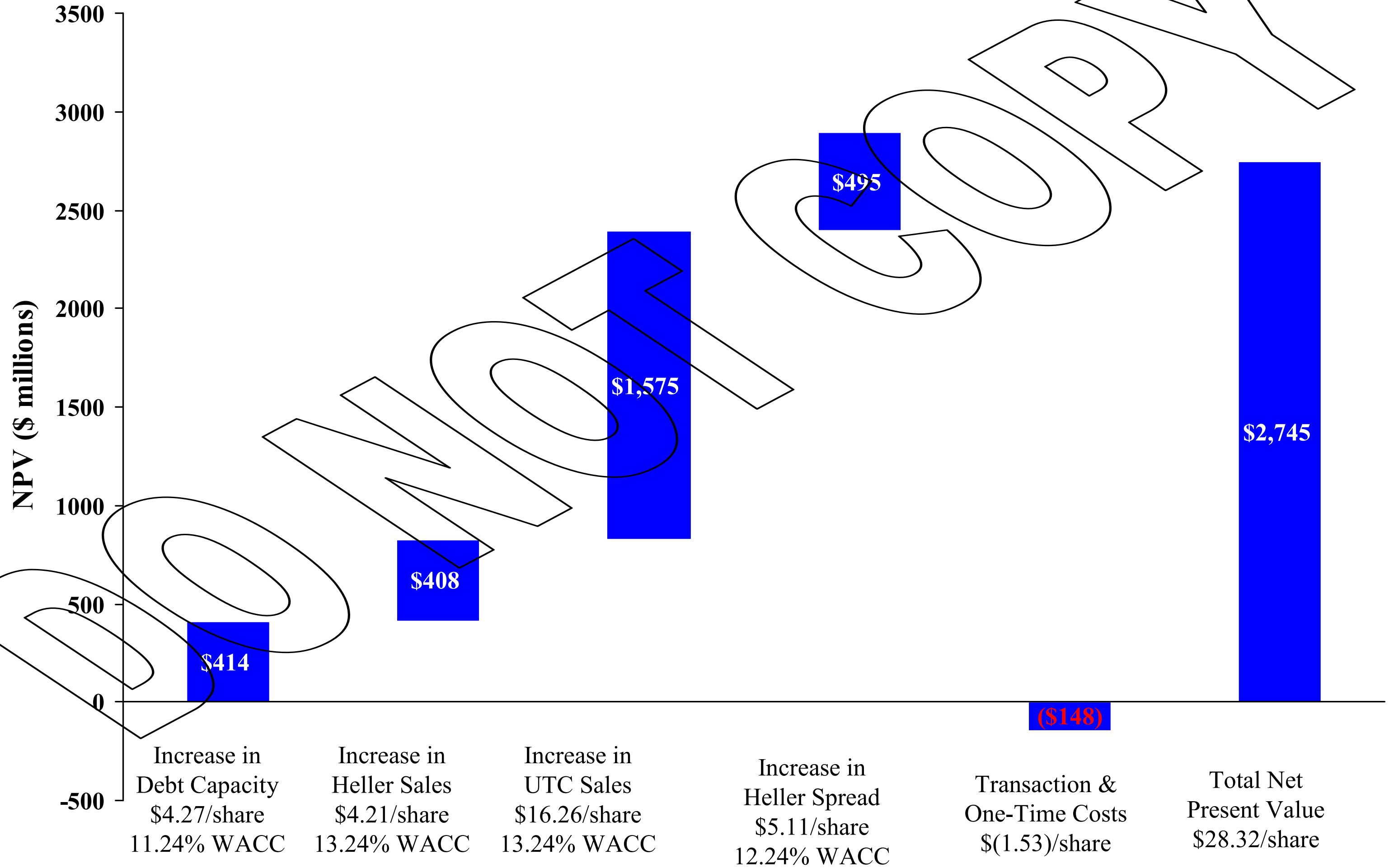
Impact to UTX

($ in millions except per share)

	2002E		2003E		2004E	
	amount increase	**% increase**	**amount increase**	**% increase**	**amount increase**	**% increase**
Net Revenue	$2,003	6.9%	$3,007	10.2%	$4,276	13.2%
EBIT	701	17.0%	914	20.1%	1,173	23.4%
Net Income	348	15.1%	633	24.3%	796	27.8%
EPS	$ 0.63	13.4%	$ 1.17	21.4%	$ 1.47	24.5%
Ratio Analysis:						
ROA UTC	8.85%		9.62%		10.17%	
ROA Heller	1.46%		1.44%		1.41%	
ROA Total	4.97%		5.64%		5.90%	
Decrease in ROA (1)	-3.88%		-3.98%		-4.28%	
Debt/Total Cap UTC	30.89%					
Debt/Total Cap Heller	85.79%					
Debt/Total Cap Total	45.46%					
Increase in Debt/Total Capitalization (2)	14.58%					

(1) Financial service firms have very low ROA's which is the reason for the large decrease in UTC's new ROA. The analysts should see through this disparity since they are familiar with GE and GE Capital's impact on ROA.
(2) Change in debt/total capitalization has only been estimated for 2002 because UTC's future capitalization levels are unknown.

Synergies NPV*



* See Exhibits 11&12   Terminal Value is calculated at 8.75X earnings

Risks

- **Cost depends on stock price up to $87.12/share**
- **Ability to acquire HF**
  - ✓ Japanese owners have controlling interest
  - ✓ Issue enough shares at right price
  - ✓ Regulatory approvals
- **Integration risk**
  - ✓ UTX is not in the financial services business
  - ✓ Synergies are primarily revenue related
  - ✓ Employees must stay with company
- **Economic and business conditions**
  - ✓ Sensitivity to interest rate conditions
- **Quality of HF's assets***
- **Ability to maintain UTX's debt rating**

* See Exhibit 16

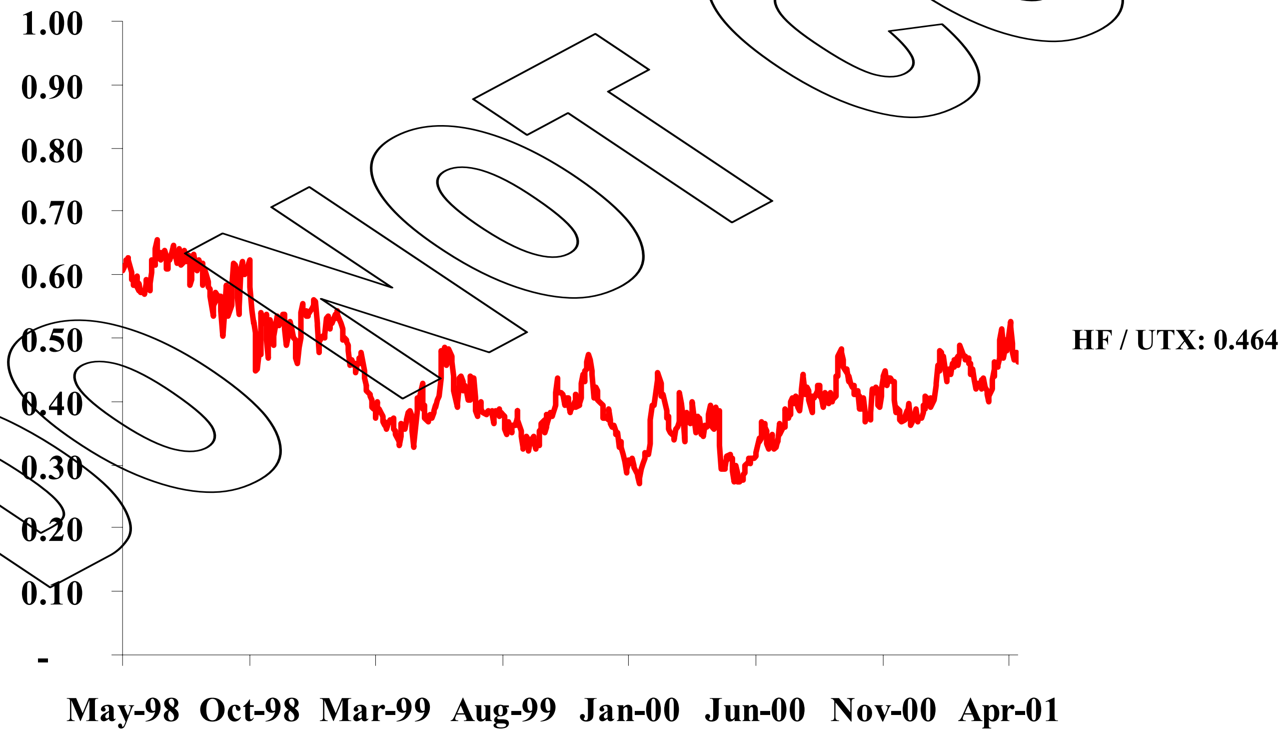
Bidding Strategy

- **Bidding should be bound by the following:**
  - ✓ Upper bound – $66.50 per share which includes the DCF value for Heller and 100% of anticipated synergies.
  - ✓ Lower bound – $33.95 current market price per share.
  - ✓ Other considerations – Expected Value Not to Tender (EVNT) of $43 per share will replace the market price as the lower bound if other bidders are anticipated.*
- **Heller is rumored to be "in play"**
  - ✓ Current market share price may already contain some acquisition premium.
  - ✓ UTC must bid enough to decisively gain target shareholder approval, thereby reducing the threat of other bidders.
- **We recommend an initial bid of $50 per share (47% premium)**

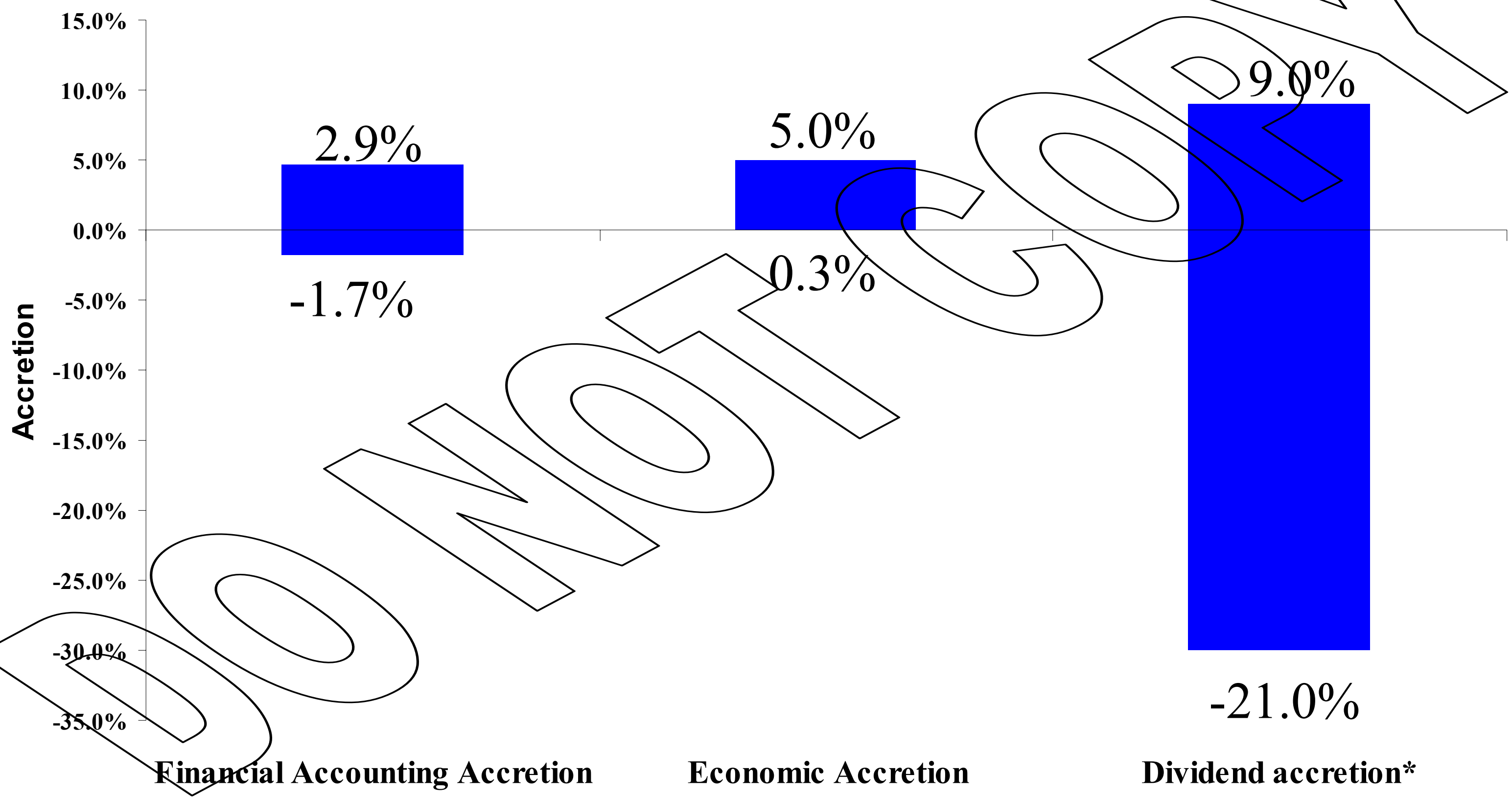
* See Exhibits 14 & 15

HF/ UTX Exchange Ratio

May 1998 - Current*



Accretion/Dilution Analysis**



Note: Accretion ranges correspond to Heller's share price between $45 and $65.

*Dividend accretion estimated assuming dividends of 25% of diluted EPS for UTX and 24% for HF.

UTX voting rights: Existing UTX shareholders will own 90% and 86% of the combined company after paying $45 and $65, respectively.

** See Exhibit 13

Exhibit 1: Industrial Affiliates Dominate the Equipment Leasing Industry

The 100 Largest Equipment Finance/Leasing Companies in the U.S.

Rank 1999	Rank 1998	Company	Net Assets 1999	Net Assets 1998	% Growth
1	**1**	**GE Capital**	**81,701**	**71,267**	**14.6%**
2	5	CIT Group	35,086	33,093	6.0%
3	**2**	**IBM Global Financing**	**29,374**	**28,801**	**2.0%**
4	4	Associates Commercial	20,279	16,759	21.0%
5	-	International Lease Finance	16,153	14,962	8.0%
6	6	Banc of America Lsg & Capital	13,700	12,823	6.8%
7	**7**	**Caterpillar Financial**	**13,347**	**12,184**	**9.5%**
8	22	Fleet Capital	12,939	11,073	16.8%
9	8	Citigroup Global/EF	11,881	10,489	13.3%
10	14	CNH Capital	9,655	8,386	15.1%
11	9	First Union Leasing	8,839	7,370	19.9%
12	**10**	**John Deere Credit**	**8,553**	**7,046**	**21.4%**
13	13	Banc One Leasing	7,665	6,170	24.2%
14	15	Key Equipment Finance	7,029	5,940	18.3%
15	**12**	**Philip Morris Capital**	**6,649**	**5,238**	**26.9%**
16	17	Finova Capital	5,687	5,120	11.1%
17	**18**	**Hewlett-Packard Tech Finance**	**5,540**	**4,610**	**20.2%**
18	16	Comdisco	5,201	5,497	-5.4%
19	**-**	**Mercedez-Benz Credit**	**5,145**	**4,188**	**22.9%**
20	20	GATX Capital	5,056	4,716	7.2%
21	**19**	**Xerox Credit**	**4,924**	**5,009**	**-1.7%**
22	**-**	**Ryder System**	**4,580**	**4,365**	**4.9%**
23	**23**	**Navistar Financial**	**4,229**	**3,618**	**16.9%**
24	27	Heller Financial	4,100	3,346	22.5%
25	24	BNY Capital Funding	3,924	3,464	13.3%
26	**26**	**Pitney Bowes Credit**	**3,799**	**3,404**	**11.6%**
27	25	US Bancorp Lsg & Financial	3,629	3,432	5.7%
28	**31**	**Chrysler Capital**	**3,315**	**2,858**	**16.0%**
29	29	Mellon Leasing	3,233	2,968	8.9%
30	30	ORIX Credit Alliance	3,203	2,910	10.1%
31	36	Copelco Capital	3,145	2,439	28.9%
32	28	BTM Capital	3,113	3,264	-4.6%
33	**40**	**Textron Financial**	**3,102**	**2,154**	**44.0%**
34	**33**	**Bell Atlantic Credit**	**3,028**	**2,742**	**10.4%**
35	34	Paccar Financial	2,970	2,520	17.8%
36	**32**	**Boeing Capital**	**2,908**	**2,800**	**3.9%**
37	55	UniCapital Corp	2,765	804	244.1%
38	38	Wells Fargo EF	2,762	2,221	24.4%
39	35	IOS Capital	2,736	2,603	5.1%
40	59	Transamerica Equip Financial	2,626	1,733	51.5%
41	**42**	**Volvo Commercial Finance**	**2,326**	**1,570**	**48.1%**
42	46	EAB Leasing	2,104	1,469	43.2%
43	41	Fifth Third Leasing	2,065	1,656	24.7%
44	-	debis Capital Services	1,983	1,673	18.6%
45	43	De Lage Landen Financial	1,962	1,537	27.6%
46	45	Firstar Equipment Finance	1,907	1,490	28.0%
47	**47**	**Dana Commercial Credit**	**1,800**	**1,394**	**29.1%**
48	44	Lease Plan USA	1,795	1,498	19.8%
49	48	PNC Leasing	1,792	1,393	28.6%
50	**-**	**Compaq Financial Services**	**1,632**	**723**	**125.8%**
			396,933	**348,790**	

Rank 1999	Rank 1998	Company	1999
51	56	SunTrust Leasing	1,601
52	51	LaSalle National Leasing	1,563
53	50	State Street Bank & Trust	1,542
54	49	National City Leasing	1,505
55	57	DVI Inc	1,475
56	58	SierraCities.com	1,449
57	-	Chase Equipment Leasing	1,380
58	54	Safeco Credit	1,369
59	52	Farm Credit Leasing	1,355
60	**63**	**Siemens Credit**	**1,297**
61	70	ICX Corporation	1,240
62	53	HSBC/EFD	1,190
63	61	First Security Leasing	1,155
64	74	Wachovia Leasing	1,125
65	**62**	**Hitachi Credit America**	**1,098**
66	95	AmSouth Leasing	1,044
67	67	Financial Federal	1,015
68	**64**	**Rollins Truck Leasing**	**1,012**
69	69	El Camino Resources Int'l.	943
70	60	PLM International	918
71	75	Norlease	846
72	71	Comerica Leasing	817
73	72	Advanta Leasing Services	809
74	-	Provident Commercial	693
75	78	Sumitomo Bank Lsg & Finance	679
76	65	Charter Financial	675
77	94	Citizens Leasing	649
78	76	ATEL Capital	646
79	77	Allfirst Leasing	640
80	**81**	**GTE Leasing**	**563**
81	84	Summit Commercial Leasing	563
82	**86**	**Canon Financial Services**	**555**
83	-	Information Leasing	544
84	87	Computer Sales International	533
85	**-**	**ICON Capital**	**526**
86	90	HPSC Inc.	518
87	88	Forsythe Technology	509
88	89	TCF Leasing	493
89	85	Diamond Leasing	475
90	-	LINC Capital	466
91	91	First Hawaiian Leasing	439
92	80	Amplicon	406
93	82	Meridian Group	396
94	92	Norwest Financial Leasing	373
95	97	Reyna Capital	372
96	98	M&I First National Leasing	328
97	-	IBJ Whitehall Business Credit	276
98	-	Old Kent Leasing	262
99	-	GreatAmerica Leasing	262
100	-	BB&T Leasing	252
			40,840
		Total	**437,772**

Bolded items represent leasing companies with industrial parents.
Source: Monitor, http://www.monitordaily.com/mon100/mon100_00/asset00.html

Exhibit2a: A Selected Sample of Monitor 100 Companies Ranked by Pre-Tax Margin

	Revenue		Pre-Tax Income		Pre-Tax Margin	
Sales	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**
BOEING CAPITAL	285	260	127	105	44.4%	40.2%
FINANCIAL FEDERAL	89	73	37	28	41.3%	38.2%
NAVISTAR FINANCIAL CORP	328	276	101	85	30.9%	30.9%
TEXTRON FINANCIAL	463	367	129	113	27.8%	30.7%
DVI INC	134	95	35	23	26.2%	23.7%
JOHN DEERE CREDIT	1,137	973	275	256	24.2%	26.3%
ORIX CREDIT ALLIANCE	280	249	56	63	19.9%	25.4%
FINOVA GROUP	1,347	1,113	355	266	26.4%	23.9%
CIT GROUP	2,917	2,271	597	524	20.5%	23.1%
ASSOCIATES FIRST CAPITAL	12,131	9,377	2,377	1,941	19.6%	20.7%
HELLER FINANCIAL	**1,716**	**1,407**	**439**	**290**	**25.6%**	**20.6%**
PACCAR FINANCIAL	247	213	54	40	21.9%	19.0%
GATX CAPITAL	545	467	121	123	22.2%	26.4%
CATERPILLAR FINANCIAL	1,188	1,046	203	179	17.1%	17.1%
ROLLINS TRUCK LEASING	627	610	93	85	14.8%	13.9%
GE CAPITAL	46,605	41,405	5,761	4,559	12.4%	11.0%
COMDISCO	4,159	3,243	75	240	1.8%	7.4%

Exhibit 2b: UTX Growth and Margins Will be Enhanced

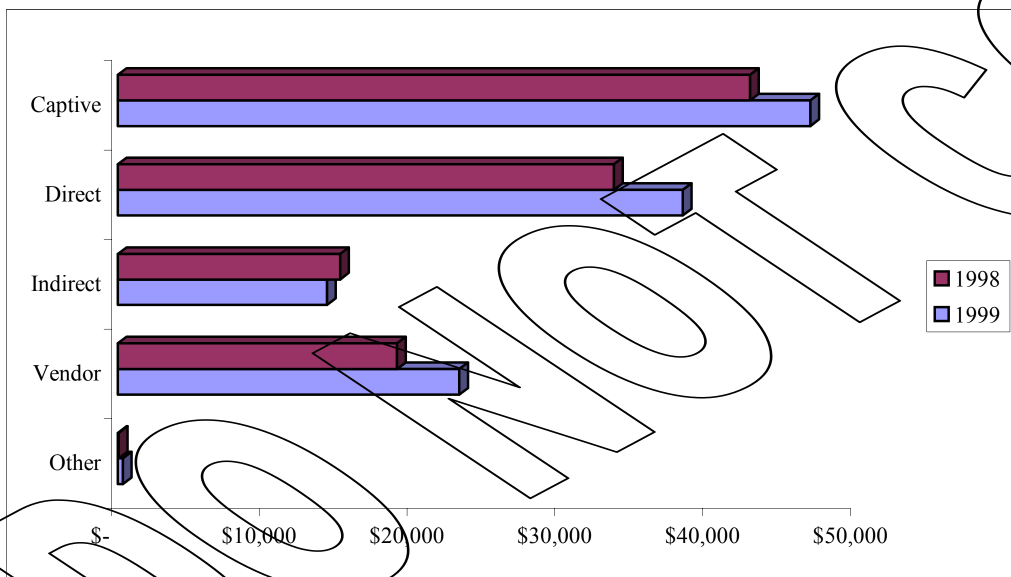
Standalone	2000	2001E	2002E
UTX			
Sales	26,583	27,945	28,875
Operating income	3,140	3,748	4,111
Net income	1,808	2,040	2,304
Sales growth	10.2%	5.1%	3.3%
EBT growth	23.0%	19.4%	9.7%
Net income growth	21.3%	12.8%	12.9%
Operating margin	11.8%	13.4%	14.2%
Net margin	6.8%	7.3%	8.0%
Heller			
Operating revenue	1,037	1,173	1,320
EBT	431	487	546
Net income	290	329	369
Sales growth	8.9%	13.1%	12.5%
EBT growth	20.1%	12.9%	12.2%
Net income growth	22.9%	13.4%	12.2%
EBT margin	41.6%	41.5%	41.3%

Combined	2000	2001E	2002E
UTX			
Sales	26,583	29,118	30,195
Operating income	3,140	4,234	4,657
Net income	1,808	2,369	2,673
Sales growth	10.2%	9.5%	3.7%
EBT growth	23.0%	34.8%	10.0%
Net income growth	21.3%	31.0%	12.8%
Operating margin	11.8%	14.5%	15.4%
Net margin	6.8%	8.1%	8.9%

Exhibit 3: Monitor's Annual Survey of Equipment Finance/Leasing Companies

Origination Sources (1999 vs. 1998)

80 Responses (millions)



1999 Originations by Asset Class

72 Responses (billions)

Trucks/Trailers	$28
Construction	14.3
Info Tech	14.1
Commercial Air	10.2
Agriculture	9.5
Copier/Fax	6.9
Manufacturing	5.4
Rail	3.6
Telecommunications	3.4
Medical	3.3
Corporate Air	2.0
FF&E	2.0
Material Handling	1.9
Marine	1.6
Machine Tools	1.5
Energy Related	1.5
Golf Related	1.0
Other	11.6
Total	**$121.7**

% of Total Volume in Sample = 58%

Source: http://www.monitordaily.como/mon100/mon100_00/volact00.html

Exhibits 4: Trends in the Commercial Finance Industry

Sales	1995	1996	1997	1998	1999	1998 3 Yr CAGR	1999 3 Yr CAGR
XEROX CREDIT CORP	352	340	351	388	435	3.3%	8.6%
CATERPILLAR FINANCIAL SVCS	612	678	792	1,046	1,188	19.6%	20.6%
CIT GROUP INC	1,714	1,890	2,073	2,271	2,917	9.8%	15.6%
COMDISCO INC	2,235	2,390	2,757	3,218	4,149	12.9%	20.2%
FINOVA GROUP INC	782	811	975	1,113	1,347	12.5%	18.4%
GATX CAPITAL CORP	218	338	585	597	484	39.9%	12.7%
GENERAL ELECTRIC CAP CORP	21,066	26,485	33,990	41,405	46,605	25.3%	20.7%
HELLER FINANCIAL INC	**1,049**	**941**	**1,224**	**1,377**	**1,602**	**9.5%**	**19.4%**
IBM CREDIT CORP	2,488	2,540	3,119	3,761	4,033	14.8%	16.7%
NAVISTAR FINANCIAL CORP	228	253	235	276	328	6.5%	9.1%
PACCAR FINANCIAL CORP	180	193	197	213	247	5.7%	8.6%
PITNEY BOWES CREDIT CORP	676	769	779	646	577	-1.5%	-9.2%
AMRESCO INC	110	200	410	527	430	68.3%	29.0%
DVI INC	39	57	70	95	134	34.7%	33.1%
HPSC INC	13	19	27	38	45	43.1%	33.1%
KBK CAPITAL CORP	11	12	15	18	19	17.9%	16.2%
NATIONAL RURAL UTIL COOP CP	505	564	638	791	1,021	16.1%	21.8%
OCWEN FINANCIAL CORP	NA	269	420	419	399	NA	14.0%
ORIX CORP -SPON ADR	NA	2,739	3,695	5,015	5,808	NA	28.5%
SIERRACITIES.COM INC	7	11	34	61	102	109.5%	108.1%
Total	**32,284**	**41,500**	**52,384**	**63,274**	**71,869**	**25.1%**	**20.1%**
Yearly growth		*28.5%*	*26.2%*	*20.8%*	*13.6%*		

Percent	3 Yr Ave ROE
XEROX CREDIT CORP	16.3
CATERPILLAR FINANCIAL SVCS	10.1
CIT GROUP INC	9.9
COMDISCO INC	13.7
FINOVA GROUP INC	13.1
GATX CAPITAL CORP	15.1
GENERAL ELECTRIC CAP CORP	16.0
HELLER FINANCIAL INC	**12.1**
IBM CREDIT CORP	17.6
NAVISTAR FINANCIAL CORP	19.9
PACCAR FINANCIAL CORP	8.5
PITNEY BOWES CREDIT CORP	16.3
AMRESCO INC	(15.9)
DVI INC	9.5
HPSC INC	5.1
KBK CAPITAL CORP	6.1
NATIONAL RURAL UTIL COOP CP	27.4
OCWEN FINANCIAL CORP	7.0
ORIX CORP -SPON ADR	7.5
SIERRACITIES.COM INC	5.0
Averages	**11.0**

Net income	1995	1996	1997	1998	1999	1998 3 Yr CAGR	1999 3 Yr CAGR
XEROX CREDIT CORP	71	73	73	82	110	4.9%	14.6%
CATERPILLAR FINANCIAL SVCS	65	76	94	112	128	19.6%	19.2%
CIT GROUP INC	225	260	310	339	389	14.6%	14.4%
COMDISCO INC	104	114	131	153	48	13.7%	-25.0%
FINOVA GROUP INC	98	116	139	160	215	18.0%	22.7%
GATX CAPITAL CORP	33	46	54	59	72	22.1%	16.0%
GENERAL ELECTRIC CAP CORP	2,261	2,632	2,729	3,374	4,208	14.3%	16.9%
HELLER FINANCIAL INC	**125**	**133**	**158**	**193**	**284**	**15.6%**	**28.8%**
IBM CREDIT CORP	230	271	284	309	430	10.2%	16.6%
NAVISTAR FINANCIAL CORP	36	49	46	53	63	13.5%	8.2%
PACCAR FINANCIAL CORP	28	32	31	25	33	-4.1%	1.5%
PITNEY BOWES CREDIT CORP	159	179	195	199	190	7.8%	2.0%
AMRESCO INC	52	9	39	@NC	@NC	NA	NA
DVI INC	15	47	58	47	34	47.6%	-10.2%
HELM CAPITAL GROUP INC	15	18	0	0	0	-71.8%	-74.2%
HPSC INC	@NC	@NC	36	@NC	46	NA	NA
KBK CAPITAL CORP	13	3	8	9	(54)	-12.6%	-374.2%
NATIONAL RURAL UTIL COOP CP	7	18	11	15	29	29.9%	16.4%
OCWEN FINANCIAL CORP	@NC	@NC	57	@NC	(36)	NA	NA
ORIX CORP -SPON ADR	@NC	@NC	16	19	23	NA	NA
SIERRACITIES.COM INC	@NC	48	205	@NC	23	NA	-21.0%
Total	**3,537**	**4,124**	**4,673**	**5,147**	**6,235**	**13.3%**	**14.8%**
Yearly growth		*16.6%*	*13.3%*	*10.1%*	*21.1%*		

Source: S&P's Research Insight Database

Exhibit 5: Selected Analyst Commentary

Date	Firm (Analyst)	Price	2001E EPS	2002E EPS	Price Target	Time Period	Rating	Comments
03/16/01	Raymond James Associates (Michael T. Vinciquerra)	$33.05	$3.02	$3.43	$42.00	12-month	Buy	-HF operates in markets that continue to expand. Analyst believes it can produce double-digit earnings growth, while improving returns on capital. - HF's valuation appears to be in a cyclical trough. - HF positioned in sweet spot of the lending demand curve.
03/30/01	Lehman Brothers (Bruce W. Harding)	37.00	3.10	3.55	40.00	NA	Strong Buy	- HF is contributing to Fuji Bank and analysts does not believe Fuji is actively looking for a buyer. However, HF will be acquired by somebody sooner or later because it is the only large independent commercial lender left; it's market cap is not large enough to attract substantial interest from institutional investors; HF is not a part of Fuji's long-term strategy; and HF should be more valuable over the long-term to potential US strategic buyers than to Fuji.
01/24/01	ABN-AMRO (Robert P. Napoli)	33.50	3.10	3.55	40.00	12-month	Buy	- HF's focus on financing small and midsize companies, a fragmented and growing market, its leadership positions in many segments, strong origination platform, and brand name give it access to several quality loan growth opportunities in the US and international markets.
01/22/01	Salomon Smith Barney (Sonia Parechanian)	32.00	3.05	NA	36.00	12-month	Buy, High Risk	- Overall, trends look very good. - Competitors increasingly pursuing global strategies. HF is already established in Europe. - There is some softness in industries Heller serves and management has been selective in asset growth compared to competitors. - Newer businesses, healthcare, and vendor finance will help HF achieve higher margins. - Challenges include maintaining portfolio diversity, tougher revenue growth comparisons, a possible softening of the economy, and competition. - HF's efficiency ratio reveals excellent cost control.
01/22/01	UBS Warburg (Alison Williams)	32.00	3.05	3.50	35.00	12-month	Hold	- Management has transformed HF into a well-diversified asset-based lender. - HF is protected against interest rate risk and has several protections against a a slowing economy. - HF has solid asset quality and overall healthy balance sheet.

Exhibit 5: Selected Analyst Commentary (Continued)

Date	Firm (Analyst)	Price	2001E EPS	2002E EPS	Price Target	Time Period	Rating	Comments
01/19/01	US Bancorp Piper Jaffray (Michael J. Grondahl)	32.25	3.05	NA	35.00	12-month	Buy	- HF has a broad origination platform, diversified low-cost funding sources, and stable credit quality to support 15-17% growth. - HF has implemented a program to drive leaner, more efficient business operations.
11/07/00	Deutsche Banc Alex. Brown (Mark C. Alpert)	29.69	3.06	NA	34.00	12-month	Buy	- HF's performance has been recognized in the fixed income markets as its debt was placed on outlook for an upgrade by Moody's (September 27, 2000). Moody's cited strides in improving credit profile, selective underwriting, diversification, and liquidity. The analyst believes that an earnings upgrade could shave 10 bps off of Heller's funding costs.
	Mean		**$3.07**	**$3.53**	**37.43**			

Exhibit 6: Heller Ownership

	Total Shares	Percent of Shares	Votes per Share	Total Votes	Percent of Votes
A Shares:					
Employees	532,577	0.5%	1.00	532,577	0.3%
Other Insiders	6,338,205	6.5%	1.00	6,338,205	3.2%
Institutional Owners	34,353,910	35.0%	1.00	34,353,910	17.2%
Other	5,879,336	6.0%	1.00	5,879,336	2.9%
B Shares:					
Fuji Bank (Mizuho)	51,050,000	52.0%	3.00	153,150,000	76.5%
Total	98,154,028	100.0%		200,254,028	100.0%

Note: Float is 40%.

Source: ABN Amro Jan 24 2001 analyst report; CSFB March 15 2001 analyst report; Heller Proxy of March 27 2001.

Exhibit 7a: Comparison of Selected Public Companies -- Historical Financial Analysis (1)

($ in millions except per share)

FINANCIALS:

			52-Week Range						Fiscal Year 2000		
Company	**Ticker**	**Market Price 4/16/01**	**High**	**Low**	**FY 2000 Diluted Shares Outst.**	**Equity Market Value**	**Net Debt** (2)	**Enterprise Value** (3)	**Net Revenues** (4)	**Net Income** (5)	**Tangible Book Value** (6)
Allied Capital Corp.	ALLC	$19.900	$25.250	$15.500	86	$1,709	$791	$2,500	$185	$143	$1,030
Bank of America Corp.	BAC	52.450	61.000	36.313	1,665	87,326	124,114	211,440	57,772	7,517	34,414
Citigroup Inc	C	46.950	59.125	39.000	5,122	240,487	348,720	589,207	75,188	13,618	64,461
Comdisco Inc.	CDO	1.200	41.188	1.950	160	192	4,762	4,954	255	3,867	14
DVI, Inc.	DVI	14.410	20.438	12.950	16	226	1,059	1,285	24	22	206
Financial Federal Corp. (7)	FIF	24.300	29.750	17.250	18	437	(3)	433	59	28	189
FleetBoston Financial Corp.	FBF	39.000	44.188	31.750	920	35,875	33,325	69,200	21,765	3,420	11,604
GATX Corp.	GMT	38.270	50.500	33.125	49	1,866	4,136	6,002	1,391	31	13
Heller Financial Inc.	HF	$33.950	$39.300	$16.500	96.90	$3,290	$15,332	$18,622	$1,038	$292	$1,717

FOOTNOTES:

(1) All data compiled from Bloomberg except figures related to FIF, which were compiled from SEC filings.

(2) Short-term debt plus long-term debt (including capitalized lease obligations and minority interests) and preferred stock, minus cash and marketable securities.

(3) Market value of equity plus net debt plus preferred equity & minority interests

(4) Revenues less interest expenses.

(5) Before non-recurring and extraordinary items (which are tax-effected in the case of recalculating net income).

(6) Total assets minus intangible assets, liabilities and the liquidation of outstanding preferred stock.B78

(7) FIF's fiscal year ends July 31st. Analysis for this company is on a last twelve month basis ending January 31, 2001.

Exhibit 7b: Comparison of Selected Public Companies -- Descriptions

Company	Ticker	Description	Net Revenues (1) ($ in million)
Allied Capital Corp.	ALLC	Principally a lender to and investor in private companies in a variety of different industries and in diverse geographic locations throughout the U.S. It is focused in three areas: private finance, commercial real estate finance and small business loans.	$185
Bank of America Corp.	BAC	Through its banking subsidiaries and various non-banking subsidiaries, the Corporation provides a diversified range of banking and non-banking financial services and products, primarily throughout the United States and in selected international markets.	$57,772
Citigroup Inc	C	Diversified holding company whose businesses provide a broad range of financial services to consumer and corporate customers around the world. Business segments include global consumer, global corporate and investment mgmt., private banking & investments.	$75,188
Comdisco Inc.	CDO	Provides global technology services to help its customers maxmize technology functionality, predictability and availability. The Company provides equipment leasing, continuity, managed network services, and desktop management solutions.	$255
DVI, Inc.	DVI	Provides asset-backed financing to healthcare service providers. Its core businesses are medical equipment finance and medical receivables finance, and it provides these services in the U.S., Latin America, the U.K., Europe, Asia and Australia.	$24
Financial Federal Corp.	FIF	Engaged in financing industrial, commercial and professional equipment through installment sales and leasing programs for manufacturers, dealers and users of such equipment.	$59
FleetBoston Financial Corp.	FBF	A diversified financial services company that is engaged in general commerical banking and investment management business throughout the United States. Company also provides a variety of other financial services in leading Latin markets.	$21,765
GATX Corp.	GMT	Principally engaged in leasing specialized railcars, primarily tank cars, under full service leases. Under its full service leases, it maintains and services its railcars, pays ad valorem taxes and provides many ancillary services.	$1,391
Heller Financial Inc.	HF	A worldwide, diverisified commerical finance company providing a broad array of financing solutions to middle-market and small business clients in the United States and selected international markets.	$1,038

FOOTNOTES:

(1) Revenues less interest expenses.

Exhibit 7c: Comparison of Selected Public Companies -- Analysis Summary

($ in millions except per share) (1)

Company	Fiscal Year 2000 Net Revenue (2)	Fiscal Year 2000 Net Income (3)	Fiscal Year 2000 Tangible Book (4)	Enterprise Value (5)	PEG Ratio	Price / Net Revenues (2)	Price / Tangible Book (4)	Price / 2000 EPS	Price / 2001 EPS	Price / 2002 EPS
Allied Capital Corp.	$185	$143	$1,030	$2,500	0.64	9.26 x	1.65 x	11.94 x	8.66 x	7.60 x
Comdisco Inc.	$255	$3,867	$14	$4,954	0.03	0.75 x	13.84 x	0.05 x	0.67 x	0.90 x
DVI, Inc.	$24	$22	$206	$1,285	0.63	9.47 x	1.01 x	10.40 x	9.85 x	7.39 x
Financial Federal Corp. (6)	$59	$28	$189	$433	0.95	7.41 x	2.31 x	15.77 x	18.54 x	16.32 x
GATX Corp.	$1,391	$31	$13	$6,002	1.09	1.34 x	148.07 x	60.57 x	14.60 x	12.63 x
Median of Leasing Companies	$185	$31	$189	$2,500	0.64	7.41 x	2.31 x	11.94 x	9.85 x	7.60 x
Bank of America Corp.	$57,772	$7,517	$34,414	$211,440	1.55	1.51 x	1.83 x	11.62 x	10.73 x	9.75 x
Citigroup Inc	$75,188	$13,618	$64,461	$589,207	0.79	3.20 x	3.38 x	17.66 x	15.34 x	13.54 x
FleetBoston Financial Corp.	$21,765	$3,420	$11,604	$69,200	0.91	1.65 x	2.22 x	10.49 x	11.14 x	10.05 x
Median of Full Service Banks	$11,578	$1,725	$5,896	$37,601	0.93	1.65 x	2.22 x	11.62 x	11.14 x	10.05 x
				Overall Low:	0.03	0.75 x	1.01 x	0.05 x	0.67 x	0.90 x
				Overall Median:	0.85	2.42 x	2.27 x	11.78 x	10.93 x	9.90 x
				Overall High:	1.55	9.47 x	148.07 x	60.57 x	18.54 x	16.32 x
Heller Financial Inc.	**$1,038**	**$292**	**$2,587**	**$18,622**	**0.70**	**3.17 x**	**1.27 x**	**11.27 x**	**11.08 x**	**9.65 x**

Exhibit 7c: Comparison of Selected Public Companies -- Analysis Summary (Continued)

Implied Valuation for Heller Financial, Inc.

Market Value:	Implied Multiples Low	Implied Multiples Median	Implied Multiples High	Heller Financial, Inc. 2000 FY	Implied Equity Values	Price Per Share	Implied Enterprise Value (5)
To Net Revenues	0.75 x	**2.42 x**	9.47 x	$1,038	$2,515	$25.96	$17,847
To Net Income	0.05 x	**11.78 x**	60.57 x	$292	$3,440	$35.50	$18,772
To Tangible Book Value (4)	1.01 x	**2.27 x**	148.07 x	$2,587	$5,862	$60.50	$21,194

FOOTNOTES:

(1) All data compiled from Bloomberg except figures related to FIF, which were compiled from SEC filings.

(2) Revenues less interest expenses.

(3) Before non-recurring and extraordinary items (which are tax-effected in the case of recalculating net income).

(4) Total assets minus intangible assets, liabilities and the liquidation of outstanding preferred stock.

(5) Market value of equity plus Net Debt. Net Debt is short-term debt plus long-term debt (including capitalized lease obligations and minority interests) and preferred stock, minus cash and marketable securities.

(6) FIF's fiscal year ends July 31st. Analysis for this company is on a last twelve month basis ending January 31, 2001.

Exhibit 8a: Comparison of Selected Mergers and Acquisitions -- Historical Financial Analysis

($ in millions except per share) (1)

FINANCIALS:

Target Company	Acquiring Company	Effective Date	Equity Value (2)	Net Debt (3)	12-Months Prior to Effective Date: Net Revenue (4)	Net Income (5)	Book Value (6)	Market Price Four Weeks Prior to Effective Date	Offer Price	Premium
Associates First Capital Corp.	Citigroup	11/30/00	$30,938	$40,818	$13,132	$1,504	$1,030	$29.00	$42.22	46%
CIT Group, The	Tyco International	pending	9,417	37,403	3,663	631	71,126	23.65	35.85	52%
Healthcare Financial Partners	Heller Financial Inc.	07/28/99	$485	($33)	52	17	242	25.13	35.00	39%
Heller Financial (7)					15,332	$292	$1,038	$292	$2,587	--

Average Premium 45%

RATIOS & MULTIPLES

Target Company	Ratios: Net Inc/ Net Rev.	Return on Equity	Net Income/ Assets	Debt/ Equity	Equity Multiples: Net Revenue	Net Income	Book Value
Associates First Capital Corp.	11%	146%	1.7%	7.131x	2.4 x	20.6 x	30.0 x
CIT Group, The	17%	1%	1.3%	6.31x	2.6 x	14.9 x	0.1 x
Healthcare Financial Partners	32%	7%	3.8%	0.0x	9.3 x	28.5 x	2.0 x

FOOTNOTES:

(1) Information compiled from Securities Data Corporation for Associates First Capital Corp. and Healthcare Financial Partners and from Bloomberg and SEC filings for The CIT Group.

(2) Acquisition price for shares.

(3) Short-term debt plus long-term debt (including capitalized lease obligations and minority interests) and preferred stock, minus cash and marketable securities.

(4) Revenues less interest expenses.

(5) Before non-recurring and extraordinary items (which are tax-effected in the case of recalculating net income).

(6) Represents common stockholders' equity.

(7) Represents figures as of FY 2000.

Exhibit 8b: Comparison of Selected Mergers and Acquisitions -- Descriptions

Target Company	Acquiror	Target Business Description	Date	Acquisition Price ($ in millions)
Associates First Capital Corp. (AFS)	Citigroup (C)	Finance company engaged in providing finance, leasing, and related services to individual consumers and businesses worldwide including home equity lending, personal lending, retail sales finance, and credit card receivables, retail financing, leasing, and wholesale financing for heavy duty and medium-duty trucks and truck trailers, construction, material handling and other industrial equipment, manufactured housing and auto fleet leasing and other commercial products and services.	11/30/00	$30,938
CIT Group, The (CIT)	Tyco International (TYC)	Diversified finance company engaging in vendor, equipment, commercial, consumer and structured financing and leasing activities. It operates extensively in the U.S. and Canada, with strategic locations in Europe, Latin & South Americas and Pacific Rim.	pending	$9,417
Healthcare Financial Partners (HCFP)	Heller Financial Inc. (HF)	Provider of asset-based financing to healthcare service providers. The primary focus is on clients operating in sub-markets of the healthcare industry.	07/28/99	$485

Exhibit 8c: Comparison of Selected Mergers and Acquisitions -- Analysis Summary

($ in millions except per share) (1)

Target	Acquiring Company	Equity Value	Equity Value Multiples (1) Net Revenue (3)	Net Income (4)	Book Value (5)
Associates First Capital Corp.	Citigroup	30,938	2.36 x	20.57 x	30.05 x
CIT Group, The	Tyco International	9,417	2.57 x	14.93 x	0.13 x
Healthcare Financial Partners	Heller Financial Inc.	485	9.26 x	28.55 x	2.01 x
		Overall Low:	2.4 x	14.9 x	0.1 x
		Overall Median:	2.6 x	20.6 x	2.0 x
		Overall High:	9.3 x	28.5 x	30.0 x

Equity Value	Implied Equity Multiples Low	Median	High	Heller Financial 2000 FY	Implied Equity Values	Per Share	Implied Enterprise Value (6)
To Net Revenues	2.36 x	**2.57 x**	9.26 x	$1,038	$2,669	$27.54	$18,001
To Net Income	14.93 x	**20.57 x**	28.55 x	$292	$6,005	$61.97	$21,337
To Book Value (4)	0.13 x	**2.01 x**	30.05 x	$2,587	$5,196	$53.63	$20,528

FOOTNOTES:

(1) All data compiled from Bloomberg except figures related to FIF, which were compiled from SEC filings.

(2) Equity Value based on acquisition price for shares.

(3) Revenues less interest expenses.

(4) Before non-recurring and extraordinary items (which are tax-effected in the case of recalculating net income).

(5) Represents common stockholders' equity.

(6) Market value of equity plus Net Debt. Net Debt is short-term debt plus long-term debt (including capitalized lease obligations and minority interests) and preferred stock, minus cash and marketable securities.

Exhibit 9a: Discounted Cash Flow Assumptions

	Actual	Projected					
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Balance Sheet							
Asset growth by business segment (1)							
Corporate Finance	6%	11%	11%	11%	11%	11%	11%
Leasing Services	29%	17%	17%	17%	17%	17%	17%
Real Estate Finance	5%	9%	9%	9%	9%	9%	9%
Small Business	10%	0%	-10%	-10%	-10%	-10%	-10%
Health Care	61%	22%	22%	22%	22%	22%	22%
International	-5%	11%	11%	11%	11%	11%	11%
Other	-25%	14%	14%	14%	14%	14%	14%
Client factoring balances owed % of lending assets (2)	5%	5%	5%	5%	5%	5%	5%
Investments as % of recievables (2)	18%	18%	18%	18%	18%	18%	18%
Leverage ratio (3)	6.79	700%	700%	7.00	7.00	7.00	7.00
Other assets as % of lending and investment assets (2)	9%	9%	9%	9%	9%	9%	9%
Minority interest % of assets (2)	0.1%	0%	0%	0.1%	0.1%	0.1%	0.1%
Income Statement							
Interest							
Net interest income as % of average funds employed (4)	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Other income growth (5)							
Factoring income	-38.7%	12%	12.00%	12.0%	12.0%	12.0%	12.0%
International JV	8.6%	10%	10.00%	10.0%	10.0%	10.0%	10.0%
Fees	-15.3%	12%	12.00%	12.0%	12.0%	12.0%	12.0%
Investment gains	16.6%	5%	5.00%	5.0%	5.0%	5.0%	5.0%
Total other income as % of interest income	**65.0%**	**65%**	65.00%	**65.0%**	**65.0%**	**65.0%**	**65.0%**
Expenses							
Operational efficiency (6)	44%	42%	42%	42%	42%	42%	42%
Provision for losses as % of average funds employed (2)	0.9%	1%	1%	0.9%	0.9%	0.9%	0.9%
Tax rate (2)	**32%**	**32%**	32%	**32%**	**32%**	**32%**	**32%**

Exhibit 9a: Discounted Cash Flow Assumptions (Continued)

	Actual 2000	Projected 2001	2002	2003	2004	2005	2006
Capital							
Diluted Shares (millions) (7)	96.9						
Beta (7)	0.94						
Risk free (8)	5.60%						
Market premium	6.00%						
Ke	11.24%						
Terminal growth rate (9)	3.00%						
Preferred stock dividend payout ratio in 2000 (10)	10.00%						

FOOTNOTES:

(1) These business line growth rates are based on projections found in two reports authored by Michael T. Vinciquerra of Raymond James dated March 15, 2000 and March 16, 2001. In these reports, Mr. Vinciquerra projected the following business line growth rates: Commercial Finance +10 to 12%, Leasing Services +15 to 20%, Real Estate Finance +8 to 10%, Small Business +14 to 16% (we changed this rate to 0 and -10% because of the recent announcement that HF will be discontinuing this line of business over the next few years), Healthcare +20 to 25%, and International +10 to 12%.
(2) Projections are consistent with FY 2000 actual results.
(3) This is the ratio of total liabilities to equity. Another important ratio is the senior debt to equity ratio (6.07 in 2000). Per several analyst reports (primary source was Raymond James), HF has room to slowly expand its leverage ratio based on the leverage ratios of its peer group. The Raymond James reports referenced in (A) and a CSFB report dated March 15, 2001, state that 6 to 6.5x (senior debt to equity) is a reasonable level of leverage that will not invite a ratings decrease. Our projection of 7x total liabilities to equity is consistent with this notion.
(4) Per the Raymond James report noted above, an ABN Amro report dated January 24, 2001, and the CSFB report noted above, HF's net interest margin is expected to remain constant going forward. As HF managed to maintain its net interest margin despite Fed rate increases and widening spreads in the commercial paper markets during 2000, we project a small increase in 2001 (3.75 to 3.8).
(5) Growth rates based on projections in the Raymond James reports noted above.
(6) Consistent with projections in the ABN Amro and CSFB reports noted above.
(7) Per Bloomberg.
(8) Yield on the 30 year Treasury Bond on April 16, 2001.
(9) Estimate of the long term rate of inflation.
(10) Recalculated from the FY 2000 10K.

Exhibit 9b: Discounted Cash Flow Analysis

($ millions except per share) (1)

	Historical		Projected					
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Lending assets and investments								
Corporate Finance	$4,937	$5,225	$5,800	$6,438	$7,146	$7,932	$8,804	$9,773
Leasing Services	3,428	4,434	5,188	6,070	7,102	8,309	9,721	11,374
Real Estate Finance	2,626	2,766	3,015	3,286	3,582	3,904	4,256	4,639
Small Business	1,312	1,440	1,440	1,296	1,166	1,050	945	850
Health Care	971	1,563	1,907	2,326	2,838	3,463	4,224	5,154
International	3,040	2,901	3,220	3,574	3,967	4,404	4,888	5,426
Other	518	387	441	503	573	654	745	849
Total assets and investments	**16,832**	**18,716**	**21,011**	**23,493**	**26,375**	**29,715**	**33,584**	**38,065**
Net interest income (2)		**629**	**707**	**793**	**888**	**999**	**1,128**	**1,276**
Factoring income		73	82	92	103	115	129	144
International Joint Venture		38	42	46	51	56	61	67
Fees		94	105	118	132	148	166	186
Investment gains		204	214	225	236	248	260	273
Total other income		**409**	**443**	**480**	**521**	**566**	**616**	**670**
Net revenue		**1,038**	**1,150**	**1,273**	**1,410**	**1,565**	**1,743**	**1,947**
Operational expenses		459	483	535	592	658	732	818
Provision for losses		148	170	190	213	240	271	306
Total expenses		**607**	**653**	**725**	**805**	**897**	**1,003**	**1,124**
Net income before taxes		**431**	**497**	**548**	**604**	**668**	**741**	**823**
Minority interest		-2	-2	-2	-2	-2	-2	-2
Taxes		-139	-159	-175	-193	-214	-237	-263
Net income after taxes		**290**	**336**	**371**	**409**	**452**	**502**	**557**
Prefered dividends		**29**	**29**	**29**	**29**	**29**	**29**	**29**
Adjustment in working capital								
Additions to funds employed		1,858	2,448	2,460	2,856	3,310	3,834	4,441
Additional debt		-1,859	-2,385	-2,347	-2,724	-3,157	-3,657	-4,235
Net increase in working capital		**-1**	**63**	**114**	**132**	**153**	**177**	**205**
Free Cash to Common Shareholders		262	244	228	248	270	295	323
Terminal value								4,038
Free cash flow (to common)		262	244	228	248	270	295	4,361

Value of equity	**$3,354.90**
Value per share	**$34.62**

Exhibit 9b: Discounted Cash Flow Analysis (Continued)

($ millions except per share) (1)

Valuation using a P/E Multiple for the Terminal Value

	Historical		Projected					
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Net income less preferred dividends		262	244	228	248	270	295	323
Terminal Value (3)		0	0	0	0	0	0	4,878
		262	244	228	248	270	295	5,201

Value of equity	**$3,847.65**
Value per share	**$39.71**

FOOTNOTES:

(1) See the Discounted Cash Flow Assumptions for an explanation of the assumptions underlying this model.
(2) Net interest income is calculated by multiplying the net interest margin (i.e. spread) by the average funds employed.
(3) The terminal value is based on a P/E multiple of 8.75. This was derived from the midpoint of the forward P/Es of a group of comparable companies consisting of leasing companies (median P/E of 7.5) and commercial banks (median P/E of 10).

Exhibit 9c: HF Segment Performance
($ in millions) (1)

	1998	1999	2000
Corporate Finance			
Lending assets and investments	$3,722	$4,937	$5,225
Revenues	$389	$471	$651
Ratio net writedowns to average lending assets	0.40%	0.50%	1.20%
Ratio of nonearning assets to lending assets	0.40%	0.60%	2.20%
Revenues % lending assets	10.5%	9.5%	12.5%
Real Estate			
Lending assets and investments	$1,889	$2,626	$2,766
Revenues	$250	$221	$296
Ratio net writedowns to average lending assets	2.90%	0.10%	0.10%
Ratio of nonearning assets to lending assets	0.50%	1%	0.60%
Revenues % lending assets	13.2%	8.4%	10.7%
Leasing Services			
Lending assets and investments	$1,634	$2,298	$2,716
Revenues	$231	$341	$409
Ratio net writedowns to average lending assets	0.10%	0.50%	0.70%
Ratio of nonearning assets to lending assets	1%	0.90%	0.80%
Revenues % lending assets	14.1%	14.8%	15.1%
Healthcare Finance			
Lending assets and investments	$217	$971	$1,563
Revenues	$4	$5	$5
Ratio net writedowns to average lending assets	0.00%	0.00%	30.00%
Ratio of nonearning assets to lending assets		70.00%	1.30%
Revenues % lending assets	1.9%	0.5%	0.3%
Small Business Finance			
Lending assets and investments	$1,013	$1,312	$1,440
Revenues	$98	$120	$144
Ratio net writedowns to average lending assets	0.40%	0.50%	0.90%
Ratio of nonearning assets to lending assets	3.3%	3.30%	4.50%
Revenues % lending assets	9.7%	9.1%	10.0%

(1) Source: FY 2000 10K

Exhibit 9d: HF Pro Forma Income Statement

($ in millions) (1)

	Historical						Projected					
	1995	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Interest and financing												
Interest income	851	807	924	1,047	1,197	1,628						
Interest expense	-464	-452	-516	-624	-685	-999						
Net interest income	**387**	**355**	**408**	**423**	**512**	**629**	**707**	**793**	**888**	**999**	**1,128**	**1,276**
Non-interest income												
Factoring income	50	55	104	124	119	73	82	92	103	115	129	144
International JV income	35	44	36	30	35	38	42	46	51	56	61	67
Loan servicing and other fee inc.	148	76	111	131	150	94	105	118	132	148	166	186
Net investment gains		3	69	58	123	204	214	225	236	248	260	273
Total non-interest income	**233**	**178**	**320**	**343**	**427**	**409**	**443**	**480**	**521**	**566**	**616**	**670**
Net revenues	**620**	**533**	**728**	**766**	**939**	**1,038**	**1,150**	**1,273**	**1,410**	**1,565**	**1,743**	**1,947**
Expenses												
Salaries and other comp.	135	154	214	227	237	236						
G & A	81	93	143	172	219	223						
Operating expenses	**216**	**247**	**357**	**399**	**456**	**459**	**483**	**535**	**592**	**658**	**732**	**818**
Extraordinary charges				17	-79							
Provision for losses	223	103	164	77	137	148	170	190	213	240	271	306
Total expenses	**439**	**350**	**521**	**493**	**514**	**607**	**653**	**725**	**805**	**897**	**1,003**	**1,124**
Income before tax	**181**	**183**	**207**	**273**	**425**	**431**	**497**	**548**	**604**	**668**	**741**	**823**
Minority interest						-2	-2	-2	-2	-2	-2	-2
Income taxes	-49	-43	-66	-93	-153	-139	-159	-175	-193	-214	-237	-263
Income after taxes	**4**	**5**	**5**	**180**	**272**	**290**	**336**	**371**	**409**	**452**	**502**	**557**

FOOTNOTES:

(1) See Assumptions for an explanation of the assumptions underlying this model.

Exhibit 9e: HF Income Statement Percent Analysis

($ in millions) (1)

	Historical						Projected					
	1995	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Interest and financing												
Interest income	137%	151%	127%	137%	127%							
Interest expense	(0.75)	(0.85)	(0.71)	(0.81)	(0.73)							
Net interest income	**62%**	**67%**	**56%**	**55%**	**55%**	**61%**	**61%**	**62%**	**63%**	**64%**	**65%**	**66%**
Non-interest income												
Factoring income	8%	10%	14%	16%	13%	7%	7%	7%	7%	7%	7%	7%
International JV income	6%	8%	5%	4%	4%	4%	4%	4%	4%	4%	4%	3%
Loan servicing and other fee inc.	24%	14%	15%	17%	16%	9%	9%	9%	9%	9%	10%	10%
Net investment gains	0%	1%	9%	8%	13%	20%	19%	18%	17%	16%	15%	14%
Total non-interest income	**38%**	**33%**	**44%**	**45%**	**45%**	**39%**	**39%**	**38%**	**37%**	**36%**	**35%**	**34%**
Total net revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Expenses												
Salaries and other comp.	22%	29%	29%	30%	25%	23%						
G & A	0	0	0	0	0	0						
Total operating expenses	**35%**	**46%**	**49%**	**52%**	**49%**	**44%**	**42%**	**42%**	**42%**	**42%**	**42%**	**42%**
Extraordinary charges	0%	0%	0%	2%	-8%	0%						
Provision for losses	36%	19%	23%	10%	15%	14%	15%	15%	15%	15%	16%	16%
Total expenses	**71%**	**66%**	**72%**	**64%**	**55%**	**58%**	**57%**	**57%**	**57%**	**57%**	**58%**	**58%**
Income before tax	**29%**	**34%**	**28%**	**36%**	**45%**	**42%**	**43%**	**43%**	**43%**	**43%**	**42%**	**42%**
income taxes (% Income before tax)	27%	23%	32%	34%	36%	32%	32%	32%	32%	32%	32%	32%
Income after taxes	**1%**	**1%**	**1%**	**23%**	**29%**	**28%**	**29%**	**29%**	**29%**	**29%**	**29%**	**29%**

FOOTNOTES:

(1) See Assumptions for an explanation of the assumptions underlying this model.

Exhibit 9f: HF Pro Forma Balance Sheet

($ in millions) (1)

	Historical				Projected					
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Lending and investment assets	11,928	13,430	16,832	18,716	21,011	23,493	26,375	29,715	33,584	38,065
Provision for losses	-261	-271	-316	-342	-189	-211	-237	-267	-302	-343
Net lending and investment assets	**11,667**	**13,159**	**16,516**	**18,374**	**20,822**	**23,282**	**26,138**	**29,448**	**33,282**	**37,723**
Growth rate					0	0	0	0	0	0
Non lending and investment assets	**1,194**	**1,207**	**1,457**	**1,687**	**1,874**	**2,095**	**2,352**	**2,650**	**2,995**	**3,395**
Total assets	**12,861**	**14,366**	**17,973**	**20,061**	**22,696**	**25,377**	**28,490**	**32,098**	**36,277**	**41,118**
Total debt	**11,096**	**12,394**	**15,615**	**17,474**	**19,859**	**22,205**	**24,929**	**28,086**	**31,743**	**35,978**
Minority interest	87	10	11	12	14	15	17	19	22	25
Equity	**1,678**	**1,962**	**2,347**	**2,575**	**2,823**	**3,157**	**3,544**	**3,993**	**4,513**	**5,115**
Total Liabilities & Equity	**12,861**	**14,366**	**17,973**	**20,061**	**22,696**	**25,377**	**28,490**	**32,098**	**36,277**	**41,118**

FOOTNOTES:

(1) See Assumptions for an explanation of the assumptions underlying this model.

Exhibit 10: Sensitivity Analysis - HF Cost of Equity

Cost of equity	**10.00%**	**11.24%**	**12.50%**
Value per share	$41.76	$39.71	$37.76

Exhibit 11a: Synergy Calculation - Overview

($ in millions except per share)

	2002	2003	2004	2005	2006	NPV	NPV Per Share	WACC
Total Synergies:								
Net Revenues Synergy to HF	$5.00	$17.87	$37.78	$54.06	$63.25	$408.40	$4.21	13.24%
Net Revenues Synergy to UTX	48.42	124.74	214.64	219.74	220.37	1,575.35	16.26	13.24%
Margin Synergy to HF	40.02	44.84	50.44	56.92	64.43	495.44	5.11	12.24%
Debt Capacity Synergy to UTX	32.36	36.37	40.87	45.94	51.63	413.68	4.27	11.24%
Less: Transaction Costs	-16.11					-16.11	-0.17	
Less: One Time Costs	-132.19					-132.19	-1.36	
Total	($23)	$224	$344	$377	$400	$2,745	$28.32	
Discounted Total	($36)	$176	$239	$232	$219			

Exhibit 11b: Synergy Calculation

($ in millions except per share)

	2002	2003	2004	2005	2006	NPV	NPV Per Share	WACC
Value of Net Revenues Synergy to HF (1)								
Impact to Assets	$1,214	$3,125	$6,049	$7,077	$8,280			
Impact to Net Income	5.00	17.87	37.78	54.06	63.25			
Impact to EBIT	7.35	26.28	55.56	79.49	93.01			
Impact to Revenues	21.62	77.28	163.40	233.81	273.55			
Impact to Free Cash Flows	5.00	17.87	37.78	54.06	63.25			
Terminal Value					553.40			
Net Impact to HF	$5	$18	$38	$54	$617	$408	$4.21	13.24%

Value of net revenues synergy to HF is calculated by expanding HF's leasing assets by an incremental 20% each year for the next three years. HF's leasing assets will grow due to being able to cross sell its products with UTX's customers.

When Tyco, a competitor of UTX, acquired CIT Group, a competitor of HF, CIT stated that it expected its assets to grow by 10% over the next three years. Since approximately 50% of CIT's business is equipment leasing, this would represent a 20% growth rate in its leasing assets.

This growth in HF's assets represents the following as a percentage of assets, net revenues and net income:

	2002	2003	2004	2005	2006
Incremental Growth in Assets	$1,214	$3,125	$6,049	$7,077	$8,280
HF's Assets	23,493.35	26,374.90	29,715.05	33,584.18	38,065.23
Percent of Assets	5.17%	11.85%	20.36%	21.07%	21.75%
Incremental Growth in Net Revenues*	$22	$77	$163	$234	$274
HF's Revenues	1,273.10	1,409.63	1,565.48	1,743.39	1,946.58
Percent of net Revenues	1.70%	5.48%	10.44%	13.41%	14.05%
Incremental Growth in Net Income	$5	$18	$38	$54	$63
HF's Net Income	370.74	408.99	452.37	501.58	557.45
Percent of Net Income	1.35%	4.37%	8.35%	10.78%	11.35%

* net interest spread applied to incremental growth in assets

Exhibit 11c: Synergy Calculation

($ in millions except per share)

	2002	2003	2004	2005	2006	NPV	NPV Per Share	WACC
Value of Net Revenues Synergy to UTX (2)								
Additional Net Revenues at HF	$1,213.94	$3,124.68	$6,048.82	$7,077.12	$8,280.23			
% of Revenue to UTX	50%	45%	40%	35%	30%			
UTX Additional Revenue	606.97	1,406.11	2,419.53	2,476.99	2,484.07			
UTX Additional EBIT	86.42	217.72	374.64	383.54	384.64			
UTX Net Income Percentage	8.0%	8.9%	8.9%	8.9%	8.9%			
Additional Net Income at UTX	48.42	124.74	214.64	219.74	220.37			
Terminal Value					1,928.23			
Total Net Income Impact to UTX	$48	$125	$215	$220	$2,149	$1,575	$16.26	13.24%

Value of net revenues synergy to UTX: Analysts have reported that UTX is currently losing sales because it cannot provide adequate financing to its customers. We assume that with the acqusition of HF, UTX will be able to serve customers it previously lost due to the lack of financing. We have calculated the additional sales to UTX by taking a decreasing percentage of HF's incremental assets.

UTX's profit margin and net income margin was estimated based on JP Morgan's analyst report dated 1/26/01.

This growth in UTX's sales represents the following as a percentage of net revenues and net income:

	2002	2003	2004	2005	2006
Incremental Growth in Net Revenues	$606.97	$1,406.11	$2,419.53	$2,476.99	$2,484.07
UTX's Revenues	28,874.60	29,370.00	32,303.96	35,539.53	39,091.54
Percent of Net Revenues	2.10%	4.79%	7.49%	6.97%	6.35%
Incremental Growth in Net Income	$48.42	$124.74	$214.64	$219.74	$220.37
UTX's Net Income	2,303.50	2,605.50	2,865.78	3,152.82	3,467.93
Percent of Net Income	2.10%	4.79%	7.49%	6.97%	6.35%

Exhibit 11d: Synergy Calculation

($ in millions except per share)

	2002	2003	2004	2005	2006	NPV	NPV Per Share	WACC
Value of Margin Synergy (3)								
Impact to Assets	$0	$0	$0	$0	$0			
Impact to Revenue	101.47	113.70	127.89	144.32	163.36			
Impact to EBIT	58.85	65.95	74.17	83.71	94.75			
Impact to Free Cash Flows	40.02	44.84	50.44	56.92	64.43			
Terminal Value					563.76			
Total Net Impact to HF	$40.02	$44.84	$50.44	$56.92	$628.19	$495.44	$5.11	12.24%

Value of increase in margins is calculated by comparing what a higher rated financial services company borrows as compared to what HF currently borrows at. UTX has a higher debt rating than HF which should help raise HF's debt rating. In addition, there currently may be a discount in HF's ratings since it is primarily owned by a Japanese bank. The rating agencies may view a strong US company as a better backing for HF.

The difference in the ratings represent .48 to .59 percent spread. The incremental revenues for HF is based on the conservative .48% spread over the entire life of the model.

This increase in HF's margin represents the following as a percentage of net revenues and net income:

	2002	2003	2004	2005	2006
Incremental Growth in Net Revenues	$101.47	$113.70	$127.89	$144.32	$163.36
UTX's Revenues	1,273.10	1,409.63	1,565.48	1,743.39	1,946.58
Percent of Net Revenues	7.97%	8.07%	8.17%	8.28%	8.39%
Incremental Growth in Net Income	$40.02	$44.84	$50.44	$56.92	$64.43
HF's Net Income	370.74	408.99	452.37	501.58	557.45
Percent of Net Income	10.79%	10.96%	11.15%	11.35%	11.56%

Exhibit 11e: Synergy Calculation

($ in millions except per share)

	2002	2003	2004	2005	2006	NPV	NPV Per Share	WACC
Debt Capacity Synergy Calculation: (4)								
UTX Lease Balance, End of Year	$2,038.78	$2,291.42	$2,575.36	$2,894.49	$3,253.16			
UTX Lease Balance, Average	1,926.39	2,165.10	2,433.39	2,734.93	3,073.83			
% Increase in Lease Balance	12.39%	12.39%	12.39%	12.39%	12.39%			
UTX's Cost of Capital (per Bloomberg)	7.68%	7.68%	7.68%	7.68%	7.68%			
HF's Cost of Capital (per Bloomberg)	5.21%	5.21%	5.21%	5.21%	5.21%			
Differences in Cost of Capital	2.47%	2.47%	2.47%	2.47%	2.47%			
Spread	47.58	53.48	60.10	67.55	75.92			
Taxes	15.23	17.11	19.23	21.62	24.30			
Net Income Impact	32.36	36.37	40.87	45.94	51.63			
Terminal Value					451.75			
Net Income Impact to UTX	$32.36	$36.37	$40.87	$45.94	$503.37	$413.68	$4.27	11.24%

Per UTX's financial statements, it currently finances some equipment purchases from its customers. There is a significant difference between UTX's and HF's leverage such that HF can provide the leases at a lower capital cost to the company.

This calculation takes the leases at the end of 2000 per UTX's financial statements, grows them by approximately 12% a year (JP Morgan analyst estimate) to estimate the amount of leasing UTX would do without HF. The difference in borrowing costs is calculated as the difference between UTX's cost of capital (per Bloomberg) and HF's cost of capital (per Bloomberg).

This increase in UTX's net income represents the following as a percentage of net income:

	2002	2003	2004	2005	2006
Incremental Growth in Net Income	$32.36	$36.37	$40.87	$45.94	$51.63
UTX's Net Income	2,303.50	2,605.50	2,865.78	3,152.82	3,467.93
Percent of Net Income	1.40%	1.40%	1.43%	1.46%	1.49%

Calculation of Transaction Costs:	Basis Points	Dollars
Investment Banking Fees	0.10%	$4.85
Accountant and Lawyer Fees	0.15%	7.27
Total Professional Fees	0.25%	$12.11
Other Fees - SEC Filings, etc		4.00
Total Fees		**$16.11**

Exhibit 11f: Synergy Calculation

($ in millions except per share)

Calculation of One-Time Costs (Employee Retention Bonuses):

		Bonuses Paid from Proxy Statement			
Top 4 Employees:					
CEO		**1998**	**1999**	**2000**	**Average**
Sign on Bonus	$1,000,000				
Additional Bonus = 4x Average Bonus	2,493,333	$550,000	$580,000	$740,000	$623,333
President					
Sign on Bonus	500,000				
Additional Bonus = 3x Average Bonus	1,050,000	325,000	375,000	350,000	350,000
CFO					
Sign on Bonus	250,000				
Additional Bonus = 2x Average Bonus	493,333	225,000	250,000	265,000	246,667
Risk Management					
Sign on Bonus	250,000				
Additional Bonus = 2x Average Bonus	450,000	200,000	225,000	250,000	225,000
Total Top 4 Employees	6,486,667				
All Other Employees					
# of Employees per Bloomberg	2,514				
Average Bonus/Employee	50,000				
Total Other Employees	125,700,000				
Total	**$132,186,667**				

FOOTNOTES:

(1)-(4): The terminal value for all synergies was estimated based on an 8.75 earnings multiple which was the average of several leasing companies' and banks' multiples.

Exhibit 12: Impact of Heller's Expected Debt Rating Increase

	HF	UTX	BAC	CIT	FBF	C
Moody's						
Outlook	POS	STABLE	STABLE	na	POS	POS
Issuer Rating	A3	$\boxed{\text{A2}}$	Aa2	A1	$\boxed{\text{A2}}$	Aa2
S&P						
Outlook	STABLE	STABLE	STABLE	na	POS	STABLE
LT Issuer Credit	A -	$\boxed{\text{A +}}$	$\boxed{\text{A +}}$	$\boxed{\text{A +}}$	A	AA -
Debt Cost						
Tax Rate	30.39%	30.36%	35.49%	37.13%	36.16%	35.69%
After-tax Cost of Debt	4.81%	4.64%	4.02%	4.03%	4.24%	3.83%
Pre-tax Cost of Debt	6.91%	6.66%	6.23%	6.41%	6.64%	5.96%

Impact Summary:	**New Cost of Debt**	**Margin Improvement**
Aggressive (BAC, CIT):	6.32%	0.59%
Conservative (BAC, CIT, FBF):	6.43%	0.48%

Note: Assumes that Heller's debt rating will increase to that of UTX and that Heller's cost of debt will then become similar to that of banks with A+ (S&P) and A2 (Moody's) ratings.

Source: Ratings from Bloomberg as of 4/12/01.

Exhibit 13: Accretion/Dilution Analysis

($ in millions except per share)

Combined Income Statement:	2001	2002	2003
Revenue	$29,095	$30,148	$30,780
Operating Profit	4,245	4,659	5,152
Net Income	**2,376**	**2,674**	**3,014**
After tax synergies	0	-23	224
After tax increase in interest expense	0	0	0
Combined entity Income	**$2,376**	**$2,652**	**$3,238**
EPS combined entity	**$4.23**	**$4.80**	**$5.97**
UTX EPS	**$4.10**	**$4.72**	**$5.45**
% Accretion (Dilution)	**3.1%**	**1.7%**	**9.5%**
The deal is...	***accretive***	***accretive***	***accretive***

Combined Balance Sheet:	2001	2002	2003	2004
Assets (without HF's goodwill)	$47,993	$51,394	$55,573	$60,264
Goodwill from HF acquisition	2,022	1,954	1,887	1,820
Total Assets	**50,015**	**53,348**	**57,460**	**62,083**
Debt	$36,630	$38,968	$41,961	$45,800
Equity	13,385	14,380	15,499	16,283
Total Liabilities & Equity	**50,015**	**53,348**	**57,460**	**62,083**

New market value UTX	$78.13
New Market capitalization	43,938 million
New Debt/Total Cap	45%
Old Debt/Total Cap	31%
HF Debt/Total Cap	86%

Accretion/Dilution Analysis Assumptions:

Value of transaction per share	$50.00	New shares issued	64.35 million
Diluted shares (HF)	96.9 million	% of cash financed with debt	50%
Transaction Value	$4,845 million	Cost of debt	9%
UTC share price	$75.29	UTX Tax rate	30.40%
Heller share price	$33.95	After tax cost of debt	6.26%
Percent Cash	0%	Goodwill amortization	$30 million
Percent Shares	100%	Value with synergies	$67 per share
Exhange ratio (UTX shares per share of HF)	0.6641		

Exhibit 14: Other Potential Acquirers
($ in millions except per share)

Institution	Market Value (1)	Price/ 01E EPS (2)	Price per Share	Premium to Market	% of UTX Synergies (3)	Heller Ownership (4)	Acquirer EPS Impact 2002	Acquirer EPS Impact 2003
United Technologies	35,438	---	---	---	---	---	---	---
General Electric	443,505	30.2 x	45.00	28.7%	60%	1.0%	0.3%	0.4%
			55.00	57.3%	60%	1.2%	0.1%	0.1%
			65.00	85.9%	60%	1.4%	-0.2%	-0.1%
ITT Industries	3,650	12.7 x	45.00	28.7%	50%	53.9%	3.1%	6.3%
			55.00	57.3%	50%	58.8%	-7.9%	-5.0%
			65.00	85.9%	50%	62.8%	-16.8%	-14.2%
Danaher	7,696	21.1 x	45.00	28.7%	70%	35.8%	30.0%	35.2%
			55.00	57.3%	70%	40.5%	20.4%	25.3%
			65.00	85.9%	70%	44.6%	12.2%	16.7%
Textron	7,845	11.7 x	45.00	28.7%	70%	34.9%	0.3%	5.0%
			55.00	57.3%	70%	39.5%	-6.9%	-2.6%
			65.00	85.9%	70%	43.6%	-13.1%	-9.1%
Citicorp	239,508	15.3 x	45.00	28.7%	40%	1.8%	0.1%	0.2%
			55.00	57.3%	40%	2.2%	-0.3%	-0.2%
			65.00	85.9%	40%	2.6%	-0.7%	-0.6%
Bank of America	84,272	10.7 x	45.00	28.7%	35%	4.8%	-3.8%	-3.5%
			55.00	57.3%	35%	5.8%	-4.8%	-4.5%
			65.00	85.9%	35%	6.7%	-5.8%	-5.5%

(1) Prices as of close of 4/16/01.
(2) Earnings estimates are an average of I/B/E/S, Zacks, and Nelsons estimates from Bloomberg as of 4/12/01.
(3) Darden team estimates of percentage of expected UTX synergies that could be achieved by other acquirors based on current business lines, financing capabilities and debt ratings.
(4) Assumes all stock deal.

Source: Bloomberg; Yahoo Finance

Exhibit 15a: Danaher's Competing Bid

Heller's maximum value, including synergies	$66.50
Pre-bid share price	$34.97
Probability of a competing bid from Danaher	25%
Value of the competing bid	$62.50
Expected Value of Not Tendering (EVNT):	$41.85

Value of Danaher's Competing Bid

Probability of Danaher's Competing Bid	$35.00	$40.00	$45.00	$50.00	$55.00	$60.00	$65.00	$70.00	$75.00	$80.00
10%	34.97	35.47	35.97	36.47	36.97	37.47	37.97	38.47	38.97	39.47
25%	34.98	36.23	37.48	38.73	39.98	**41.23**	**42.48**	43.73	44.98	46.23
50%	34.99	37.49	39.99	42.49	44.99	47.49	49.99	52.49	54.99	57.49
75%	34.99	38.74	42.49	46.24	49.99	53.74	57.49	61.24	64.99	68.74
90%	35.00	39.50	44.00	48.50	53.00	57.50	62.00	66.50	71.00	75.50

Exhibit 15b: GE's Competing Bid

Heller's maximum value, including synergies	$66.50
Pre-bid share price	$34.97
Probability of a competing bid from GE	50%
Value of the competing bid	$45.00
Expected Value of Not Tendering (EVNT):	$39.99

Value of GE's Competing Bid

		$35.00	$40.00	$45.00	$50.00	$55.00	$60.00	$65.00	$70.00	$75.00	$80.00
Probability of Danaher's Competing Bid	**10%**	34.97	35.47	35.97	36.47	36.97	37.47	37.97	38.47	38.97	39.47
	25%	34.98	36.23	37.48	38.73	39.98	41.23	42.48	43.73	44.98	46.23
	50%	34.99	37.49	**39.99**	42.49	44.99	47.49	49.99	52.49	54.99	57.49
	75%	34.99	38.74	42.49	46.24	49.99	53.74	57.49	61.24	64.99	68.74
	90%	35.00	39.50	44.00	48.50	53.00	57.50	62.00	66.50	71.00	75.50

Exhibit 16: Contingency Funding at December 31, 2000

($ in millions) (1)

Sources (2)	
Loan Receipts	$2,730
Operating cash flow	500
Cash	700
Conduits	650
Bank Lines	4,200
Total	**$8,780**
Needs	
Commercial paper	$3,501
Maturing debt	3,171
Total	**6,672**
Subtotal, Excess Liquidity	**2,108**
Asset Sales	**2,225**
Total Liquidity	**$4,333**

FOOTNOTES:

(1) This shows that HF has excess liquidity to handle being shut out of the capital markets for 12 months. In addition, UTX can limit its financing requirements of HF by developing a Keep Well Agreement. Currently HF has a Keep Well Agreement with Fuji Bank. The agreement stipulates that if HF should lack cash or credit facilities to meet its commercial paper obligations, then Fuji Bank will lend HF up to $500M. The loan is payable on demand. In addition, the Keep Well Agreement provides that Fuji maintain HF's stockholders' equity at $500 million. Fuji has never had to pay under this agreement and receives an annual commitment fee of approximately $1 million per year in exchange for the agreement. The Keep Well does not expire until 2007 and prevents Fuji from relinquishing more than 50% voting control.

(2) Analysis obtained from Credit Suisse First Boston Analyst Report dated March 15, 2001.

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Money & Investing

GE Capital to Expand Commercial Business By Buying Heller Financial for $5.3 Billion

By NIKHIL DEOGUN and MATT MURRAY
Staff Reporters of THE WALL STREET JOURNAL

General Electric Co.'s GE Capital unit, seeking to expand its sizable commercial-finance operations, agreed to acquire Heller Financial Inc. for about $5.3 billion.

The announcement was made Monday. Japan's Fuji Bank Ltd., which owns 52% of Heller's equity and controls 77% of the voting stock, has endorsed the transaction.

GE is offering $53.75 a share, representing a substantial 50% premium to Heller's trading price Friday of $35.90, down 25 cents, at 4 p.m. in composite trading on the New York Stock Exchange, and well above Heller's 52-week-high, reached July 3, of $40.78. Also in Big Board trading Friday, GE shares were up 90 cents to $44.65.

GE Capital is based in Stamford, Conn., and Heller Financial is based in Chicago. Buying Heller is likely to be viewed as a nice consolation for GE Capital, which earlier this year failed to entice the executives of CIT Group Inc. and the creditors of Finova Group Inc. into selling to GE. Both companies ended up in the arms of competitors.

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