

In addition, we participate in several multiemployer arrangements that provide postretirement benefits other than pensions, with the National Elevator Industry Plan being the most significant. These arrangements generally provide medical and life benefits for eligible active employees and retirees and their dependents. Contributions to multiemployer plans that provide postretirement benefits other than pensions were \$10 million, \$10 million and \$11 million for 2011, 2010 and 2009, respectively.

**Stock-based Compensation.** We have long-term incentive plans authorizing various types of market and performance based incentive awards that may be granted to officers and employees. Our Long Term Incentive Plan (LTIP) was initially approved on April 13, 2005 and amended in 2011 to increase the maximum number of shares available for award under the LTIP to 119 million shares. Following initial approval of the LTIP, we may not grant any new awards under previously existing equity compensation plans. As of December 31, 2011, approximately 56 million shares remain available for awards under the LTIP. The LTIP does not contain an annual award limit. We expect that the shares awarded on an annual basis will range from 1% to 1.5% of shares outstanding. The LTIP will expire after all shares have been awarded or April 30, 2017, whichever is sooner.

Under all long-term incentive plans, the exercise price of awards is set on the grant date and may not be less than the fair market value per share on that date. Generally, stock appreciation rights and stock options have a term of ten years and a minimum three-year vesting period. In the event of retirement, awards held for more than one year shall immediately become vested and exercisable. In addition, under the LTIP, awards with performance-based vesting generally have a minimum three-year vesting period and vest based on performance against pre-established metrics. In the event of retirement, awards held more than one year remain

eligible to vest. We have historically repurchased shares of our common stock in an amount at least equal to the number of shares issued under our equity compensation arrangements and will continue to evaluate this policy in conjunction with our overall share repurchase program.

We measure the cost of all share-based payments, including stock options, at fair value on the grant date and recognize this cost in the statement of operations. For the years ended December 31, 2011, 2010 and 2009, \$229 million, \$154 million and \$153 million, respectively, of compensation cost was recognized in operating results. The associated future income tax benefit recognized was \$75 million, \$47 million and \$49 million for the years ended December 31, 2011, 2010 and 2009, respectively.

For the years ended December 31, 2011, 2010 and 2009, the amount of cash received from the exercise of stock options was \$226 million, \$386 million and \$342 million, respectively, with an associated tax benefit realized of \$101 million, \$139 million and \$95 million, respectively. In addition, for the years ended December 31, 2011, 2010 and 2009, the associated tax benefit realized from the vesting of performance share units was \$19 million, \$20 million and \$33 million, respectively. Also, in accordance with the Compensation – Stock Compensation Topic of the FASB ASC, for the years ended December 31, 2011, 2010 and 2009, \$81 million, \$94 million and \$50 million, respectively, of certain tax benefits have been reported as operating cash outflows with corresponding cash inflows from financing activities.

At December 31, 2011, there was \$152 million of total unrecognized compensation cost related to non-vested equity awards granted under long-term incentive plans. This cost is expected to be recognized ratably over a weighted-average period of 1.9 years.

A summary of the transactions under all long-term incentive plans for the year ended December 31, 2011 follows:

(shares and units in thousands)	STOCK OPTIONS		STOCK APPRECIATION RIGHTS		PERFORMANCE SHARE UNITS		Other Incentive Shares / Units
	Shares	Average Price*	Shares	Average Price*	Units	Average Price**	
Outstanding at:							
December 31, 2010	27,337	\$44.82	31,220	\$64.72	3,024	\$65.96	807
<b>Granted</b>	<b>320</b>	<b>78.99</b>	<b>4,916</b>	<b>79.09</b>	<b>946</b>	<b>78.99</b>	<b>455</b>
<b>Exercised/Earned</b>	<b>(6,551)</b>	<b>37.36</b>	<b>(1,249)</b>	<b>64.96</b>	<b>(746)</b>	<b>75.21</b>	<b>(116)</b>
<b>Cancelled</b>	<b>(77)</b>	<b>53.78</b>	<b>(849)</b>	<b>68.30</b>	<b>(262)</b>	<b>71.40</b>	<b>(37)</b>
<b>DECEMBER 31, 2011</b>	<b>21,029</b>	<b>\$47.63</b>	<b>34,038</b>	<b>\$66.70</b>	<b>2,962</b>	<b>\$67.31</b>	<b>1,109</b>

\* weighted-average exercise price

\*\* weighted-average grant stock price

The weighted-average grant date fair value of stock options and stock appreciation rights granted during 2011, 2010 and 2009 was \$20.26, \$17.86 and \$16.01, respectively. The weighted-average grant date fair value of performance share units, which vest upon achieving certain performance metrics, granted during 2011, 2010, and 2009 was \$87.65, \$78.73 and \$61.56, respectively. The total fair value of awards vested during the years ended December 31, 2011, 2010 and 2009 was \$170 million, \$172 million and \$235 million, respectively.

The total intrinsic value (which is the amount by which the stock price exceeded the exercise price on the date of exercise) of stock options and stock appreciation rights exercised during the years ended December 31, 2011, 2010 and 2009 was \$336 million, \$446 million and \$296 million, respectively. The total intrinsic value (which is the stock price at vesting) of performance share units vested was \$59 million, \$62 million and \$100 million during the years ended December 31, 2011, 2010 and 2009, respectively.