

Is a market still emerging if you already live there?

Globalization is collapsing closed societies and opening borders among nations, both politically and economically. But markets remain local. Successful companies don't just operate in these emerging markets as a foreign entity, they live there. This means embracing and adapting to local customs, while remaining committed to ethics, the environment and employee safety.

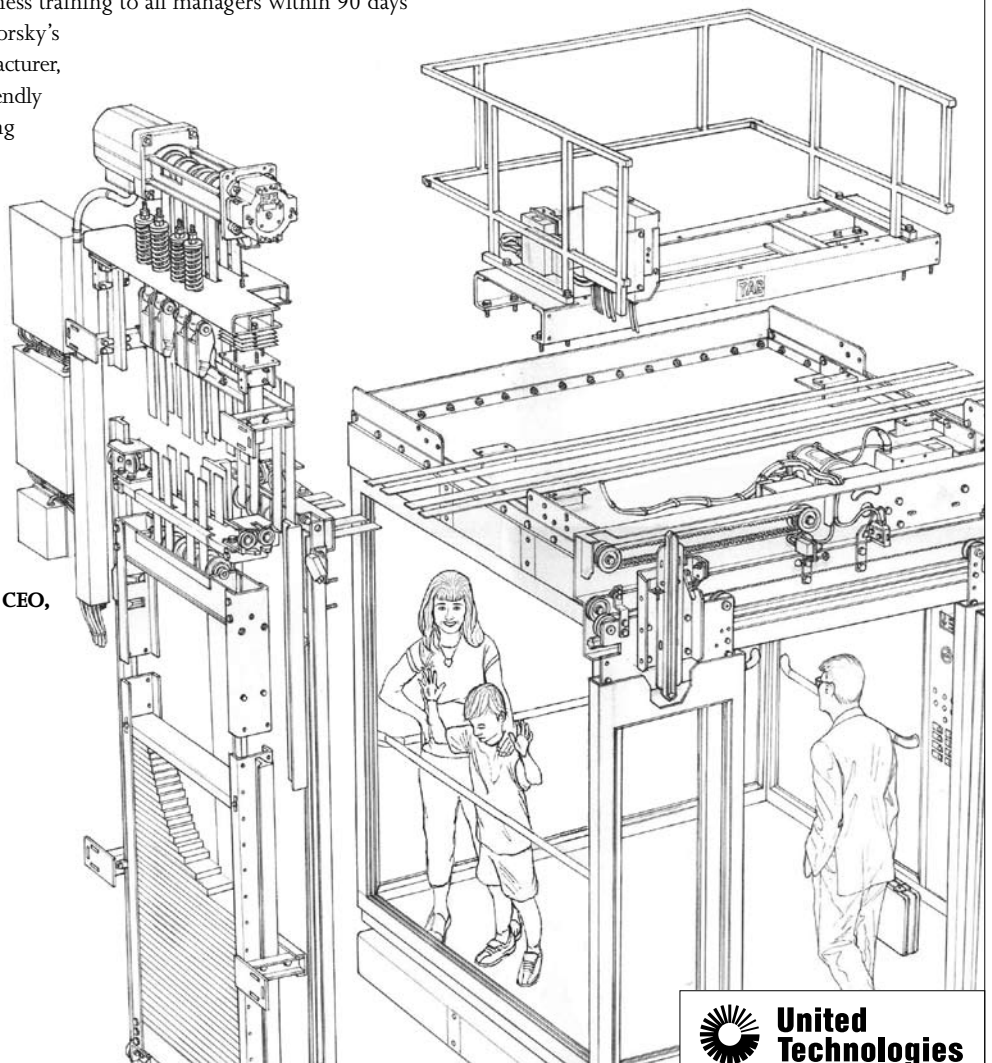
This belief has guided United Technologies' growth for decades. We place authority where it needs to be, in the hands of the people closest to the customer and the work. This local expertise brings global strength and knowledge to help us thrive in changing market conditions. Today, 64 percent of our revenues and 65 percent of our employees are outside the United States.

We continue to build facilities, invest in employees in their local communities and cultivate customer relationships in the world's fastest growing markets. We've lived in some, like China, for more than a century. Today, with more than 16,000 employees and \$2.7 billion in revenue, China is important to us. In 2007, Otis opened its TEDA manufacturing facility in China, the world's first green elevator factory. The facility's yearly production capacity will reach 20,000 elevators. India is another market with amazing growth opportunity. UTC's revenues there have increased more than 117 percent over the last five years. On the aerospace side, Pratt & Whitney recently announced plans to double its business in India over the next three to five years.

We maintain the highest ethical, environmental and safety standards everywhere we do business. For one example, following UTC Fire & Security's recent acquisition of Initial Electronic Security Group in Europe, we rolled out UTC's Code of Ethics and provided awareness training to all managers within 90 days of the acquisition. For another, Sikorsky's newly acquired Polish aircraft manufacturer, PZL Mielec, uses environmentally friendly paint on production aircraft, resulting in a 41 percent reduction in paint air emissions at that site.

Our acquisitions have totaled \$21.6 billion over the last decade. They help us build on and extend our existing market leading franchises, and we'll continue to bring our commitments everywhere we do business. Like virtually everything else we do at UTC, good practice is profitable practice.

**Louis R. Chênevert, President and CEO,
United Technologies Corporation**



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UTC's past performance provides no assurance of future performance. Future performance may vary materially from prior periods and goals due to a number of risk factors, including those described in UTC's 10-K, 10-Q and 8-K reports submitted to the SEC periodically. China revenue for period ending December 31, 2008.