



**United
Technologies**

2Q 2009 Earnings Conference Call
July 21, 2009

This presentation includes "forward-looking statements" concerning anticipated future financial performance of UTC and its businesses, including expected revenue, earnings, cash flow, acquisitions, restructuring and share repurchase amounts; anticipated benefits of UTC's diversification, cost reduction efforts and business model, and other matters. These statements often contain words such as "expect", "anticipate", "plan", "estimate", "believe", "will", "see", "guidance" and similar terms. These matters are subject to risks and uncertainties. Important factors that could cause actual results to differ materially from those anticipated or implied in forward looking statements include further deterioration or extended weakness in global economic conditions; further tightening or extended contraction in credit conditions; the impact of volatility and deterioration in financial markets on overall levels of economic activity; decreases in end market demand in construction and in both the commercial and defense segments of the aerospace industry; fluctuation in commodity prices, interest rates, foreign currency exchange rates, and the impact of weather conditions; and company-specific factors including further deterioration and extended weakness in global economic conditions on the financial strength of customers and suppliers and on levels of air travel; financial difficulties, including bankruptcy, of commercial airlines; the availability and impact of acquisitions; the rate and ability to effectively integrate these acquired businesses; the ability to achieve cost reductions at planned levels; challenges in the design, development, production and support of advanced technologies and new products and services; delays and disruption in delivery of materials and services from suppliers; labor disputes; and the outcome of legal proceedings. The level of share repurchases may vary depending on the level of other investing activities. For information identifying other important economic, political, regulatory, legal, technological, competitive and other uncertainties, see UTC's SEC filings as submitted from time to time, including but not limited to, the information included in UTC's 10-K and 10-Q Reports under the headings "Business," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Cautionary Note Concerning Factors that May Affect Future Results," as well as the information included in UTC's Current Reports on Form 8-K.

Results are on a reported basis except for segment operating profit and margin, which exclude the impact of restructuring and one-time gains.

UTC

2Q 2009

Solid cost execution across the business

Record segment margin of 14.9%, adjusted*

50 bps of segment margin expansion, adjusted*

All business units achieved double digit operating margins, adjusted*

4 of 6 business units increased margins 100 bps or more, adjusted*

Revenues down 17% to \$13.2 billion

Down 11% organic, 5% FX, 1% net divestitures

EPS down 20% to \$1.05

2009 Q2 includes 22¢ restructuring charge & 6¢ non-taxable gain

2008 Q2 included 6¢ restructuring charge

12% EPS decline, adjusted*

Free cash flow** of \$1,367 million

Includes \$401 million of domestic pension contributions

140% of net income attributable to common shareowners

* Adjusted for restructuring and one time gain. See appendix for reconciliation.

** See appendix for free cash flow reconciliation detail

2009 EXPECTATIONS

	<u>Prior</u>	<u>Current</u>
Revenue	~\$55B	~\$53B
Restructuring* > gains	\$400 - \$550M	\$550M
EPS*	\$4.00 - \$4.50	\$4.00 - \$4.20
Free Cash Flow**	≥ Net income attributable to common shareowners	≥ Net income attributable to common shareowners

* Excludes impact of acquisition-related costs (SFAS 141(R))

** See appendix for reconciliation

2Q 2009 SEGMENT HIGHLIGHTS

Otis

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	2,952	2,900	(15%)
Operating profit	631	636	(6%)
ROR	21.4%	21.9%	2.1 pts

Margin expansion of 210 bps to 21.9%*

Revenue down 6% at constant currency

New equipment (NE) sales down 9%

Contractual maintenance up mid single digits

Profit up 5% at constant currency due to continued cost reduction

NE orders down 38% at constant currency and NE backlog down 8% since beginning of the year



Major win with Longfor Properties for residential and commercial projects in Beijing and Western China: 452 units, including Gen2® elevators with ReGen™ drives.

2Q 2009 SEGMENT HIGHLIGHTS

Carrier

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	3,100	3,112	(29%)
Operating profit	260	315	(41%)
ROR	8.4%	10.1%	(2.1) pts

Cost reduction and restructuring benefits contributed >250 bps to margin

Organic revenue decline of 21%

Order rates still unfavorable

Commercial HVAC new equipment down 26%
(6 pts FX)

Transport refrigeration orders down >35%
at constant currency

Strategic transformation on track



Carrier's energy efficiency upgrade projects save Hartford Hospital more than \$1 million annually

2Q 2009 SEGMENT HIGHLIGHTS

UTC Fire & Security

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	1,330	1,330	(23%)
Operating profit	55	141	(8%)
ROR	4.1%	10.6%	1.8 pts

Margins expanded 180 bps

Profit up 9% at constant currency from restructuring actions and cost reductions

Organic revenue down 8%

Revenue reduced by FX (12 pts) and net divestitures (3 pts)



Shanghai Subway – Line 2;
fire detection and alarm system

2Q 2009 SEGMENT HIGHLIGHTS

Pratt & Whitney

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	3,111	3,111	(13%)
Operating Profit	467	523	(7%)
ROR	15.0%	16.8%	1.0 pts

Aggressive cost reductions partially offset impact of volume declines

Lower OEM and aftermarket volume

Pratt Canada engine shipments down ~25%

Commercial spares (large engines) down mid twenties

Lower E&D spend

Key development programs on track



P&W F135 STOVL variant propulsion system exceeded thrust performance expectations in recent tests

2Q 2009 SEGMENT HIGHLIGHTS

Hamilton Sundstrand

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	1,402	1,402	(15%)
Operating profit	187	224	(20%)
ROR	13.3%	16.0%	(1.0) pts

Organic revenue decline of 9%

Aero OEM flat

Aero aftermarket down double digits, with
commercial spares down >20%

Industrial down 25%

Operating profit decline from lower volumes partially
offset by cost reductions

Industrial orders down 35% (3 pts FX)



Awarded CSeries** electrical power
and fire protection systems

2Q 2009 SEGMENT HIGHLIGHTS

Sikorsky

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	1,389	1,389	6%
Operating profit	133	140	26%
ROR	9.6%	10.1%	1.6 pts

Margin expansion from better mix & lower manufacturing costs

Large helicopter deliveries:

40 military platforms

10 commercial platforms



Sikorsky aircraft S-92™ cabin to be built in India for first time through agreement with Tata Group

2009 OUTLOOK

Revenues of ~\$53 billion down 11% from 2008

Revenues (\$B)	
Prior expectation	~55
Organic	~(2.5)
Divestitures	~(0.5)
FX*	~1.0
Current expectation	<hr/> ~53

EPS range** of \$4.00-\$4.20, down 14-18% from 2008

EPS** down 7-11% excluding restructuring and one time gains

Free cash flow*** ≥ net income attributable to common shareowners

- * Assumes € at \$1.38 for rest of 2009 (\$1.36 full year average)
- ** Excludes impact of acquisition-related costs (SFAS 141(R))
- *** See reconciliation in appendix

2010 OUTLOOK

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Restructuring
P&W Canada FX

Sikorsky
HS new programs / content

Otis aftermarket
UTCFS margin expansion

?

Commodities / pricing
FX

Comm'l aero / biz jet aftermarket

China
Carrier

-

Pension

Comm'l aero / biz jet OEM

Comm'l construction

Appendix

2009 GUIDANCE

	<i>Revenue change (yoy)</i>	<i>Operating profit change (yoy)</i>
Otis	down near double digits	\$(50M)
Carrier	down mid twenties	\$(550M) – (500M)
Fire & Security	down mid teens	\$0
Pratt & Whitney	down high to mid single digit	\$(100M)
Hamilton Sundstrand	down high to mid single digit	\$(100M) – (75M)
Sikorsky	up high teens	\$125M

EPS before restructuring and gains	\$4.40 – 4.60
2009 restructuring > gains	<u>\$(0.40)</u>
UTC EPS	\$4.00 – 4.20

Business unit guidance excludes restructuring & one time gains and the impact of acquisition-related costs (SFAS 141(R))
 UTC EPS guidance excludes the impact of acquisition-related costs (SFAS 141(R))

SELECTED METRICS

	2008					2009				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD</u>
<u>Pratt & Whitney engine shipments:</u>										
Military	41	34	36	36	147	44	35			79
Large commercial	109	122	99	132	462	114	98			212
Pratt & Whitney Canada	878	1,057	1,015	1,050	4,000	969	781			1,750
Pratt & Whitney Power Systems	15	20	9	13	57	10	9			19
<u>Sikorsky helicopter shipments*:</u>										
Military platforms	14	37	37	38	126	38	40			78
Commercial platforms	16	16	20	26	78	11	10			21

* Excludes Schweizer light helicopter deliveries

SEGMENT DATA

UNITED TECHNOLOGIES CORPORATION SEGMENT DATA - Reported

(\$ Millions except per share amounts)

	2009			2008				
	1st Qtr.	2nd Qtr.	2009 Reported	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2008 Year
Otis								
Revenues (j)	2,665	2,952	5,617	3,057	3,404	3,245	3,243	12,949
Operating Profit (a), (j)	506	631	1,137	580	671	648	578	2,477
Operating Profit %	19.0%	21.4%	20.2%	19.0%	19.7%	20.0%	17.8%	19.1%
Carrier								
Revenues (c), (k)	2,487	3,100	5,587	3,409	4,356	3,917	3,262	14,944
Operating Profit (a), (c)	22	260	282	248	487	421	160	1,316
Operating Profit %	0.9%	8.4%	5.0%	7.3%	11.2%	10.7%	4.9%	8.8%
UTC Fire & Security								
Revenues	1,286	1,330	2,616	1,598	1,738	1,624	1,502	6,462
Operating Profit (a)	93	55	148	115	126	154	147	542
Operating Profit %	7.2%	4.1%	5.7%	7.2%	7.2%	9.5%	9.8%	8.4%
Pratt & Whitney								
Revenues (b), (l)	3,180	3,111	6,291	3,464	3,569	3,421	3,587	14,041
Operating Profit (a), (b)	436	467	903	526	546	530	520	2,122
Operating Profit %	13.7%	15.0%	14.4%	15.2%	15.3%	15.5%	14.5%	15.1%
Hamilton Sundstrand								
Revenues (d)	1,381	1,402	2,783	1,461	1,650	1,532	1,564	6,207
Operating Profit (a), (d)	192	187	379	229	280	286	304	1,099
Operating Profit %	13.9%	13.3%	13.6%	15.7%	17.0%	18.7%	19.4%	17.7%
Sikorsky								
Revenues	1,334	1,389	2,723	1,023	1,307	1,438	1,600	5,368
Operating Profit (a)	116	133	249	82	111	133	152	478
Operating Profit %	8.7%	9.6%	9.1%	8.0%	8.5%	9.2%	9.5%	8.9%
Total Segments								
Revenues (i)	12,333	13,284	25,617	14,012	16,024	15,177	14,758	59,971
Operating Profit	1,365	1,733	3,098	1,780	2,221	2,172	1,861	8,034
Operating Profit %	11.1%	13.0%	12.1%	12.7%	13.9%	14.3%	12.6%	13.4%
Corporate, Elimination's, and Other								
Revenues								
Other (f)	(84)	(88)	(172)	(54)	(80)	(92)	12	(214)
Operating Profit								
Corporate expense (a)	(78)	(89)	(167)	(97)	(109)	(90)	(112)	(408)
Elimination's and other (a), (e), (f)	(37)	(7)	(44)	(9)	(13)	(33)	54	(1)
Consolidated								
Revenues (i)	12,249	13,196	25,445	13,958	15,944	15,085	14,770	59,757
Operating Profit	1,250	1,637	2,887	1,674	2,099	2,049	1,803	7,625
Operating Profit %	10.2%	12.4%	11.3%	12.0%	13.2%	13.6%	12.2%	12.8%
Interest expense	(175)	(177)	(352)	(165)	(176)	(177)	(171)	(689)
Income before income taxes	1,075	1,460	2,535	1,509	1,923	1,872	1,632	6,936
Income taxes (g), (h)	(276)	(394)	(670)	(430)	(548)	(502)	(403)	(1,883)
Net Income	799	1,066	1,865	1,079	1,375	1,370	1,229	5,053
Noncontrolling interest in subsidiaries' earnings	(77)	(90)	(167)	(79)	(100)	(101)	(84)	(364)
Net Income attributable to common shareowners	722	976	1,698	1,000	1,275	1,269	1,145	4,689
Net Earnings per share of Common Stock:								
	1st Qtr.	2nd Qtr.	Year	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Basic	\$ 0.79	\$ 1.06	\$ 1.85	\$ 1.05	\$ 1.35	\$ 1.36	\$ 1.24	\$ 5.00
Diluted	\$ 0.78	\$ 1.05	\$ 1.83	\$ 1.03	\$ 1.32	\$ 1.33	\$ 1.23	\$ 4.90
Average Shares: (In Millions)								
Basic	918	919	919	952	944	933	922	938
Diluted	926	929	927	975	966	951	933	956
	Q1 09	Q2 09	FY 2009	Q1 08	Q2 08	Q3 08	Q4 08	FY 2008
	25.7%	27.0%	26.4%	28.5%	28.5%	26.8%	24.7%	27.1%

Note: Certain reclassifications have been made to the prior year amounts to conform to the current year presentation as required by the implementation of SFAS 160, "Noncontrolling Interests in Consolidated Financial Statements" (SFAS 160) and Emerging Issues Task Force (EITF) Issue No. 07-1, "Accounting for Collaborative Arrangements" (EITF 07-1), which we adopted as of January 1, 2009.

SEGMENT DATA - NOTES

The earnings release and conference-call discussion adjust 2009 and 2008 segment results for restructuring and related charges as well as certain non-recurring items.

The following items are included in current and prior year results:

(a) Restructuring and other charges as included in 2009 and 2008 segment results:

	2009			2008				
	Restructuring & Related Charges			Restructuring & Related Charges				
	Q1	Q2	Total YTD	Q1	Q2	Q3	Q4	Total YTD
Operating Profit:								
Otis	22	57	79	2	4	5	10	21
Carrier	41	55	96	11	46	34	49	140
UTC Fire & Security	14	86	100	6	27	-	30	63
Pratt & Whitney	64	56	120	14	17	52	33	116
Hamilton Sundstrand	19	37	56	1	-	2	13	16
Sikorsky	-	7	7	-	-	-	-	-
Total Segment	160	298	458	34	94	93	135	356
Corporate expense	1	2	3	-	-	-	-	-
Eliminations & Other	2	1	3	-	-	-	1	1
Total UTC	163	301	464	34	94	93	136	357

(b) Q3 2008: Includes an approximately \$37 million non-cash gain on a partial sale of an investment.

(c) Q4 2008: Includes an approximately \$67 million gain from the contribution of a business into a new venture operating in the Middle East and the Commonwealth of Independent States.

(d) Q4 2008: Includes an approximately \$25 million gain on the completion of a divestiture of a business.

(e) Q4 2008: Includes an approximately \$38 million gain from the sale of marketable securities.

(f) Q4 2008: Includes an approximately \$12 million favorable pretax interest adjustment related to the settlement of disputed adjustments from the 2000 through 2003 examination with the Appeals Division of the Internal Revenue Service (IRS).

(g) Q4 2008: Favorable income tax adjustment of approximately \$62 million related to settlement of disputed adjustments from the 2000 through 2003 examination with the Appeals Division of the Internal Revenue Service (IRS).

(h) Q1 2009: Favorable tax impact of approximately \$25 million related to the formation of a commercial venture.

(i) Revenues were increased as a result of reclassifications made to prior year amounts to conform to EITF 07-1, "Accounting for Collaborative Arrangements" as follows:

	2009			2008				
	Q1	Q2	Total YTD	Q1	Q2	Q3	Q4	Total YTD
Collaborator share of revenue	220	194	414	257	277	271	271	1076

(j) Q2 2009: Includes an approximately \$52 million non-cash, non-taxable gain realized on the remeasurement to fair value of a previously held equity interest in a joint venture as a result of the purchase of a controlling interest.

(k) Q2 2009: Includes the adverse impact of approximately \$12 million of restructuring charges residing in other income, net, which is reflected within revenues.

SEGMENT DATA

United Technologies Corporation
Segment Revenues and Operating Profit Adjusted for Restructuring and Non-recurring items
(as reflected on the previous page)

(Millions)	Quarter Ended June 30, (Unaudited)	
	2009	2008
Adjusted Revenues		
Otis	\$ 2,900	\$ 3,404
Carrier	3,112	4,356
UTC Fire & Security	1,330	1,738
Pratt & Whitney	3,111	3,569
Hamilton Sundstrand	1,402	1,650
Sikorsky	1,389	1,307
Adjusted Segment Revenues	13,244	16,024
Eliminations and other	(88)	(80)
Adjusted Consolidated Revenues	<u>\$ 13,156</u>	<u>\$ 15,944</u>
Adjusted Operating Profit		
Otis	\$ 636	\$ 675
Carrier	315	533
UTC Fire & Security	141	153
Pratt & Whitney	523	563
Hamilton Sundstrand	224	280
Sikorsky	140	111
Adjusted Segment Operating Profit	1,979	2,315
General Corporate Expenses	(87)	(109)
Eliminations and other	(6)	(13)
Adjusted Consolidated Operating Profit	<u>\$ 1,886</u>	<u>\$ 2,193</u>
Adjusted Segment Operating Profit Margin		
Otis	21.9%	19.8%
Carrier	10.1%	12.2%
UTC Fire & Security	10.6%	8.8%
Pratt & Whitney	16.8%	15.8%
Hamilton Sundstrand	16.0%	17.0%
Sikorsky	10.1%	8.5%
Adjusted Segment Operating Profit Margin	<u>14.9%</u>	<u>14.4%</u>

Note: This page provides segment revenues, operating profit and operating profit margins as adjusted for restructuring and the aforementioned non-recurring items. Management believes these adjusted results more accurately portray the ongoing operational performance and fundamentals of the underlying businesses. The amounts and timing of restructuring and non-recurring activity can vary substantially from period to period with no assurances of comparable activity or amounts being incurred in future periods. The level of expected restructuring announced in 2009 of \$750 million (of which \$464 million has been recorded to date), is significantly in excess of that incurred in prior years and reflects the severity of the current global recession. These amounts have therefore been adjusted out in the above schedule in order to provide a more representative comparison of current year operation performance to prior year performance.

KEY DATA

(\$ millions)

	<u>2Q 09</u>	<u>2Q 08</u>
Free cash flow*	1,367	1,113
Debt/capital**	37%	32%
Net debt/capital**	27%	24%
Capital expenditures	173	305
Share repurchase	150	719
Acquisitions (net)	31	335

* See free cash flow reconciliation in appendix

** Adjusted for adoption of SFAS 160

2Q 2009 PERFORMANCE

Organic growth

Otis	(6%)
Carrier	(21%)
UTC Fire & Security	(8%)
Pratt & Whitney	(13%)
Hamilton Sundstrand	(9%)
<u>Sikorsky</u>	<u>7%</u>
Total UTC	(11%)

FREE CASH FLOW RECONCILIATION

(\$ millions)

	<u>2Q 09</u>	<u>2Q 08</u>
Net income attributable to common shareowners	976	1,275
Noncontrolling interest in subsidiaries' earnings	90	100
Net income	<u>1,066</u>	<u>1,375</u>
Depreciation & amortization	303	326
Change in working capital	522	(258)
Domestic pension contributions	(401)	0
Other	50	(25)
Cash flow from operations	<u>1,540</u>	<u>1,418</u>
Capital expenditures	<u>(173)</u>	<u>(305)</u>
Free cash flow	<u><u>1,367</u></u>	<u><u>1,113</u></u>

Free cash flow, which represents cash flow from operations less capital expenditures, is the principal cash performance measure used by the company. Management believes free cash flow provides a relevant measure of liquidity and a useful basis for assessing the Corporation's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of the Corporation's Common Stock and distribution of earnings to shareholders. Others that use the term free cash flow may calculate it differently. The reconciliation of net cash flow provided by operating activities prepared in accordance with Generally Accepted Accounting Principles to free cash flow is above.