

United Technologies

3Q 2009 Earnings Conference Call
October 20, 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 extended weakness in global economic conditions; 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 the impact of financial market volatility and deterioration 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.

2009 EXPECTATIONS

	<u>Prior</u>	<u>Current</u>
Revenue	~\$53B	~\$53B
Restructuring > gains	\$550M / \$0.40*	\$625M / \$0.45*
EPS	\$4.00 – \$4.20	\$4.10
Free Cash Flow**	≥ Net income attributable to common shareowners	> Net income attributable to common shareowners

* EPS impact of restructuring in excess of nonrecurring items

** See appendix for reconciliation

UTC

3Q 2009

Strong margin improvement

- Record segment margin of 15.4%*

- 70 bps of segment margin expansion*

- Margin improvement at 4 of 6 business units*

 - Otis led the way with 23.1% operating margins; 300 bps expansion*

Revenues down 11% to \$13.4 billion

- Down 7% organic and 3% FX

EPS down 14% to \$1.14

- 7% EPS or 9¢ decline, adjusted*

- 2009 Q3 includes 18¢ restructuring charge & 5¢ one time gains

- 2008 Q3 includes 6¢ restructuring charge & 3¢ one time gains

- Adverse impact of 7¢ from foreign currency translation and Pratt Canada hedging

Free cash flow** of \$1.7 billion

- Includes \$150 million of domestic pension contributions

- 160% of net income attributable to common shareowners

- Significant inventory reduction across the businesses

* Adjusted for restructuring and nonrecurring items – see appendix for additional details

** See appendix for reconciliation

3Q 2009 SEGMENT HIGHLIGHTS

Otis

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	2,962	2,962	(9%)
Operating profit	633	685	5%
ROR	21.4%	23.1%	3.0 pts

Margin expansion of 300 bps to 23.1%

Revenue down 4% at constant currency

New equipment (NE) sales down 10%

Aftermarket up low single digit

Profits up 11% at constant currency

NE orders down 16% at constant currency

FX reduced revenue by 5 points and profit by 6 points



Major win at AIG Korean Real Estate Development YH: 125 elevators, escalators and moving walkways

3Q 2009 SEGMENT HIGHLIGHTS

Carrier

(\$ millions)

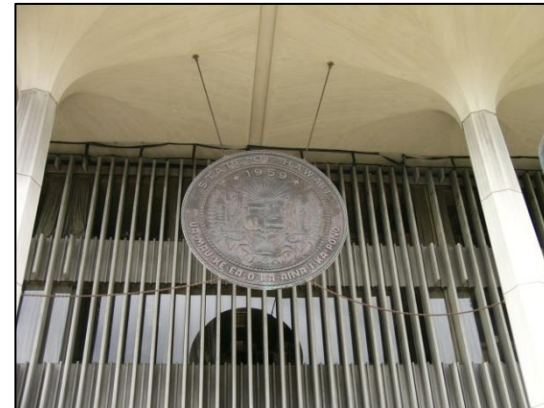
	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	3,007	2,954	(25%)
Operating profit	312	298	(35%)
ROR	10.4%	10.1%	(1.5 pts)

Strategic transformation on track

Cost reduction and restructuring benefits contributed
>250 bps of margin

Organic revenue decline of 14%

Order rates still down but stabilizing



Hawaii's Department of Accounting and General Services (DAGS) awarded Carrier's NORESCO business a \$30 million contract to implement infrastructure upgrades related to energy services.

3Q 2009 SEGMENT HIGHLIGHTS

UTC Fire & Security

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	1,383	1,383	(15%)
Operating profit	149	156	1%
ROR	10.8%	11.3%	1.8 pts

Margins expanded 180 bps to 11.3%

Operating margin improvements driven by integration of field operations, organizational delayering, restructuring actions and cost controls

Organic revenue down 9%

FX reduced revenue by 6 points and profit by 8 points



Acquired GST Holdings Limited, leading fire alarm system provider in China

3Q 2009 SEGMENT HIGHLIGHTS

Pratt & Whitney

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	3,031	3,031	(10%)
Operating Profit	444	501	(8%)
ROR	14.6%	16.5%	0.4 pts

Aggressive cost reductions partially offset impact of volume declines in higher margin businesses

Lower Commercial OEM and aftermarket volume

Commercial spares (large engines) down mid teens

Pratt Canada engine shipments down over 30%

Higher military shipments and lower E&D spend

Net benefits from favorable contract resolution



P&W and joint venture partner, China Eastern Airlines, opened an advanced, environmentally friendly CFM56® engine overhaul facility in Qingpu district of Shanghai

3Q 2009 SEGMENT HIGHLIGHTS

Hamilton Sundstrand

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	1,400	1,400	(9%)
Operating profit	247	260	(10%)
ROR	17.6%	18.6%	(0.2) pts

Revenue decline of 9%

Aero aftermarket down high single digit, with
commercial spares down high teens

Industrial down ~20%

Aero OEM down mid single digit

Operating profit decline from lower volumes partially
offset by cost reductions

Industrial orders down ~30%



HS won six major systems on
Russia's MC-21

3Q 2009 SEGMENT HIGHLIGHTS

Sikorsky

(\$ millions)

	<u>Reported</u>	<u>Adjusted*</u>	<u>YOY Var.*</u>
Revenue	1,648	1,648	15%
Operating profit	157	157	18%
ROR	9.5%	9.5%	0.3 pts

Solid operating profit and revenue growth

Q3 deliveries:

51 military platforms

10 commercial platforms

Increasing interest from commercial customers



Sikorsky wins Popular Mechanics' 10 Most Brilliant Inventors Award for its X2 Coaxial Rotor Helicopter



Delivery of first BLACK HAWK cabin from Mielec, Poland

2009 OUTLOOK

EPS of \$4.10 – down 16% from 2008; midpoint of previous range

Down 8% from 2008, adjusted for restructuring and one time gains

Revenues of approximately \$53 billion – down 11% from 2008

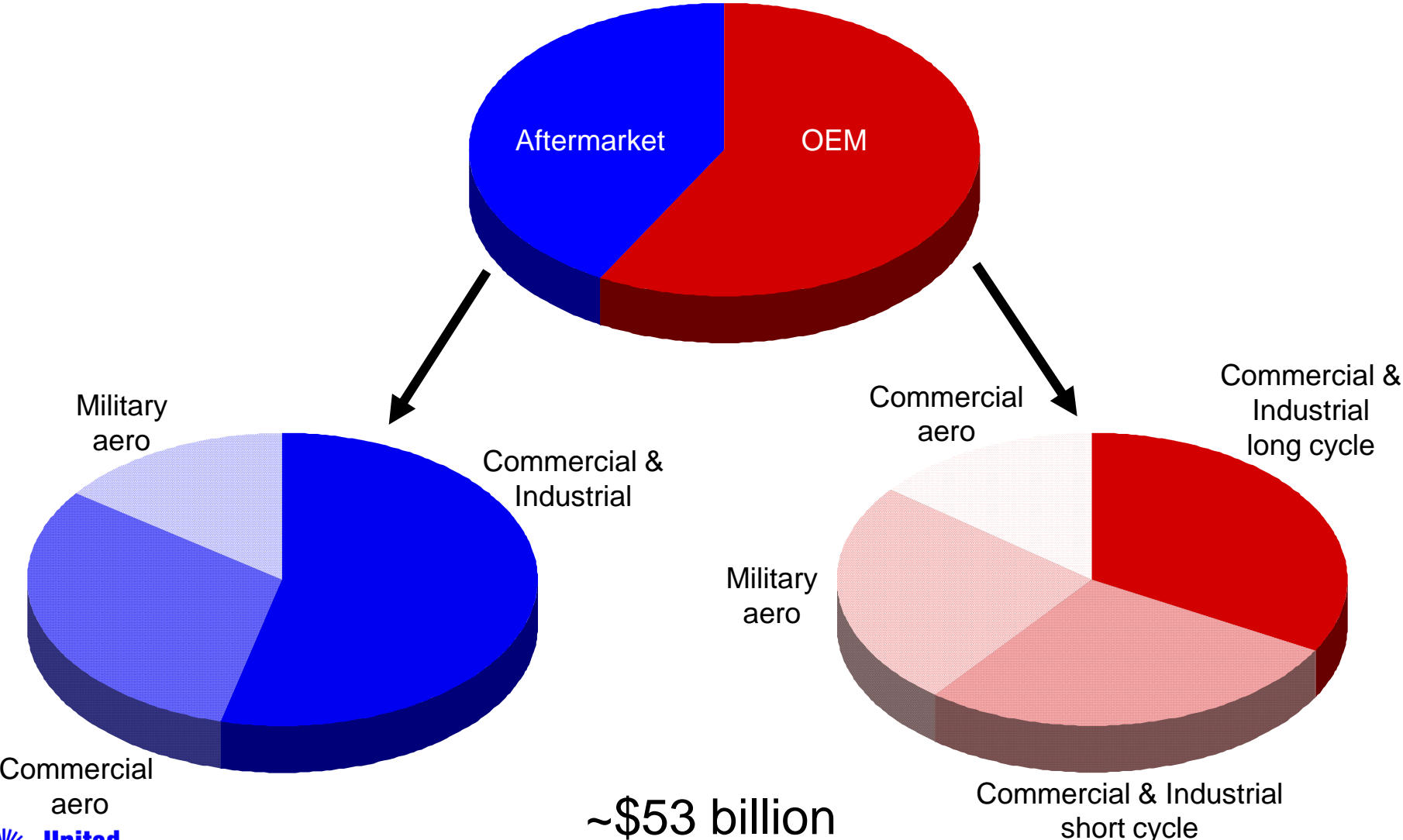
Free cash flow* > net income attributable to common shareowners

Share repurchase at \$1 billion

M&A placeholder at \$2 billion

REVENUES

2009E



Appendix

2009 GUIDANCE

	<i>Revenue change (yoy)</i>	<i>Operating profit change (yoy)</i>
Otis	down near double digits	\$0
Carrier	down mid twenties	\$(525M)
Fire & Security	down mid teens	\$0
Pratt & Whitney	down double digits	\$(150M)
Hamilton Sundstrand	down high single digit	\$(125M)
Sikorsky	up high teens	\$125M

EPS before restructuring and gains	\$4.55
2009 restructuring > gains	<u>\$(0.45)</u>
EPS	\$4.10

Business unit guidance excludes restructuring and nonrecurring items

UTC 2010 OUTLOOK

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Restructuring

P&W Canada FX

Sikorsky

Otis aftermarket

UTCF&S margin expansion

China

Carrier US Residential &
Transicold

?

Commodities

FX

Comm'l aero / biz jet aftermarket

HS new programs

-

Pricing

Pension

Comm'l aero / biz jet OEM

Comm'l construction

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	43		122
Large commercial	109	122	99	132	462	114	98	95		307
Pratt & Whitney Canada	878	1,057	1,015	1,050	4,000	969	781	695		2,445
Pratt & Whitney Power Systems	15	20	9	13	57	10	9	9		28
<u>Sikorsky helicopter shipments*:</u>										
Military platforms	14	37	37	38	126	38	40	51		129
Commercial platforms	16	16	20	26	78	11	10	10		31

* Excludes Schweizer light helicopter deliveries

SEGMENT DATA

UNITED TECHNOLOGIES CORPORATION SEGMENT DATA - Reported

(\$ Millions except per share amounts)

	2009				2008				
	1st Qtr.	2nd Qtr.	3rd Qtr.	2009 Reported	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2008 Year
Otis									
Revenues (j)	2,665	2,952	2,962	8,579	3,057	3,404	3,245	3,243	12,949
Operating Profit (a, i)	506	631	633	1,770	580	671	648	578	2,477
Operating Profit %	19.0%	21.4%	21.4%	20.6%	19.0%	19.7%	20.0%	17.8%	19.1%
Carrier									
Revenues (c), (k), (l), (p)	2,487	3,100	3,007	8,594	3,409	4,356	3,917	3,262	14,944
Operating Profit (a), (c), (l)	22	260	312	594	248	487	421	160	1,316
Operating Profit %	0.9%	8.4%	10.4%	6.9%	7.3%	11.2%	10.7%	4.9%	8.8%
UTC Fire & Security									
Revenues	1,286	1,330	1,383	3,999	1,598	1,738	1,624	1,502	6,462
Operating Profit (a)	93	55	149	297	115	126	154	147	542
Operating Profit %	7.2%	4.1%	10.8%	7.4%	7.2%	7.2%	9.5%	9.8%	8.4%
Pratt & Whitney									
Revenues (b), (i)	3,180	3,111	3,031	9,322	3,464	3,569	3,421	3,587	14,041
Operating Profit (a), (b)	436	467	444	1,347	526	546	530	520	2,122
Operating Profit %	13.7%	15.0%	14.6%	14.4%	15.2%	15.3%	15.5%	14.5%	15.1%
Hamilton Sundstrand									
Revenues (d)	1,381	1,402	1,400	4,183	1,461	1,650	1,532	1,564	6,207
Operating Profit (a), (d)	192	187	247	626	229	280	286	304	1,099
Operating Profit %	13.9%	13.3%	17.6%	15.0%	15.7%	17.0%	18.7%	19.4%	17.7%
Sikorsky									
Revenues	1,334	1,389	1,648	4,371	1,023	1,307	1,438	1,600	5,368
Operating Profit (a)	116	133	157	406	82	111	133	152	478
Operating Profit %	8.7%	9.6%	9.5%	9.3%	8.0%	8.5%	9.2%	9.5%	8.9%
Total Segments									
Revenues (i)	12,333	13,284	13,431	39,048	14,012	16,024	15,177	14,758	59,971
Operating Profit	1,365	1,733	1,942	5,040	1,780	2,221	2,172	1,861	8,034
Operating Profit %	11.1%	13.0%	14.5%	12.9%	12.7%	13.9%	14.3%	12.6%	13.4%
Corporate, Elimination's, and Other									
Revenues									
Other (f), (m)	(84)	(88)	(56)	(228)	(54)	(80)	(92)	12	(214)
Operating Profit									
Corporate expense (a)	(78)	(89)	(73)	(240)	(97)	(109)	(90)	(112)	(408)
Elimination's and other (a), (e), (f), (m)	(37)	(7)	(98)	(142)	(9)	(13)	(33)	54	(1)
Consolidated									
Revenues (i)	12,249	13,196	13,375	38,820	13,958	15,944	15,085	14,770	59,757
Operating Profit	1,250	1,637	1,771	4,658	1,674	2,099	2,049	1,803	7,625
Operating Profit %	10.2%	12.4%	13.2%	12.0%	12.0%	13.2%	13.6%	12.2%	12.8%
Interest expense	(175)	(177)	(170)	(522)	(165)	(176)	(177)	(171)	(689)
Income before income taxes	1,075	1,460	1,601	4,136	1,509	1,923	1,872	1,632	6,936
Income taxes (g), (h), (n), (o)	(276)	(394)	(456)	(1,126)	(430)	(548)	(502)	(403)	(1,883)
Net Income	799	1,066	1,145	3,010	1,079	1,375	1,370	1,229	5,053
Noncontrolling interest in subsidiaries' earnings	(77)	(90)	(87)	(254)	(79)	(100)	(101)	(84)	(364)
Net Income attributable to common shareholders	722	976	1,058	2,756	1,000	1,275	1,269	1,145	4,689
Net Earnings per share of Common Stock:									
Basic	\$ 0.79	\$ 1.06	\$ 1.15	\$ 3.00	\$ 1.05	\$ 1.35	\$ 1.36	\$ 1.24	\$ 5.00
Diluted	\$ 0.78	\$ 1.05	\$ 1.14	\$ 2.97	\$ 1.03	\$ 1.32	\$ 1.33	\$ 1.23	\$ 4.90
Average Shares: (In Millions)									
Basic	918	919	917	918	952	944	933	922	938
Diluted	926	929	929	928	975	966	951	933	956
	Q1 09	Q2 09	Q3 09	FY 2009	Q1 08	Q2 08	Q3 08	Q4 08	FY 2008
	25.7%	27.0%	28.5%	27.2%	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 to adjust consolidated Net Income, which shall include the Net Income attributed to noncontrolling interest. The collaborators' share of revenues, which were previously reported on a net basis, are now reported on a gross basis as required under accounting for Collaborative Arrangements. Prior period amounts include retrospective application of accounting as of January 1, 2009.

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.

SEGMENT DATA - NOTES

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	Q3	Total YTD	Q1	Q2	Q3	Q4	Total YTD
Operating Profit:									
Otis	22	57	52	131	2	4	5	10	21
Carrier	41	55	43	139	11	46	34	49	140
UTC Fire & Security	14	86	7	107	6	27	-	30	63
Pratt & Whitney ¹	64	56	57	177	14	17	52	33	116
Hamilton Sundstrand	19	37	13	69	1	-	2	13	16
Sikorsky	-	7	-	7	-	-	-	-	-
Total Segment	160	298	172	630	34	94	93	135	356
Corporate expense	1	2	-	3	-	-	-	-	-
Eliminations & Other ²	2	1	59	62	-	-	-	1	1
Total UTC	163	301	231	695	34	94	93	136	357

¹ Restructuring and related charges recorded in the third quarter of 2009 at Pratt & Whitney primarily reflect reserves established in connection with Pratt's announced plans to close its Connecticut Airfoil Repair Operations facility in East Hartford, Connecticut and its engine overhaul facility in Cheshire, Connecticut.

² Restructuring and related charges recorded in the third quarter of 2009 within Eliminations & Other reflects the impact of a curtailment of our domestic pension plans

(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 ASC 808, "Collaborative Arrangements" as follows:

	2009				2008				
	Q1	Q2	Q3	Total YTD	Q1	Q2	Q3	Q4	Total YTD
Collaborator share of revenue	220	194	174	588	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.

(l) Q3 2009: Approximately \$57 million gain recognized from the contribution of the majority of Carrier's US Residential Sales and Distribution business into a new venture formed with Watsco, Inc.

(m) Q3 2009: Approximately \$17 million of favorable pretax interest adjustments related to global tax examination activity in the quarter, primarily reflecting the completion of our review of the 2004 to 2005 Internal Revenue Service (IRS) audit report.

(n) Q3 2009: Favorable income tax adjustments of approximately \$38 million based on global examination activity in the quarter, including completion of our review of the 2004 to 2005 IRS audit report.

(o) Q3 2009: Approximately \$32 million adverse tax impact associated with a foreign reorganization.

(p) Q3 2009: Includes the adverse impact of approximately \$4 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

(Millions)	Quarter Ended September 30, (Unaudited)	
	2009	2008
Adjusted Revenues		
Otis	\$ 2,962	\$ 3,245
Carrier	2,954	3,917
UTC Fire & Security	1,383	1,624
Pratt & Whitney	3,031	3,384
Hamilton Sundstrand	1,400	1,532
Sikorsky	1,648	1,438
Adjusted Segment Revenues	13,378	15,140
Eliminations and other	(73)	(92)
Adjusted Consolidated Revenues	\$ 13,305	\$ 15,048
Adjusted Operating Profit		
Otis	\$ 685	\$ 653
Carrier	298	455
UTC Fire & Security	156	154
Pratt & Whitney	501	545
Hamilton Sundstrand	260	288
Sikorsky	157	133
Adjusted Segment Operating Profit	2,057	2,228
General corporate expenses	(73)	(90)
Eliminations and other	(56)	(33)
Adjusted Consolidated Operating Profit	\$ 1,928	\$ 2,105
Adjusted Segment Operating Profit Margin		
Otis	23.1%	20.1%
Carrier	10.1%	11.6%
UTC Fire & Security	11.3%	9.5%
Pratt & Whitney	16.5%	16.1%
Hamilton Sundstrand	18.6%	18.8%
Sikorsky	9.5%	9.2%
Adjusted Segment Operating Profit Margin	15.4%	14.7%

The preceding table 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 \$800 million (of which \$695 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 following schedule in order to provide a more representative comparison of current year operating performance to prior year performance.

KEY DATA

(\$ millions)

	<u>3Q 09</u>	<u>3Q 08</u>
Free cash flow*	1,692	1,567
Debt/capital**	35%	32%
Net debt/capital**	23%	23%
Capital expenditures	161	268
Share repurchase	430	950
Acquisitions (gross)	360	162

* See free cash flow reconciliation in appendix

** Adjusted to reflect the accounting for noncontrolling interests

FREE CASH FLOW RECONCILIATION

(\$ millions)

	<u>3Q 09</u>	<u>3Q 08</u>
Net income attributable to common shareowners	1,058	1,269
Noncontrolling interest in subsidiaries' earnings	<u>87</u>	<u>101</u>
Net income	1,145	1,370
Depreciation & amortization	316	326
Change in working capital	480	49
Pension Plans	(151)	2
Other	<u>63</u>	<u>88</u>
Cash flow from operations	1,853	1,835
Capital expenditures	<u>(161)</u>	<u>(268)</u>
Free cash flow	<u><u>1,692</u></u>	<u><u>1,567</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.