United Technologies

2Q 2008 Earnings Conference Call

July 17, 2008

This presentation includes "forward-looking statements" concerning anticipated future financial performance, including expected revenue, earnings, cash flow, acquisitions, share repurchase amounts, anticipated benefits of UTC's diversification 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 changes in the health of the global economy; strength of 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; as well as company-specific factors including 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 2008

Revenues up 13% to $15.7 billion, including 6% organic

EPS up 14% to $1.32

- 2008 Q2 includes 6¢ restructuring charge
- 2007 Q2 included 2¢ restructuring charge
- 17% EPS growth, adjusted for restructuring*

Free cash flow* of $1.1 billion

- Share repurchases of $719 million

<u>2008 Guidance</u>

Increasing EPS estimate to $4.80 - 4.95

Increasing revenue estimate to more than $60 billion

Free cash flow* ≥ net income

Share repurchases of $2+ billion

* See appendix for adjustments and free cash flow reconciliation detail

2008 ENVIRONMENT

Concerns	Actions
Commercial aerospace	Restructuring
	Cost reduction
Commercial construction	Pricing
	Emerging markets investment
Commodity inflation	New product development

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2Q 2008 SEGMENT HIGHLIGHTS

Otis

($ millions)

	Reported	Adjusted*	YOY Var.*
Revenue	3,404	3,404	19%
Operating profit	671	675	25%
ROR	19.7%	19.8%	0.9 pts

- New equipment orders up 23%
- Revenue growth in all regions
- Margin expansion up 90 bps to 19.8%
- FX contributed approximately half of revenue and profit growth

Otis was awarded more than $60 million in contracts for Central Market in Abu Dhabi City

* Adjusted for restructuring and nonrecurring items - see appendix for additional detail

2Q 2008 SEGMENT HIGHLIGHTS

Carrier

($ millions)

	Reported	Adjusted*	YOY Var.*
Revenue	4,356	4,356	7%
Operating profit	487	533	9%
ROR	11.2%	12.2%	0.1 pts

Strong revenue and profit growth in commercial HVAC business

Weakness in U.S. housing markets and commercial refrigeration

Margin expansion to 12.2%

FX provides 5 points to revenue and 6 points to profit growth

Commercial win

Bailian Living Life Plaza II, Shanghai

* Adjusted for restructuring and nonrecurring items - see appendix for additional detail

2Q 2008 SEGMENT HIGHLIGHTS

UTC Fire & Security

($ millions)

	Reported	Adjusted*	YOY Var.*
Revenue	1,738	1,738	29%
Operating profit	126	153	46%
ROR	7.2%	8.8%	1.0 pts

Organic revenue growth of 4 percent

Margin expansion of 100 bps to 8.8%

FX provides 7 points of revenue and 8 points of profit growth

Singapore - Ocean Financial Center

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* Adjusted for restructuring and nonrecurring items - see appendix for additional detail

2Q 2008 SEGMENT HIGHLIGHTS

Pratt & Whitney

($ millions)

	Reported	Adjusted*	YOY Var.*
Revenue	3,292	3,292	6%
Operating profit	546	563	6%
ROR	16.6%	17.1%	0.1 pts

P&W Canada revenues up more than 20%

P&W Rocketdyne and Power Systems revenues up more than 10%

LCE aftermarket up low single digits

Military – Favorable aftermarket and engine mix

Bombardier selects
Pratt & Whitney Canada's
PW307B engine to power Learjet 85

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* Adjusted for restructuring and nonrecurring items - see appendix for additional detail

2Q 2008 SEGMENT HIGHLIGHTS

Hamilton Sundstrand

($ millions)

	Reported	Adjusted*	YOY Var.*
Revenue	1,650	1,650	18%
Operating profit	280	280	11%
ROR	17.0%	17.0%	(0.9) pts

Aerospace OEM and industrial revenues up nearly 20% each

Commercial aftermarket revenues up double digits

Margin contraction due to OEM / aftermarket mix

HS's integrated systems contributed to the successful completion of the Power On sequence for the first 787 Dreamliner

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* Adjusted for restructuring and nonrecurring items - see appendix for additional detail

2Q 2008 SEGMENT HIGHLIGHTS

Sikorsky

($ millions)

	Reported	Adjusted*	YOY Var.*
Revenue	1,307	1,307	9%
Operating profit	111	111	28%
ROR	8.5%	8.5%	1.2 pts

Military volume growth

Favorable mix

Large helicopter deliveries:

- 37 military aircraft
- 16 commercial aircraft

Sikorsky fully equips first U.S. Army unit with UH-60M BLACK HAWK Helicopters

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* Adjusted for restructuring and nonrecurring items - see appendix for additional detail

UTC KEY WINS

Successful 787 power-on

Geared Turbofan first flight (PurePower™ PW1000G)

Bombardier C-series launch customer - Lufthansa

New York Power Authority selects PureCell® Model 400

PurePower™ PW1000G Engine Begins Flight Testing

PureCell® Model 400 to power Freedom Tower

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UTC STRATEGY

Sustained revenue growth

Continuing cost reduction - margin expansion

Strong cash generation - effective redeployment

<u>2008 Guidance</u>

Increasing EPS estimate to $4.80 - 4.95

Increasing revenue estimate to more than $60 billion

Free cash flow* ≥ net income

Share repurchases of $2+ billion

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* See free cash flow reconciliation in appendix

Appendix

2008 GUIDANCE

	Revenue growth	*Operating profit growth*
Otis	low teens	~ 20%
Carrier	mid single digit	10%+
Pratt & Whitney	mid single digit	10%
Hamilton Sundstrand	low teens	10%
Sikorsky	mid teens	~ 25%
Fire & Security	mid teens	30%

2008 Guidance

Increasing EPS estimate to $4.80 - 4.95

Increasing revenue estimate to more than $60 billion

Free cash flow* ≥ net income

Share repurchases of $2+ billion

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* See free cash flow reconciliation in appendix

SELECTED METRICS

	2007					2008				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	YTD
Pratt & Whitney engine shipments:										
Military	32	44	46	40	162	41	34			75
Large commercial	79	98	94	111	382	109	122			231
Pratt & Whitney Canada	607	728	731	922	2,988	878	1057			1935
Sikorsky helicopter shipments*:										
Military	19	29	25	22	95	14	37			51
Commercial	17	20	18	24	79	16	16			32

* Excludes Schweizer light helicopter deliveries

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SEGMENT DATA

UNITED TECHNOLOGIES CORPORATION
SEGMENT DATA - Reported

($ Millions except per share amounts)

	2008			2007				
	1st Qtr.	2nd Qtr.	2008 Reported	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2007 Year
Otis								
Revenues **(e), (h)**	3,057	3,404	6,461	2,728	2,858	2,936	3,363	11,885
Operating Profit **(a), (e), (h)**	580	671	1,251	574	532	567	648	2,321
Operating Profit %	19.0%	19.7%	19.4%	21.0%	18.6%	19.3%	19.3%	19.5%
Carrier								
Revenues **(i), (j)**	3,409	4,356	7,765	3,130	4,055	3,738	3,721	14,644
Operating Profit **(a), (i), (j)**	248	487	735	213	489	420	259	1,381
Operating Profit %	7.3%	11.2%	9.5%	6.8%	12.1%	11.2%	7.0%	9.4%
UTC Fire & Security								
Revenues	1,598	1,738	3,336	1,246	1,349	1,471	1,688	5,754
Operating Profit **(a)**	115	126	241	86	101	119	137	443
Operating Profit %	7.2%	7.2%	7.2%	6.9%	7.5%	8.1%	8.1%	7.7%
Pratt & Whitney								
Revenues **(d)**	3,207	3,292	6,499	2,767	3,108	3,036	3,218	12,129
Operating Profit **(a), (d)**	526	546	1,072	490	522	503	496	2,011
Operating Profit %	16.4%	16.6%	16.5%	17.7%	16.8%	16.6%	15.4%	16.6%
Hamilton Sundstrand								
Revenues	1,461	1,650	3,111	1,313	1,404	1,427	1,492	5,636
Operating Profit **(a)**	229	280	509	218	246	249	254	967
Operating Profit %	15.7%	17.0%	16.4%	16.6%	17.5%	17.4%	17.0%	17.2%
Sikorsky								
Revenues	1,023	1,307	2,330	1,006	1,198	1,307	1,278	4,789
Operating Profit **(a)**	82	111	193	73	87	103	110	373
Operating Profit %	8.0%	8.5%	8.3%	7.3%	7.3%	7.9%	8.6%	7.8%
Total Segments								
Revenues	13,755	15,747	29,502	12,190	13,972	13,915	14,760	54,837
Operating Profit	1,780	2,221	4,001	1,654	1,977	1,961	1,904	7,496
Operating Profit %	12.9%	14.1%	13.6%	13.6%	14.1%	14.1%	12.9%	13.7%
Corporate, Elimination's, and Other								
Revenues								
Other	(54)	(80)	(134)	88	(68)	(52)	(46)	(78)
Operating Profit								
Corporate expense	(97)	(109)	(206)	(87)	(92)	(84)	(123)	(386)
Elimination's and other **(b), (c), (f)**	(9)	(13)	(22)	(63)	(20)	11	12	(60)
Consolidated								
Revenues	13,701	15,667	29,368	12,278	13,904	13,863	14,714	54,759
Operating Profit	1,674	2,099	3,773	1,504	1,865	1,888	1,793	7,050
Interest expense	(165)	(176)	(341)	(150)	(163)	(179)	(174)	(666)
Income before income taxes and minority interests	1,509	1,923	3,432	1,354	1,702	1,709	1,619	6,384
Income taxes **(g), (k)**	(430)	(548)	(978)	(442)	(479)	(434)	(481)	(1,836)
Minority interests	(79)	(100)	(179)	(93)	(75)	(78)	(78)	(324)
Net Income	**1,000**	**1,275**	**2,275**	**819**	**1,148**	**1,197**	**1,060**	**4,224**
	1st Qtr.	2nd Qtr.	Year	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Net Earnings per share of Common Stock:								
Basic	$ 1.05	$ 1.35	$ 2.40	$ 0.85	$ 1.19	$ 1.24	$ 1.11	$ 4.38
Diluted	$ 1.03	$ 1.32	$ 2.34	$ 0.82	$ 1.16	$ 1.21	$ 1.08	$ 4.27
Average Shares: (In Millions)								
Basic	**952**	**944**	**948**	**968**	**966**	**963**	**959**	**964**
Diluted	**975**	**966**	**971**	**993**	**990**	**989**	**984**	**989**

Q1 08	Q2 08	FY 2008	Q1 07	Q2 07	Q3 07	Q4 07	FY 2007
28.5%	28.5%	28.5%	32.6%	28.1%	25.4%	29.7%	28.8%

SEGMENT DATA - NOTES

The earnings release and conference-call discussion adjust 2008 and 2007 segment results for restructuring and related charges, since these costs were offset outside of the segment results, as noted below.

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

(a) Restructuring and other charges as included in 2008 and 2007 segment results:

	2008			2007				
	Restructuring & Related Charges			Restructuring & Related Charges				
	Q1	Q2	Total YTD	Q1	Q2	Q3	Q4	Total YTD
Operating Profit:								
Otis	2	4	6	(2)	7	6	10	21
Carrier	11	46	57	12	1	15	5	33
UTC Fire & Security	6	27	33	2	4	2	31	39
Pratt & Whitney	14	17	31	20	7	12	14	53
Hamilton Sundstrand	1	-	1	6	6	8	3	23
Sikorsky	-	-	-	(3)	-	-	-	(3)
Total Segment	34	94	128	35	25	43	63	166
Corporate expense	-	-	-	-	-	-	-	-
Eliminations & Other	-	-	-	-	-	-	-	-
Total UTC	34	94	128	35	25	43	63	166

(b) Q1 2007: Includes approximately $151 million pretax gain from the sale of marketable securities.

(c) Q1 2007: Includes approximately $216 million charge for a civil fine assessed by the European Union for violation of competition rules.

(d) Q1 2007: Includes approximately $40 million gain from a contract termination.

(e) Q1 2007: Includes approximately $84 million gain from the sale of a manufacturing facility in Madrid, Spain.

(f) Q3 2007: Includes approximately $28 million pretax interest income related to the completion of the Internal Revenue Service (IRS) examination of tax years 2000 through 2003

(g) Q3 2007: Favorable income tax adjustment of approximately $50 million, related primarily to adjustments for foreign income inclusions and related foreign tax credits, export income exclusions, and research and experimental credits.

(h) Q4 2007: Includes a $26 million gain from the sale of a non-core business.

(i) Q4 2007: Includes a $57 million gain from the sale of a non-core business.

(j) Q4 2007 includes a $36 million charge on the settlement of litigation related to a furnace warranty matter, of which approximately $15 million is recorded within other expenses, which is a component of revenues.

(k) Q4 2007 includes charges for income tax adjustments of $49 million associated with foreign tax matters including a change in Non- U.S. tax laws.

KEY DATA

($ millions)

	2Q 08	2Q 07
Free cash flow*	1,113	1,198
Debt/capital	33%	31%
Net debt/capital	25%	22%
Capital expenditures	305	251
Share repurchase	719	500
Acquisitions**	389	130

* See appendix for free cash flow reconciliations
** Includes debt assumed

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2Q 2008 PERFORMANCE

Organic growth

Otis	10%
Carrier	1%
UTC F&S	4%
Pratt & Whitney	6%
Hamilton	14%
Sikorsky	9%
Total UTC	6%

FREE CASH FLOW RECONCILIATION

($ millions)

	2Q 08	2Q 07
Net Income	1,275	1,148
Depreciation & amortization	326	277
Change in working capital	(258)	(118)
Other	75	142
Cash flow from operations	1,418	1,449
Capital expenditures	(305)	(251)
Free cash flow	1,113	1,198

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.

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