COMPANY OVERVIEW

Carrier

Employees	43,728 people
Revenues	$12.5 billion
Operating Profit	$1.1 billion

Heating, ventilating and air conditioning (HVAC) systems and controls for residential, commercial, industrial and transportation applications; refrigeration systems for food retail and transportation; air quality and energy management systems for residential and commercial HVAC and refrigeration applications; food service equipment; aftermarket parts and services for HVAC, refrigeration and food service industries.

Hamilton Sundstrand

Employees	16,239 people
Revenues	$4.4 billion
Operating Profit	$675 million

Aircraft electrical power generation and distribution systems; engine and flight controls; propulsion systems; environmental controls; auxiliary power units; aircraft and military fire protection systems, product support, maintenance and repair services; space life support and environmental control systems; industrial products, including compressors, metering devices and fluid-handling equipment.

Otis

Employees	60,397 people
Revenues	$9.6 billion
Operating Profit	$1.7 billion

Design, manufacture, installation, service and upgrade of elevators, escalators and moving walkways for all buildings, including commercial, residential, multipurpose malls, educational institutions and urban transportation systems.

Pratt & Whitney

Employees	38,496 people
Revenues	$9.3 billion
Operating Profit	$1.4 billion

Turbofan engines for large commercial and military aircraft; turbofan, turboprop and turboshaft engines for regional, business, utility and military aircraft, and helicopters; gas turbine engines for auxiliary power units, industrial applications and marine propulsion; gas turbine spare parts and product support including engine maintenance, repair and overhaul services; liquid rocket engines and pumps for launch and space propulsion systems; specialty materials and services for industrial applications.

Sikorsky

Employees	9,640 people
Revenues	$2.8 billion
Operating Profit	$250 million

Military and commercial helicopters; fixed-wing reconnaissance aircraft; spare parts and maintenance, repair and overhaul services for helicopters and fixed-wing aircraft; civil helicopter operations.

UTC Fire & Security

Employees	51,832 people
Revenues	$4.2 billion
Operating Profit	$235 million

Electronic security and fire safety systems, software and services; design, integration, installation and servicing of access control, intruder alarm, video surveillance, and fire detection and suppression systems; monitoring, response and security personnel services.

UTC Power

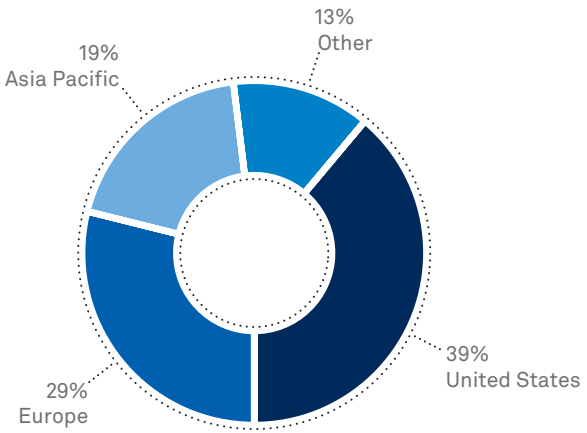
Employees	435 people

UTC Power's financial information is not reported as its own segment.

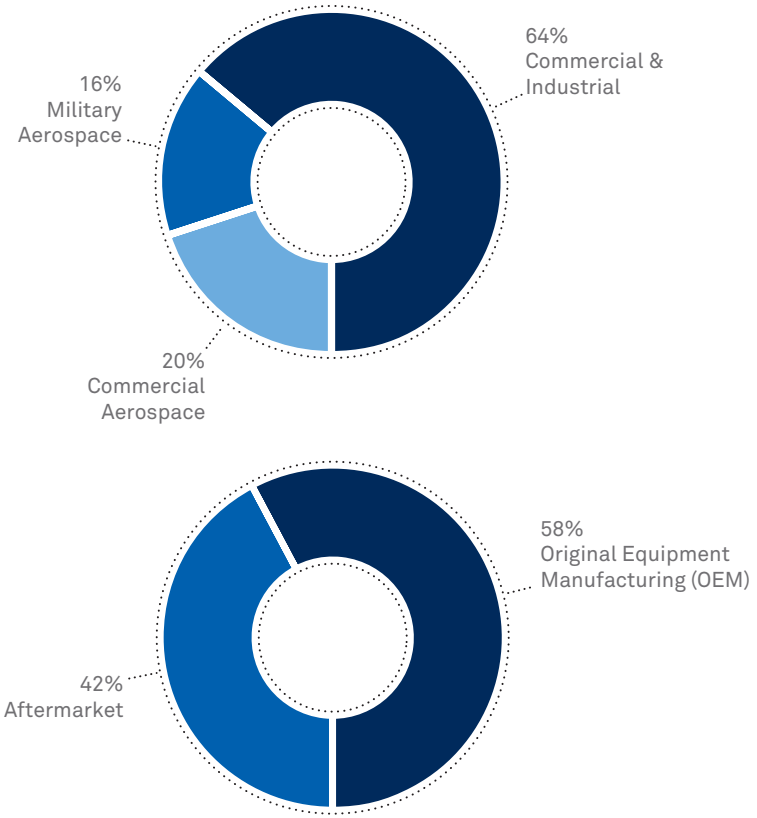
Fuel cell systems for on-site, transportation and space applications, including the U.S. space shuttle program; combined cooling, heating, and power systems for commercial and industrial applications.

BUSINESSES IN BALANCE

UTC's balanced portfolio of businesses spans a range of sectors, markets and customer relationships. Maintaining this balance helps to protect us from economic shifts and market downturns, and allows us to take advantage of both long- and short-term business cycles.



REVENUES BY GEOGRAPHY
AS PERCENT OF TOTAL REVENUE



REVENUES BY BUSINESS TYPE
AS PERCENT OF TOTAL REVENUE

External forces challenge us to learn and grow. We define ourselves by how we respond. Globalization, productivity, technology and corporate responsibility will challenge us forever. They're how we get ahead and stay ahead of the competition.

Globalization speeds development, outstrips old approaches and presents amazing opportunities for new ones. Global trade as a percentage of gross domestic product has grown tenfold since 1965. China's cities are gaining more than a million people a month. It will only continue.

United Technologies' businesses are at the heart of growing urban centers from Dubai to Shanghai. Otis and Carrier have had a local presence in Asia for nearly a century and still lead today, with UTC Fire & Security and UTC Power right there beside them. Power, comfort, security and the movement of people and goods all gain from UTC solutions.

Grand Gateway, Xiu Jia Hui District, Shanghai, China

Productivity is the most powerful force in the economy. Every step of every operation can be defined in value added per person employed. Technology and education are what add the most. The possibilities for improvement are unlimited.

Sikorsky transformed a warehouse into S-76 and S-92 assembly to produce more helicopters in less space, part of UTC's relentless reinvention of itself. Pratt & Whitney Canada reengineered the PW600 engine assembly and test time from eight days to eight hours. Hamilton Sundstrand cut the Boeing 787 auxiliary power unit's manufacturing footprint in half. Productivity has been a key factor in UTC's more than eightfold increase in market capitalization since 1992.

S-76 and S-92 Assembly Area, Sikorsky, Stratford, Connecticut, U.S.

Technology continues to change the world. With energy in demand and costs on the rise, new solutions can make resources go further. Products available today can reduce consumption in commercial and industrial buildings by 30 percent. Continued innovation will cut more.

UTC is making buildings more efficient by rethinking systems and service together. United Technologies Research Center works simultaneously with our businesses to bring market-enabling technologies to commercial readiness. Integrating cooling, heating and power has always made sense environmentally; now the economics are compelling, too. Our flexible systems let customers create the environment they need.

Banco Santander Central Hispano, Madrid, Spain


AKADEMIA EKONOMICZNA

Corporate responsibility makes all businesses better. By behaving responsibly toward all their constituents, companies create better products, perform more efficiently, promote stronger markets and inspire their people.

UTC's Employee Scholar Program reflects our commitment to employees' personal development. We cover all costs for accredited programs, then reward those who earn degrees with UTC stock. Since 1996, we've invested $529 million and have 18,457 graduates. Of 13,522 students now enrolled, 4,737 are outside the U.S., including 1,115 in Poland.

Akademia Ekonomiczna, Krakow, Poland

Our Commitments define who we are and how we work. They focus our businesses and move us forward.

PERFORMANCE
Our customers have a choice, and how we perform determines whether they choose us. We aim high, set ambitious goals and deliver results, and we use customer feedback to recalibrate when necessary. We move quickly and make timely, well-reasoned decisions because our future depends on them. We invest authority where it needs to be, in the hands of the people closest to the customer and the work.

PIONEERING INNOVATION
We are a company of ideas that are nurtured by a commitment to research and development. The achievements of our founders — Willis Carrier, Charles and Jeremiah Chubb, Tom Hamilton, Elisha Otis, Fred Rentschler (who founded Pratt & Whitney), Igor Sikorsky, and David Sundstrand — inspire us to reach always for the next innovative and powerful and marketable idea. We seek and share ideas openly, and encourage diversity of experience and opinion.

PERSONAL DEVELOPMENT
Our employees' ideas and inspiration create opportunities constantly, and without limits. We improve continuously everything we do, as a company and as individuals. We support and pursue lifelong learning to expand our knowledge and capabilities and to engage with the world outside UTC. Confidence spurs us to take risks, to experiment, to cooperate with each other and, always, to learn from the consequences of our actions.

SOCIAL RESPONSIBILITY
Successful businesses improve the human condition. We maintain the highest ethical, environmental and safety standards everywhere, and we encourage and celebrate our employees' active roles in their communities.

SHAREOWNER VALUE
We are a preferred investment because we meet aggressive targets whatever the economic environment. We communicate honestly and forthrightly to investors, and deliver consistently what we promise. We are a company of realists and optimists, and we project these values in everything we do.

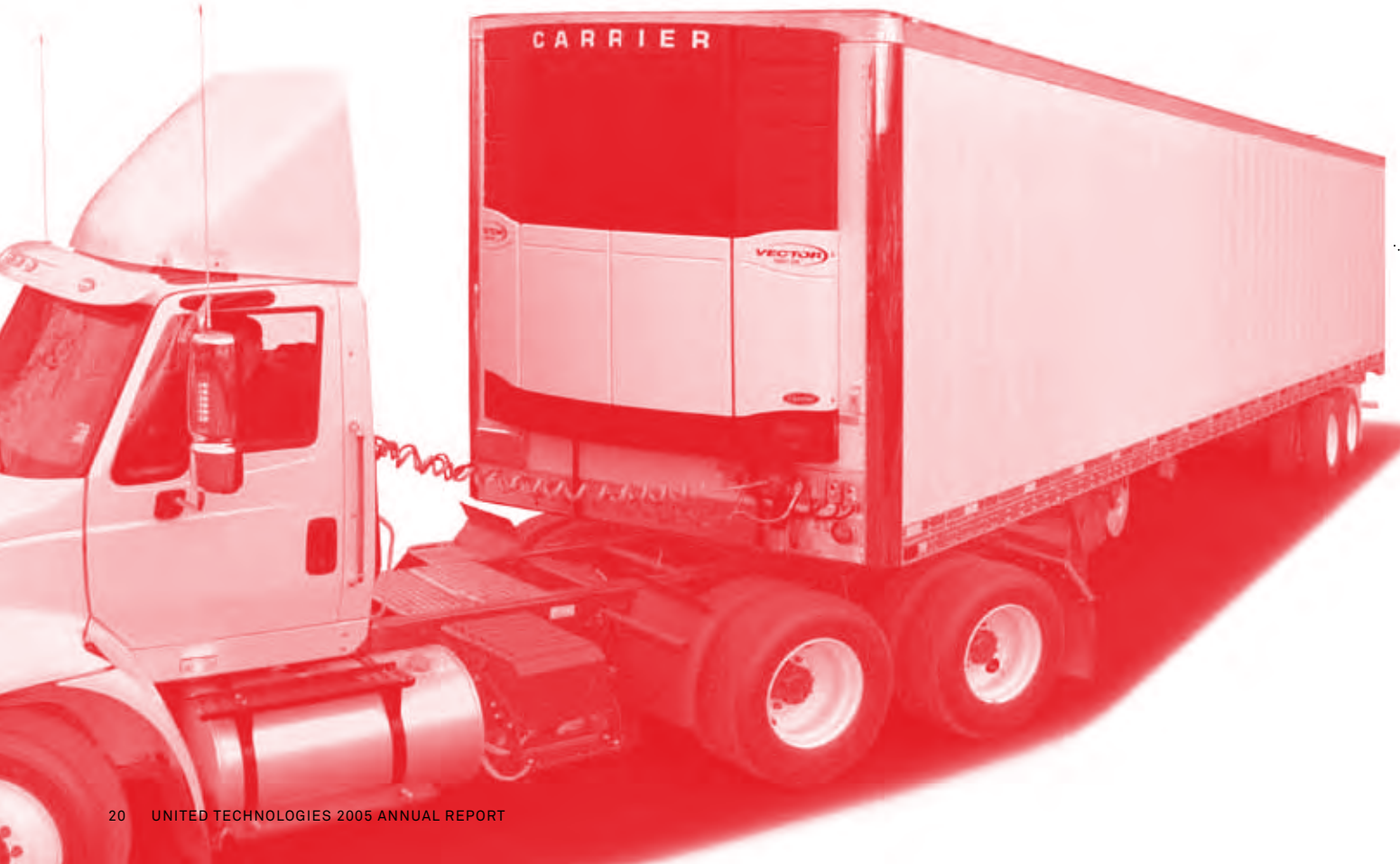
Every UTC business has its own story of opportunity, innovation and growth. Our markets inspire us. Our disciplines unite us.

Carrier

In 2005 Carrier achieved major wins in heating, air conditioning and refrigeration. Toll Brothers, a leading U.S. home builder, ordered 14,000 Bryant air conditioners. Food retailer Ahold committed to purchasing Tyler Glass Door Merchandisers. Fairfield University in Connecticut contracted with Carrier for a new cogeneration facility to produce 95 percent of its campus power. Carrier invests hundreds of millions of dollars every year in the core technologies affecting comfort, efficiency and the environment. In 2005, Carrier partnered with the Syracuse Center of Excellence in Environmental and Energy Systems to create a world-class laboratory to study indoor air quality.

SEEING BEYOND 13 SEER

Carrier, the inventor of modern air conditioning, has reinvented its residential air conditioning products for a new generation. A $250-million investment has yielded technologies and more efficient products that meet the new 13 SEER (Seasonal Energy Efficiency Ratio) standard and also help homeowners with easy-to-use features. Micro-tube coils enable units to be 20 percent smaller and 30 percent lighter while using 40 percent less refrigerant than previous 13 SEER units.



HIGH-ROAD HYBRID

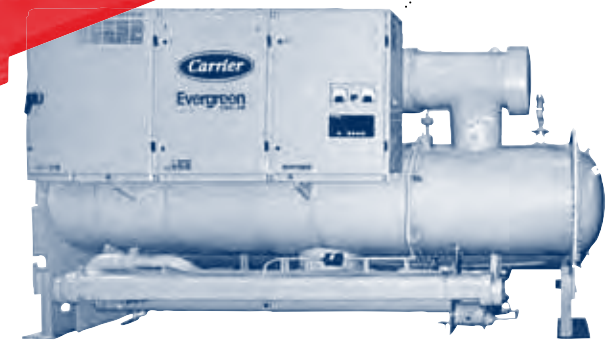
With Deltek hybrid diesel-electric technology, Carrier Transicold brings refrigerated transport to a new level. Introduced in 2005, the Deltek technology platform offers higher reliability, exceptional performance and easier maintenance than ever before. It also proves the value of collaboration among UTC businesses, with an aerospace technology generator from Hamilton Sundstrand providing electrical power.

PROVEN QUALITY, SLEEK MODULAR DESIGN

Linde Refrigeration introduced the Presenter in a combined four-unit arrangement at EuroShop 2005. This modular product can be easily configured to meet retailers' needs for food presentation.

EVERGREEN CUTS COSTS, SUSTAINS ENVIRONMENT

Carrier's North America Commercial business introduced the Evergreen 23XRV chiller, which uses the non-ozone-depleting HFC-134a refrigerant. Its ingenious technology makes it one of the lowest life-cycle-cost chillers in the world, reaffirming Carrier's ability to achieve world-class energy efficiency with zero compromise on ozone protection.



"We began phasing in the Puron non-ozone-depleting refrigerant several years ago, and today it's part of all our Carrier sales. The products with Puron have proved to have extremely high reliability and have helped to give us a unique position in the marketplace."

Roberta Roberts Shank

CEO/President, ChasRoberts Air Conditioning Inc., Phoenix, Arizona

Hamilton Sundstrand

Already present in virtually 100 percent of new commercial and regional jet aircraft, Hamilton Sundstrand strengthened its systems integration capabilities with the 2005 acquisitions of Kidde Aerospace and Defense and Rocketdyne's power segment. It is also working with the U.S. Army to develop a breakthrough system to supply drinking water to ground forces. Industrial sales grew at a double-digit clip, with particular strength in Asia-Pacific.

DOUBLE WIN IN FLY-BY-WIRE

Hamilton Sundstrand won key contracts to bring an advanced fly-by-wire system to Sikorsky's UH-60M BLACK HAWK helicopters. The contracts cover the primary flight control main and tail rotor actuators and flight control computers. These wins bode well for pilots, as the fly-by-wire upgrade significantly reduces pilot workload by making the helicopter safer and easier to fly.

"Hamilton Sundstrand and its employees earned their position on the Boeing 787 Dreamliner through their innovation, technology and talent. It's always been my dream to have partners and suppliers who are able to have more systems responsibility on an aircraft. Hamilton Sundstrand has the capabilities to deliver on that responsibility."

Alan R. Mulally
Executive Vice President, The Boeing Company
President and CEO, Commercial Airplanes, Seattle, Washington

POSITIVE SPIN

Hamilton Sundstrand is partnering with Airbus to prove bigger is better. The Airbus Military A400M propeller assembly is the world's largest, 17½ feet in diameter, and twice as powerful as a C-130 propeller.

CLEAN, QUIET POWER

The APS 5000 auxiliary power unit provides almost half a megawatt of power to support the Boeing 787's more-electric airplane systems and can operate from sea level to 43,000 feet. It meets the tightest standards ever for noise and emissions.

INNOVATIVE SYSTEMS CAPTURE WATER, FIGHT FIRES

Combat operations are always hazardous and are often in challenging environments. Two Hamilton Sundstrand systems address these issues for soldiers in Humvee vehicles. One captures water from diesel exhaust and makes it pure enough to drink. The other combines Kidde's optical sensor and fire extinguisher technologies to detect explosive fires caused by enemy threats and suppress them in milliseconds.

Otis

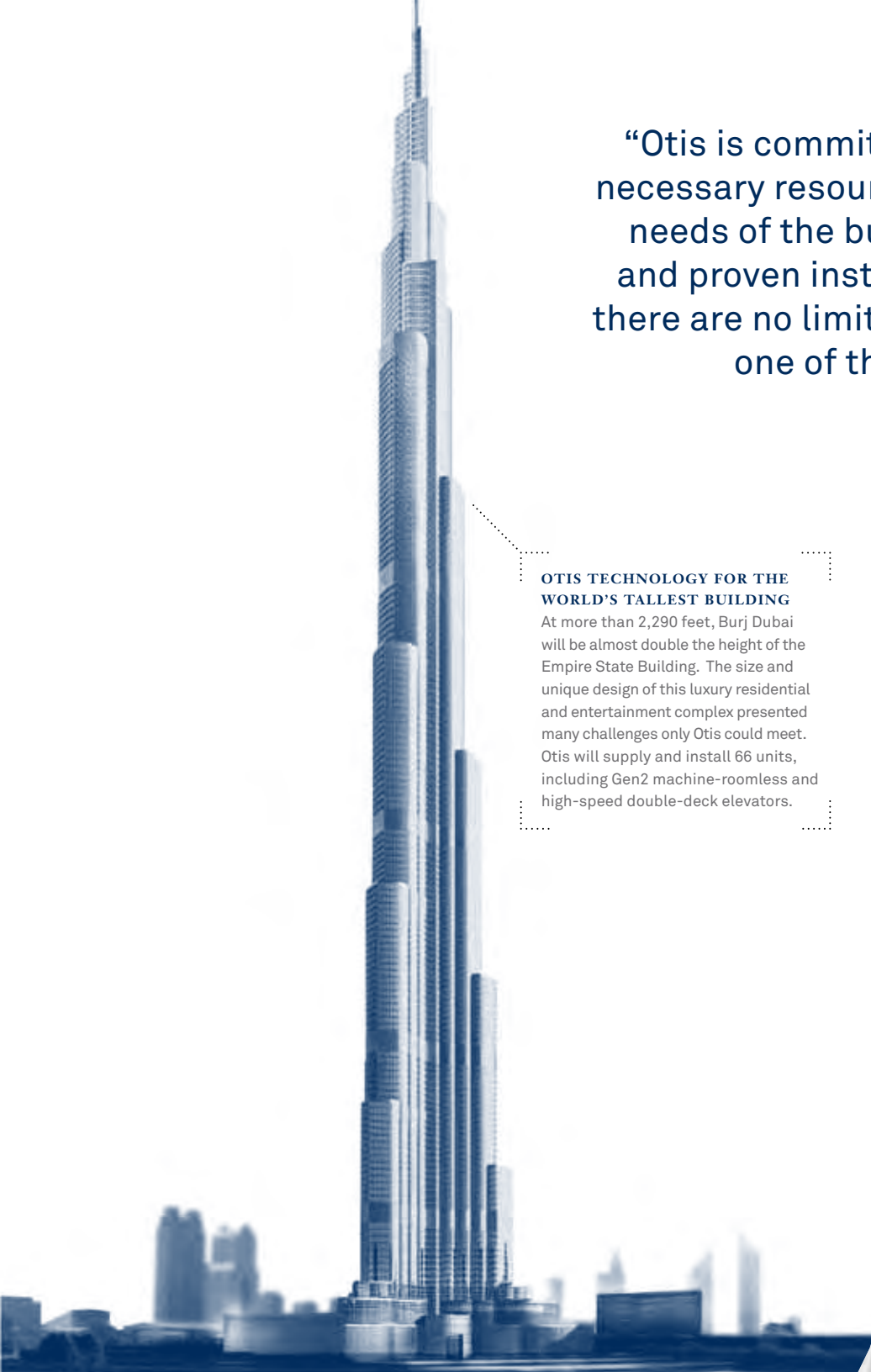
With award-winning technology and service, Otis continues to win many of the world's most prestigious contracts. Otis' flagship product, the Gen2 elevator, has revolutionized the industry with its patented flat-belt technology and machine-roomless design, and sales of more than 50,000 units since its 2000 release. This year Otis introduced the Gen2 system for low-rise residential and commercial markets with plans to further expand its capacity and speed.

A FASTER TRIP FOR ELEVATOR PASSENGERS

Otis' Compass dispatching system offers the next best thing to a personal elevator. Passengers input their destinations and receive individual elevator assignments for faster trips with fewer stops. This technology is being installed in premier buildings in Madrid, Paris and New York City.

PRODUCTS AND SERVICES FOR CHINA'S GROWING CITIES

Like China's booming economy, Otis' presence within the country continues to grow. As a partner in many of China's major developments, Otis will supply 448 elevators for eight residential high-rise projects in Jiangsu Province, an economically booming area with a population exceeding 65 million. Otis will also provide 89 elevators for the Laiyuan Plaza mall in Xinjiang Region, China's largest region, covering one-sixth of the country's land.



"Otis is committed to seeking solutions and providing the necessary resources to accommodate the unique design and needs of the building. Given Otis' outstanding reputation and proven installations worldwide, we feel confident that there are no limits to what we can accomplish in undertaking one of the world's most ambitious projects."

Fred Durie

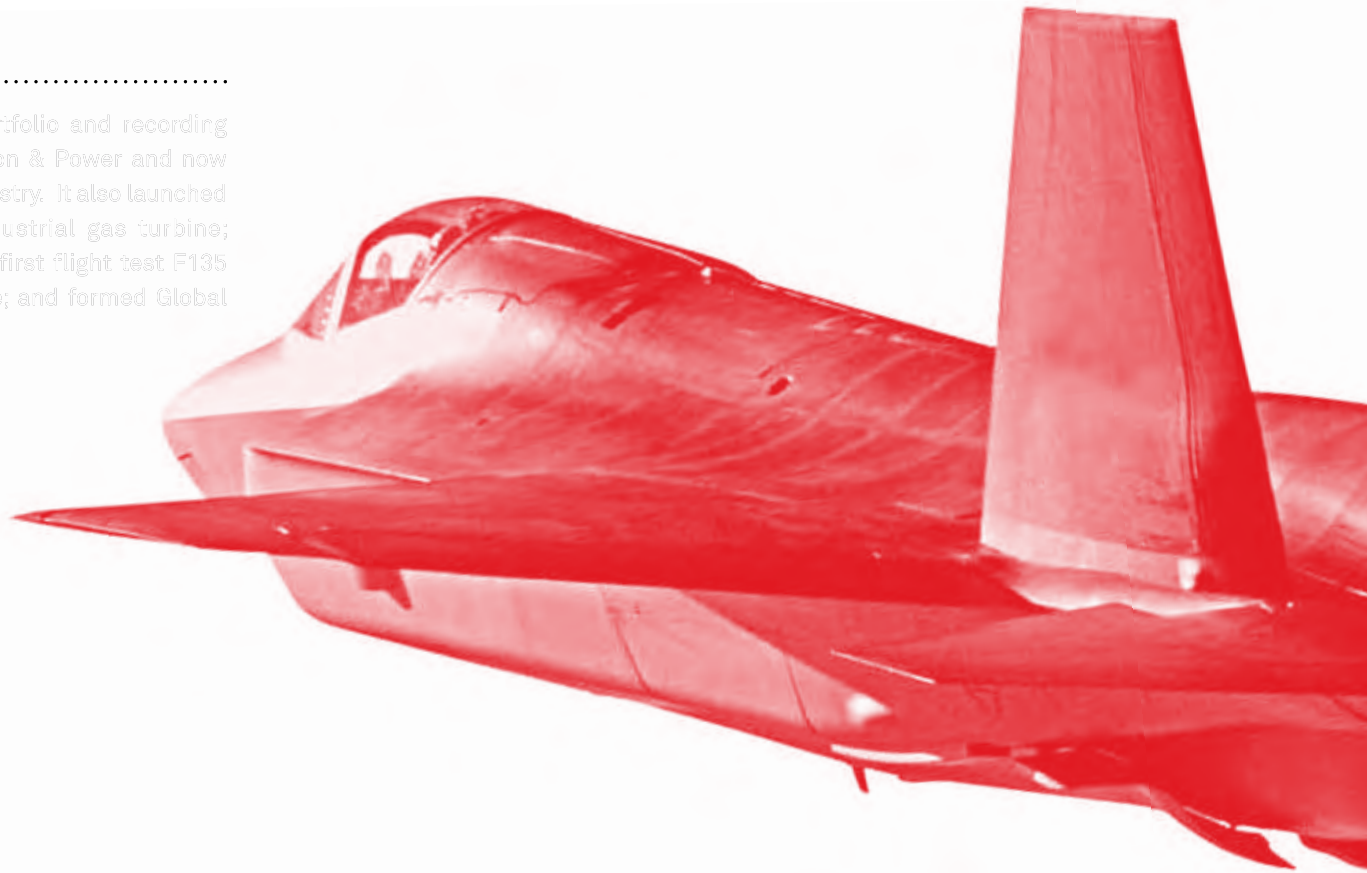
Executive Director, Emaar Properties, Dubai, UAE

OTIS TECHNOLOGY FOR THE WORLD'S TALLEST BUILDING

At more than 2,290 feet, Burj Dubai will be almost double the height of the Empire State Building. The size and unique design of this luxury residential and entertainment complex presented many challenges only Otis could meet. Otis will supply and install 66 units, including Gen2 machine-roomless and high-speed double-deck elevators.

Pratt & Whitney

Pratt & Whitney marked 80 years by strengthening its portfolio and recording its highest revenues ever. It acquired Rocketdyne Propulsion & Power and now offers the most complete product line in the space launch industry. It also launched the PW6000 with LAN Airlines; introduced the FT8-3 industrial gas turbine; continued development of the PW600 family; delivered the first flight test F135 engine; received FAR 33 certification for the GP7000 engine; and formed Global Service Partners.

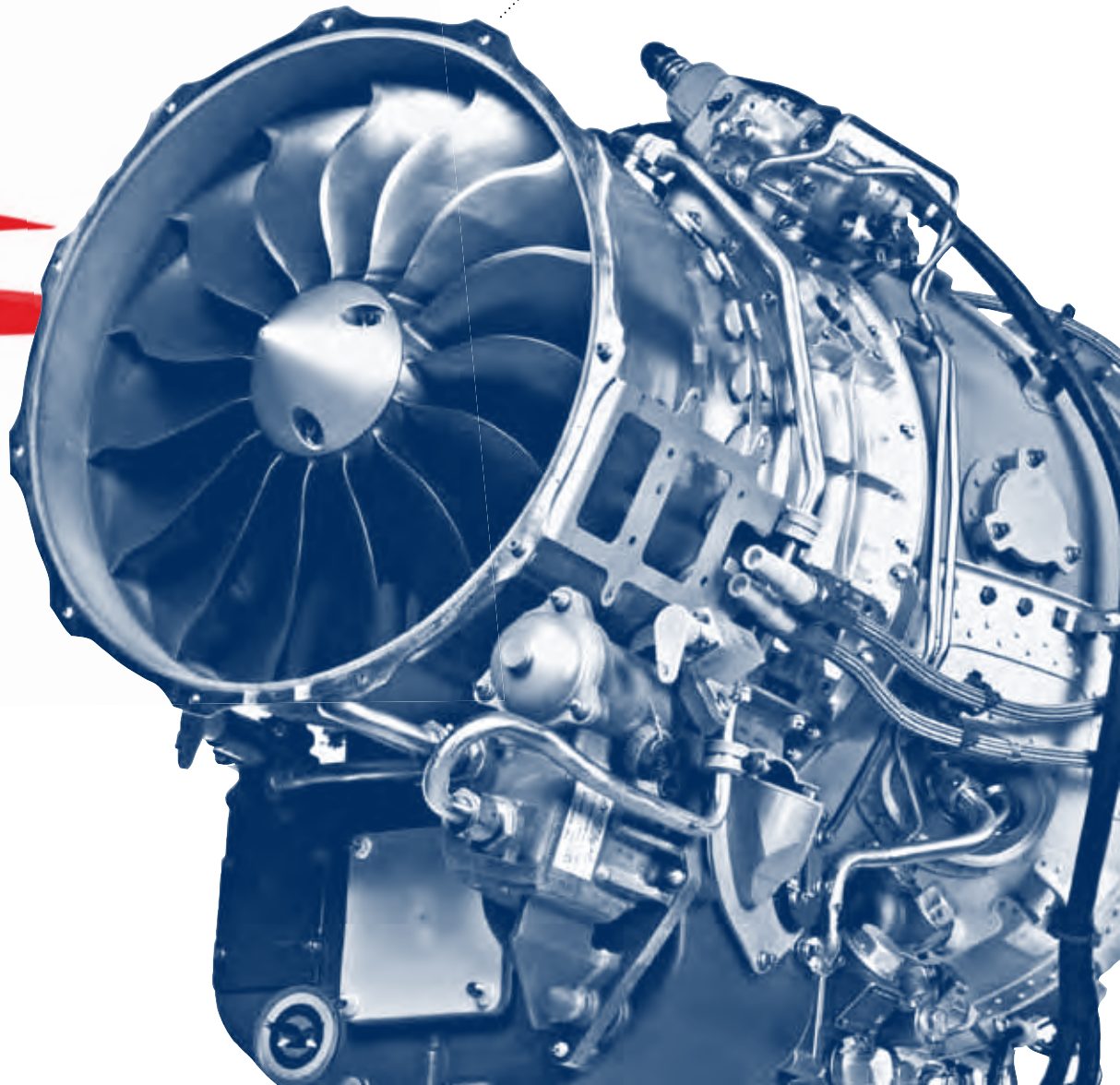


"United has partnered with Pratt & Whitney for more than 75 years and we are pleased that they have once again demonstrated their commitment to United Airlines and the success of our transformation efforts. Through our latest agreement, Pratt & Whitney Global Service Partners will play a significant role in helping us manage our costs while improving engine performance and reliability."

Rick Poulton
Senior Vice President, Business Development, United Airlines

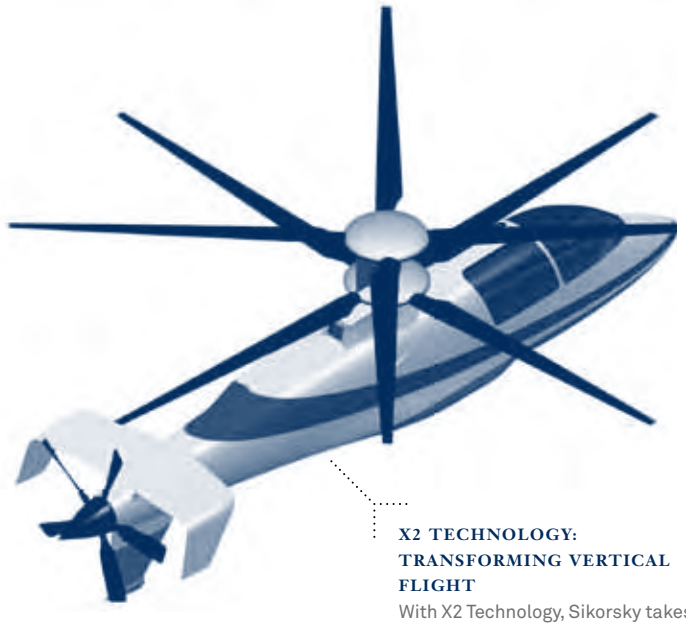
POWERING THE NEXT-GENERATION FIGHTER
Pratt & Whitney delivered the F135 engine that will power the first flight of the F-35 Joint Strike Fighter. The F135 will power three variants of this remarkable fifth-generation fighter for customers around the world.

TRANSFORMING AIR TRAVEL
Very light jets have the potential to transform air travel over the next decade. Pratt & Whitney Canada's PW600 engine family will power three new aircraft: the Cessna Citation Mustang, the Eclipse 500 and the Embraer Phenom 100.



Sikorsky

Worldwide growth in helicopter sales and service has put Sikorsky on track to double revenues from 2003 to 2008, as the S-92 helicopter continues its record launch and the S-76 helicopter builds on its best sales year ever. MH-60S/MH-60R Naval Hawk and Army UH-60M BLACK HAWK helicopters are leading a new wave of aircraft replacement across the U.S. military services, to be followed by CH-53K helicopters for the Marine Corps. Sikorsky helicopters were also used to rescue more than 34,000 victims from Hurricane Katrina and thousands more following the devastating tsunami in Southeast Asia.



S-76 UPS THE ANTE

S-76 performance, versatility and upgrades continue to drive new sales records. Offshore Logistics bought 32, with an option for 24 more. The next-generation S-76D, announced in 2005, will have new blades, a new cockpit, quieter operation and more power thanks to new engines from Pratt & Whitney Canada.

X2 TECHNOLOGY: TRANSFORMING VERTICAL FLIGHT

With X2 Technology, Sikorsky takes helicopter design further than ever. Two counter-rotating rotors on the same axis and auxiliary propulsion are expected to enable high-speed versions of X2 Technology aircraft to cruise at 250 knots while equaling or surpassing all the flight and hover characteristics of conventional helicopters. Sikorsky plans to fly a demonstrator by the end of 2006.