UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES[X] EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1993

or

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE[ ] SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to ___________________

Commission file number 1-812

UNITED TECHNOLOGIES CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	06 0570975
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

United Technologies Building, Hartford, Connecticut	06101
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (203) 728-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Medium-Term Notes, Series B, PEN Notes due September 8, 1997	New York Stock Exchange
Common Stock ($5 par value)	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and is not to be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. [X]

At February 1, 1994, there were 126,610,856 shares of Common Stock outstanding; the aggregate market value of the voting Common Stock held by non affiliates at February 1, 1994 was approximately $8,435,448,281.

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K into which the document is incorporated: (1) United Technologies Corporation 1993 Annual Report to Shareowners, Parts I, II and IV; and (2) United Technologies Corporation Proxy Statement for the 1994 Annual Meeting of Shareowners, Part III.

UNITED TECHNOLOGIES CORPORATION

Index to Annual Report
on Form 10-K
Year Ended December 31, 1993

PART I

Item 1. Business

History of Business

United Technologies Corporation was incorporated in Delaware in 1934. Since 1973, growth has been enhanced by the acquisition of several companies and by internal growth of existing businesses of the Corporation*.

In the first quarter of 1988, the Corporation sold its Essex Group. In December 1988, the Corporation purchased a 46 percent equity interest in Sheller-Globe Corporation, and purchased the remaining equity of the company in the fourth quarter of 1989. During 1990, the Corporation sold its interests in several of the Automotive segment's non-core businesses. In January 1994, the Corporation announced that it was planning to sell 40% of the economic interest in its Automotive segment to the public through an initial public offering. See the description of Automotive at pages 11 through 12 of this Report. In February of 1994, the Corporation announced an agreement to sell Norden Systems, Inc., to Westinghouse Electric Corporation, subject to approval of the U.S. Government.

Management's Discussion and Analysis of the Corporation's Results of Operations for 1993 compared to 1992, and for 1992 compared to 1991, and its Financial Position at December 31, 1993 and 1992, and Selected Financial Data for each year in the five year period ended December 31, 1993 are set forth on pages 27 through 35 of the Corporation's 1993 Annual Report to Shareowners. Whenever reference is made in this report to specific pages in the 1993 Annual Report to Shareowners, such pages are incorporated herein by reference.

Operating Units and Industry Segments

The Corporation conducts its business principally through its Pratt & Whitney, Sikorsky, Hamilton Standard, Norden, Carrier, Otis, and UT Automotive units and also the United Technologies Research Center.

The operating units of the Corporation conduct their business within five principal industry segments or lines of business--Pratt & Whitney, Flight Systems, Carrier, Otis, and Automotive. Management believes that during 1993 the principal products produced by the major business units within these five segments held in many instances, rankings of either number one or two. The principal products of the operating units reported within each of these industry segments are as follows:

Industry Segment	Principal Products
Pratt & Whitney	--Pratt & Whitney engines and parts
Flight Systems	--Sikorsky helicopters and parts
	--Hamilton Standard engine controls, environmental systems, propellers and other flight systems
	--Norden airborne and ground radar and command/control systems
	--Chemical Systems and USBI rocket boosters and preparation and refurbishment of rocket boosters
Carrier	--Carrier heating, ventilating, air conditioning, and refrigeration equipment and service
Otis	--Otis elevators, escalators and service
Automotive	--Automotive components and systems

The Consolidated Summary of Business Segment Financial Data for the years 1991 through 1993 appears on pages 51 through 54 of the Corporation's 1993 Annual Report to Shareowners.

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*"Corporation," unless the context otherwise requires, means United Technologies Corporation and its consolidated subsidiaries.

Description of Business by Industry Segment

The following description of the Corporation's business by industry segment should be read in conjunction with Management's Discussion and Analysis of Results of Operations and Financial Position appearing in the Corporation's 1993 Annual Report to Shareowners, especially the information contained therein under the headings "Business Environment" and "Restructuring and Other Actions."

Pratt & Whitney

Pratt & Whitney's business consists almost entirely of revenues* from the sale of aircraft gas turbine engines and spare parts and from the overhaul and repair of engines. Pratt & Whitney products are sold principally to aircraft manufacturers, airlines and other aircraft operators, aircraft leasing companies, and the U.S. and foreign governments. Direct and indirect revenues from sales to the U.S. Government amounted to $1,556 million, or approximately 26 percent, of Pratt & Whitney revenues in 1993. Sales to the Boeing Company and McDonnell Douglas Corporation, consisting primarily of commercial aircraft jet engines, amounted to $1,218 million, or approximately 21 percent, and $452 million, or approximately 8 percent, respectively, of total Pratt & Whitney revenues in 1993.

Commercial Aircraft Engines and Parts

Pratt & Whitney is one of the world's leading producers of large turbofan (jet) engines and parts for commercial aircraft. During the years 1991 through 1993, the Corporation's total revenues from its commercial engine business were as follows:

Year	Total Revenues Engines & Parts
1991	$3,778 million
1992	$3,700 million
1993	$3,266 million

As of December 31, 1993, Pratt & Whitney jet engines powered approximately 6,600 commercial aircraft for approximately 725 domestic and foreign airlines and other owners and operators. Jet engines currently in production at Pratt & Whitney for installation in commercial aircraft are as follows:

Commercial Engine Designation	Year of First Commercial Service	Current Maximum Takeoff Thrust	Current Production Aircraft in which Installed	Number of Engines per Aircraft
JT8D-200	1980	21,000 lbs.	Douglas MD-80**	2
PW2000	1984	41,700 lbs.	Boeing 757-200/PF***	2
PW4000	1987	62,000 lbs.	Airbus A310-300***	2
			Airbus A300-600***	2
			Boeing 747-400***	4
			Boeing 767-200/-300***	2
			Douglas MD-11***	3
IAE V2500	1989	30,000 lbs.	Airbus A320/A321****	2
			Douglas MD-90*****	2

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* For the definition of "revenues" as used in this report, see Notes to Consolidated Summary of Business Segment Financial Data at page 54 of the Corporation's 1993 Annual Report to Shareowners.
** Powered exclusively by Pratt & Whitney engines.
*** Powered by competitive as well as Pratt & Whitney engines.
**** Powered by competitive as well as IAE International Aero Engines AG engines.
*****Powered exclusively by IAE International Aero Engines AG engines.

PAGE

During 1992, International Lease Finance and Shorouk Air announced firm orders for 14 Boeing 757 aircraft, each powered by two PW2000 engines. At December 31, 1993, a total of 14 customers had announced firm orders for 376 Boeing 757 aircraft powered by 752 PW2000 engines, of which 568 engines had been delivered.

The PW4000 is operating in airline service today at up to 62,000 pounds of thrust and was certified at 68,000 pounds of thrust for the Airbus A330 in August, 1993, and is scheduled to be certified at 84,000 pounds of thrust for the Boeing 777 in April 1994. The PW4000 engine powers current production McDonnell Douglas MD-11, Boeing 747 and 767, and Airbus A300 and A310 aircraft. During 1990, United Airlines selected the PW4000 as the launch engine on the new Boeing 777 aircraft as part of a $4 billion engine order, the largest in Pratt & Whitney's history. During 1991, All Nippon Airways became the second customer to select the PW4000-powered Boeing 777. In 1993, firm orders for 45 installed PW4000 engines were announced by six customers. At December 31, 1993, 67 customers had ordered a total of 674 aircraft powered by 1,748 PW4000 engines, of which 984 engines had been delivered.

Motoren-und Turbinen-Union GmbH (MTU), a subsidiary of Daimler-Benz of Germany, and Pratt & Whitney have agreed that each company will participate with the other in the development, manufacture and marketing of commercial gas turbine engines. Under terms of a general collaboration agreement signed in March 1991, Pratt & Whitney will be the lead company on the PW4084, the growth version of the PW4000 engine intended for the Boeing 777 aircraft. MTU will have a 12.5 percent share of this program. Pratt & Whitney/MTU presently collaborate in the development, manufacture and marketing of the JT8D-200, the PW300 (see the discussion of General Aviation Engines and Parts beginning at page 4 of this Report), the PW2000 and the V2500 commercial gas turbine engines. P&W, GE, SNECMA and MTU are negotiating an agreement under which a European company could be formed to produce small turbofan engines in the range of the 12,000 to 20,000 pound thrust class.

IAE International Aero Engines AG (IAE), a corporation whose shareholders consist of Pratt & Whitney, Rolls-Royce plc of England, Japanese Aero Engines Corporation, MTU, and FiatAvio of Italy, is providing the V2500 engine, to cover the range of 18,000 to 30,000 pounds of thrust. Pratt & Whitney has a 30 percent equity share in IAE. At December 31, 1993, 18 customers had placed firm orders for 311 A320 and A321 (a larger capacity derivative of the A320) aircraft to be powered by the V2500 engine. In addition, at December 31, 1993, seven customers had placed firm orders for 101 MD-90s, a two engine aircraft which will be powered exclusively by the V2500.

The competitive environment encountered in introducing new airframe/engine combinations into the fleets of individual airlines, and the manner in which Pratt & Whitney and other engine suppliers respond to that environment, are discussed at pages 5 through 7 of this Report.

Military Engines and Parts

Pratt & Whitney is one of two major suppliers to the U.S. Government of large jet engines and jet engine parts for military aircraft. During the years 1991 through 1993, the Corporation's total revenues from its government engine business were as follows:

Year	Total Revenues Engines & Parts
1991	$2,062 million
1992	$2,006 million
1993	$1,595 million

At December 31, 1993, approximately 16,500 Pratt & Whitney jet engines were in active military inventories of the U.S. and foreign governments.

Jet engines currently in production at Pratt & Whitney for installation on military aircraft are as follows:

Military Engine Designation	Year of First Operational Use	Current Maximum Takeoff Thrust	Current Production Aircraft in which Installed	Number of Engines per Aircraft
F100	1974	29,000 lbs. class	Air Force F-15	2
			Air Force F-16	1
F117	1992	41,700 lbs.	Air Force C-17	4

Pratt & Whitney competes with General Electric Company (GE) for engine orders for F-15 and F-16 fighter aircraft. The F-15 is produced by McDonnell Douglas Corporation, and the F-16 is currently produced by Lockheed Corporation. Since 1982, Pratt & Whitney's F100 engine has been used to fill approximately one-half of the U.S. Air Force's engine orders for these aircraft. The number of engines for these aircraft ordered annually by the Air Force has decreased from 231 engines ordered in 1989 to 12 engines ordered in 1993, all 12 of which have been awarded to GE. The Corporation has been notified by the U.S. Air Force that no further F-16 acquisitions are planned at present.

During 1993, Pratt & Whitney delivered two F100 engines under a contract with the South Korean Air Force which calls for production and licensed production of a total of 132 F100 engines. Delivery of 18 engines under an F-16 program with Taiwan is scheduled for 1994, and current orders call for Pratt & Whitney to sell 166 F100 engines under that program. In March 1993, the Royal Saudi Air Force issued a letter of intent announcing the selection of Pratt & Whitney's F100-PW-229 to power its F-15 fleet, which contemplated the delivery of approximately 154 engines, commencing in 1994. However, in February 1994 Saudi Arabia reached an agreement in principle with the U.S. Government and five U.S. defense contractors to restructure certain payments for military hardware, which included stretching out deliveries of the 72 F-15s involved. In January 1994, Israel selected an F-15 derivative with the F100 engine for an anticipated procurement of 20 aircraft, with an option to purchase five more, plus an undetermined number of spares.

Currently, all orders for the F117 engine, a version of the PW2000 which powers the C-17 airlift aircraft produced by McDonnell Douglas for the U.S. Air Force, are placed directly with Pratt & Whitney by the Air Force. Twenty F117 engines were delivered to the Air Force in 1993, and 35 F117 engines are scheduled for delivery in 1994. Original Air Force plans called for delivery of 120 C-17s; however, management believes that number may be reduced as a result of either or both of U.S. defense budget cuts and possible Air Force procurement of non-military aircraft to fill the C-17's anticipated role.

Jet engines under development by Pratt & Whitney are designated the J52-P-409 and the F119-PW-100 (formerly PW5000). The J52-P-409 is an improved performance version of the J52-P-408 and J52-P-8 engines and is rated at approximately 12,500 pounds of takeoff thrust. Due to reductions in the U.S. defense budget, management cannot predict with certainty whether this engine will be produced in significant numbers. The F119 was selected to power the Air Force's F-22 aircraft under development by the team of Lockheed Corporation and the Boeing Company, and it is a 35,000-pound-thrust class engine. This engine is being developed under an Engineering and Manufacturing Development contract. Also, as a result of reductions in the U.S. defense budget, management cannot predict with certainty when, and in what quantities, production of the F119 will commence.

The competitive environment encountered in supplying military jet engines and jet engine parts to the U.S. Government is discussed beginning at page 12 of this Report.

General Aviation Engines and Parts

Pratt & Whitney is one of the world's leading producers of small gas turbine engines and parts for business and regional/commuter aircraft, and also supplies small turbine engines and parts for military aircraft, for helicopters and as auxiliary power units for large transport aircraft.

Small gas turbine engines are manufactured by Pratt & Whitney Canada and consist of the PT6 series of turboprop/turboshaft engines, which produce up to 1,650 shaft-horsepower, the JT15D series of turbofan engines, which produce up to 3,095 pounds of takeoff thrust and the PW100 series, a turboprop engine, which produces up to 2,750 shaft-horsepower. Typical applications are six to eighty-passenger business and regional airline aircraft, including the Beech King Air and Super King Air series, the Beech Starship I and Piaggio Avanti pusher turboprops, the Beech 1900 airliner and the Beechjet, Cessna Citation II and V and Caravan I and II, de Havilland Dash 8-100 and Dash 8-300, Piper Cheyenne IIIA, Embraer EMB-120, British Aerospace ATP, Fokker 50, Dornier DO 328 and Aerospatiale/Aeritalia ATR-42 and ATR-72 aircraft, and the Bell 212/412 and Sikorsky S-76B helicopters.

On December 31, 1993, more than 17,000 PT6, JT15D and PW100 powered aircraft and helicopters were in use in approximately 160 countries and territories. During 1993, two Pratt & Whitney powered contenders for the Air Force Joint Primary Aircraft Training System completed first flight, one with the PT6 and the other with the JT15D. The PT6, JT15D and PW100 were each selected for a new or derivative installation in 1993.

The PW300, a 5,000 pound thrust class turbofan engine, has been developed for mid-size business jets under a collaboration agreement with MTU. The engine powers two applications, the Raytheon Corporate Jets Hawker 1000 and the Learjet Model 60, which started production deliveries in 1991 and 1993, respectively.

The PW200 series, a new 500 to 800 shaft-horsepower turboshaft engine, is being developed in Canada to power a series of light helicopters. The first model received Canadian Department of Transport certification in 1991 and is installed in the McDonnell Douglas MD Explorer helicopter which achieved first flight in 1992. The PW206B is installed in the Eurocopter EC 135, currently being developed.

In September 1993, Pratt & Whitney Canada launched the PW500 program, a new family of turbofan engines in the 2,500-4,000 thrust class aimed at light to medium business jets. An engine supply contract has been signed with a launch customer but no firm orders have yet been received.

The PW901A engine is used as the auxiliary power unit for the Boeing 747-400 aircraft. An auxiliary power unit provides aircraft with starting power, electric power, lighting and air conditioning. More than 430 units have now been ordered by Boeing.

Other Pratt & Whitney Products

Other activities in the Pratt & Whitney Segment include the production of the RL10 liquid hydrogen fuel rocket motor used for upper stage propulsion for the National Aeronautics and Space Administration (NASA) Atlas-Centaur and Titan-Centaur launch vehicles; the supply of contract services for the construction, outfitting and operation of aircraft and aircraft engine maintenance centers for foreign customers; and the overhaul and repair of Pratt & Whitney engines in the U.S. and Canada and in overseas locations. Pratt & Whitney is a participant in the National Aero-space Plane (NASP) team with Rockwell, Rocketdyne, McDonnell Douglas and Lockheed under contract with the U.S. Air Force. The contract for the NASP involves research and concept studies for the X-30 design.

Other Pratt & Whitney Segment Information

Pratt & Whitney's business is subject to rapid changes in technology; lengthy and costly development cycles; heavy dependence on a small number of products and programs; changes in legislation and in government procurement and other regulations and procurement practices (such as the current Defense Department emphasis on development of prototypes rather than full production of new systems and on upgrading existing systems rather than developing new systems); procurement preferences and policies of some foreign customers which require in-country manufacture through co-production (such as the co-production of the F100-PW-229 for the South Korean Fighter Program), offset procurement (where in-country purchases are required as a condition to obtaining orders), joint ventures and production sharing (such as exist in the case of the IAE V2500, JT8D, PW300, PW2000 and PW4000 engines), licensing or other arrangements; substantial competition from major domestic manufacturers and from foreign manufacturers whose governments sometimes give them direct and indirect research and development, marketing subsidies and other assistance for their commercial products; and changes in economic, industrial and international conditions.

The principal methods of competition in Pratt & Whitney's business are price, product performance, service, delivery schedule and other terms and conditions of sale, including fleet introductory assistance allowances and performance and operating cost guarantees, and the participation by the Corporation and its finance subsidiaries in customer financing arrangements in connection with sales of commercial jet engines. Fleet introductory allowances are financial incentives offered by the Corporation to airline customers in order to make engine sales which lead, in turn, to the sale of spare parts and services. Pratt & Whitney's major competitors are the aircraft engine businesses of GE and Rolls Royce. (For information regarding the Corporation's finance subsidiaries and commitments to finance or arrange financing for commercial aircraft, see Note 5 of Notes to Financial Statements at page 43 of the Corporation's 1993 Annual Report to Shareowners.)

Historically, it was common to new aircraft programs for only one engine to be selected for a given airplane. In those situations, competition between engine manufacturers occurred principally at the time of the selection of the engine for the particular aircraft. That approach still prevails in some situations, including general aviation aircraft, the McDonnell Douglas MD-80, which is powered exclusively by the Pratt & Whitney JT8D engine, and the MD-90, which is powered exclusively by the IAE V2500. In those situations, when the customer chooses an aircraft, there is no choice of engines. The customer must buy the engine originally selected for that aircraft.

In the case of commercial aircraft such as the Boeing 747, 757, 767 and 777, the McDonnell Douglas MD-11, and the Airbus Industrie A300, A300-600, A310, A320 and A321, aircraft manufacturers offer their customers a choice of engines, giving rise to substantial competition among engine manufacturers at the time of the sale of aircraft. This competition has become increasingly significant where new commercial airframe/engine combinations are first introduced to the market and into the fleets of individual airlines. Financial incentives granted by engine suppliers, and performance and operating cost guarantees on their part, are frequently important factors in such sales and can be substantial. (For information regarding participation in guarantees of customer financing arrangements granted by Pratt & Whitney and performance and operating cost guarantees, see Notes 1, 5, 12 and 13 of Notes to Financial Statements at pages 41 to 43 and 50, of the Corporation's 1993 Annual Report to Shareowners.)

Sales of Pratt & Whitney military engines are adversely affected by declining defense budgets (both in the U.S. and, to some extent, abroad) and the presence of competitors, such as General Electric. Military spare parts sales have been, and will continue to be, adversely affected by the decline in overall procurement by the U.S. Government and, to a lesser extent, by the U. S. Government's policy of increasing its parts purchases from suppliers other than the original equipment manufacturers. The combined impact of these developments is not believed to be material to the Corporation at the present time. The Corporation's sales to the U.S. Government of spare parts for military products, a substantial portion of which are manufactured by the Corporation's suppliers and subcontractors, were approximately $374 million or 6 percent of total Pratt & Whitney revenues in 1993.

Pratt & Whitney sales in the U.S. and Canada are made directly to the customer by the Corporation and, to a limited extent, through independent distributors. Other export sales from the U.S. are made with the assistance of an overseas network of sales offices and representatives outside the U.S. Export sales amounted to $2,289 million, or approximately 33 percent, and $2,031 million, or approximately 34 percent, of total Pratt & Whitney revenues in 1992 and 1993, respectively.

Pratt & Whitney's revenues associated with manufacturing operations outside the U.S., which consist primarily of small gas turbine engines and parts manufactured in the Corporation's plants near Montreal, Canada, amounted to $1,217 million, or approximately 18 percent, and $1,118 million, or approximately 19 percent, of total Pratt & Whitney revenues in 1992 and 1993, respectively. Such operations are subject to local government regulations as well as to varying political and economic risks.

At December 31, 1993, the business backlog in the Pratt & Whitney business amounted to $9,484 million, including $1,600 million under funded contracts and subcontracts with the U.S. Government, as compared to $11,627 million and $1,553 million, respectively, at December 31, 1992. Of the total Pratt & Whitney business backlog at December 31, 1993, approximately $5,133 million is expected to be realized as sales in 1994. Pratt & Whitney's backlog is based on the terms of firm orders received and does not include discounts granted directly to airline and other customers. Beginning in 1992, a number of major domestic airlines, foreign airlines and other owners and operators expressed their interest in postponing delivery of aircraft on order and, in some cases, existing orders and options for future delivery were canceled. The Corporation has negotiated with United Airlines changes to previously negotiated engine contract terms, including deferral of some engine deliveries. These factors could affect the amount of Pratt & Whitney business backlog which will ultimately be realized as sales.

Flight Systems

The Corporation's Flight Systems business is conducted through Sikorsky Aircraft, Hamilton Standard, Norden Systems, Chemical Systems, USBI, and International Fuel Cells.

Flight Systems products are sold principally to the U.S. Government, airframe and aircraft engine manufacturers, airlines and other aircraft operators, and foreign governments. Direct and indirect revenues from sales to the U.S. Government amounted to $2,416 million, or approximately 62 percent, of total Flight Systems revenues in 1993.

Military and Commercial Helicopters

Sikorsky is one of the world's leading manufacturers of military and commercial helicopters. Sikorsky is the primary supplier of transport helicopters to the U.S. Army. Sikorsky is currently producing helicopters for a variety of uses including passenger, utility/transport, cargo, anti-submarine warfare, search and rescue, mine countermeasures and heavy-lift operations. In addition to all branches of the U.S. military, Sikorsky supplies helicopters to foreign governments and the worldwide commercial market. Sikorsky's business base also encompasses spare parts for past and current helicopters produced by Sikorsky, and, through the Sikorsky Support Services, Inc. subsidiary of the Corporation, repair and retrofit of helicopters in the U.S. military fleet. Other helicopter manufacturers include Bell Helicopters, Eurocopter, Boeing Helicopters, Agusta and Westland.

Current production programs at Sikorsky include the BLACK HAWK medium-transport helicopter for the U.S. Army and derivatives for foreign governments; the SEAHAWK and CV Helo medium-sized helicopters for anti-submarine warfare missions for the U.S. Navy and derivatives for both the U.S. and foreign governments; the HH-60 JAYHAWK medium-range recovery helicopter for the U.S. Coast Guard; the CH-53E SUPER STALLION heavy-lift and MH-53E SEA DRAGON mine counter-measures helicopters for the U.S. Navy and Marine Corps and derivatives for Japan; and the S-76 intermediate-sized helicopter for executive transport and offshore oil platform support.

In 1993, seven HH-60J JAYHAWK helicopters were delivered to the U.S. Coast Guard. On the commercial side, 10 of the 11 deliveries of S-76 helicopters in 1993 were made to international customers.

Although in 1992 Sikorsky was awarded a U.S. Government contract for 300 BLACK HAWK helicopters through 1997, declining Defense Department budgets are such that Sikorsky's future will be increasingly dependent upon expanding its international position. Typically, these sales are expected to require the development of an in-country co-production program. Sikorsky succeeded in developing such a program in South Korea in 1990 by entering into a contract with Korean Airlines for 81 BLACK HAWK helicopters, 74 of which were to be co-produced. With this contract substantially completed, a supplemental contract was signed on December 31, 1993 for an additional 57 helicopter kits. In December 1992, Sikorsky signed a contract to provide up to 95 BLACK HAWK helicopters to the Turkish Armed Forces. The first 45 aircraft will be produced by Sikorsky. Of these, 40 have been delivered to and accepted by Turkey with the remainder scheduled to be delivered by June 1994. Sikorsky currently is negotiating a contract for the remaining 50 helicopters that are to be co-produced with Turkish industry participation.

Sikorsky has been teamed with Boeing Helicopter Company for the Engineering and Manufacturing Development (EMD) of the U.S. Army's next generation light helicopter program, the RAH-66 Comanche. The Boeing/Sikorsky team has been performing under the EMD cost reimbursement contract awarded in 1991. Present requirements call for a minimum of 1,292 aircraft; however, due in part to declining defense budgets, the Department of Defense in early 1992 called for an extension of the development contract and a deferral of Comanche production beyond 1997. The Corporation cannot predict the quantity of aircraft which ultimately will be built. Based on Department of Defense direction, the Army and Sikorsky in January 1993 completed negotiations of a restructured Demonstration Validation Prototype Program to validate crucial components of the Comanche design.

Sikorsky's development of a new S-92 commercial helicopter continues.

Other Flight Systems Products

Hamilton Standard is a leading domestic producer of a number of Flight Systems products. Major production programs include engine controls, environmental controls, flight controls and propellers for commercial and military aircraft. In addition, Hamilton Standard produces the space suit for the NASA space shuttle astronauts and environmental controls for the shuttle's orbiter.

Norden Systems produces airborne, shipboard and ground based radar systems, electronic systems and anti-submarine warfare systems for the U.S. and foreign governments. Current production programs include the limited rate initial production (LRIP) of the AN/APY-3 Joint STARS (Surveillance Target Attack Radar System) for the U.S. Air Force, the AN/APG-76 Multi-Mode Radar System (MMRS) for the Israeli F-4 Super Phantom Program, the Airport Surface Detection Equipment (ASDE-3) surface traffic control radar for the Federal Aviation Administration (FAA), the fire control radar for the Multiple Launch Rocket System (MLRS), the AN/SPS-40 and AN/SPS-67 shipboard radars, the AN/SYS sensor fusion system, and the AN/WLR-9 acoustic intercept system which is operational on all U.S. Navy submarines.

Development programs include Joint STARS, which was utilized in the Persian Gulf conflict to identify ground targets; a podded version of the MMRS, which will extend the aircraft and customer base of the radar; the Airport Movement Area Safety System (AMASS) which, in conjunction with ASDE-3, will provide the FAA an automatic runway incursion warning system designed to prevent aircraft runway collisions; the EA-6B Advanced Capability Radar (ADVCAP) for the U.S. Navy; and the WYL-1 Acoustic Intercept System, which is an advanced version of the AN/WLR-9.

The Chemical Systems Division manufactures and provides launch services for solid rocket propellant boosters producing more than one million pounds of thrust which, when used in pairs, constitute the initial booster stage for the U.S. Air Force's Titan IV launch vehicle as well as for the Martin Marietta Titan III commercial launch vehicle. In addition, Chemical Systems Division produces other propulsion systems, such as shuttle booster separation motors, the Inertial Upper Stage solid rocket motors for the U.S. Air Force and NASA, the third stage rocket motor for the Navy's Trident II Missile, Tomahawk missile boosters and Aegis booster motors for the U.S. Navy, and is currently a qualified supplier of the U.S. Air Force's Minuteman III/Stage III propulsion system. In 1992, Chemical Systems received a contract from Lockheed Space and Missiles Company for the demonstration and validation of the solid propellant rocket, which will power the U.S. Army's Theater High Altitude Area Defense (THAAD) ballistic missile defense system.

USBI is under contract with NASA for the Space Shuttle Solid Rocket Boosters and is responsible for the design, assembly, test, launch operations support and refurbishment of the solid rocket boosters. In addition, USBI provides design support to the Shuttle Processing Contractor in the stacking and testing of the Space Shuttle vehicle, and is responsible for the integration of the solid rocket motors with solid rocket boosters.

International Fuel Cells Corporation (IFC) develops, manufactures and sells fuel cell systems and fuel cell electric generating power plants to commercial, aerospace and military customers. ONSI Corporation, an IFC subsidiary established with investments by Toshiba Corporation of Japan and Ansaldo S.p.A. of Italy to manufacture, sell and develop future models of stationary, packaged fuel cell power plants of 1,000 kilowatts or less, delivered 25 of its 200-kilowatt PC25_ fuel cell power plants to commercial customers in 1993.

Other Flight Systems Segment Information

The Flight Systems business is subject to rapid changes in technology; lengthy and costly development cycles; heavy dependence on a small number of products and programs; changes in legislation and in government procurement and other regulations and procurement practices (such as the current Defense

Department emphasis on development of prototypes rather than full production of new systems and on upgrading existing systems rather than developing new systems); declining defense budgets (both in the U.S. and abroad); procurement preferences and policies of some foreign governments which require in-country manufacture through co-production or offset procurement (such as co-production and offset arrangements entered into with the governments of South Korea and Turkey with respect to the sales discussed at page 7 of this Report), licensing or other arrangements; substantial competition from a large number of companies, including competition from major domestic and foreign manufacturers; and changes in economic, industrial and international conditions.

The principal methods of competition in the Flight Systems business are price, delivery schedules, product performance, service and other terms and conditions of sale, including participation in the financing of helicopter sales.

Sales in the U.S. are usually made directly to the customer by the Corporation. Export sales to Canada from the U.S. are made directly to the customer. All other export sales are made with the assistance of an overseas network of sales offices and representatives outside the U.S. Such export sales amounted to $810 million, or approximately 20 percent, and $1,000 million, or approximately 25 percent, of total Flight Systems revenues in 1992 and 1993, respectively.

At December 31, 1993, the Flight Systems business backlog amounted to $4,877 million, including $3,277 million under funded contracts and subcontracts with the U.S. Government, as compared to $5,571 million and $4,026 million, respectively, at December 31, 1992. Of the total Flight Systems business backlog at December 31, 1993, approximately $2,897 million is expected to be realized as sales in 1994.

Carrier

Carrier is the world's largest manufacturer of heating, ventilating and air conditioning (HVAC) systems and equipment. Carrier also participates in the commercial, industrial and transport refrigeration businesses. During the years 1991 through 1993, the Corporation's total revenues from these businesses were:

Year	Total Revenues--HVAC and Refrigeration Systems, Equipment and Service
1991	$3,843 million
1992	$4,328 million
1993	$4,480 million

Carrier manufactures and sells 15 major global product lines, with over 10,000 different products manufactured. The products manufactured include chillers and airside equipment, commercial unitary systems, residential split systems (cooling only and heat pump), duct-free split systems, window and portable room air conditioners and furnaces.

Other Carrier Segment Information

Carrier's business is subject to changes in economic, industrial and international conditions, including possible increases in interest rates, which could reduce the demand for HVAC systems and equipment; changes in legislation and in government regulations; changes in technology; decreases in construction starts; and competition from a large number of companies, including other major domestic and foreign manufacturers. The principal methods of competition are delivery schedule, product performance, price, service and other terms and conditions of sale.

Carrier's products and services are sold principally to builders and building contractors and owners. Sales are made both directly to the customer and by or through manufacturers' representatives, distributors, dealers, individual wholesalers and retail outlets.

In 1992 and 1993, Carrier's revenues associated with operations outside of the U.S. amounted to $2,335 million, or approximately 54 percent, and $2,284 million, or approximately 51 percent, respectively, of total Carrier Segment revenues. International operations are subject to local government regulations (including regulations relating to capital contributions, currency conversion and repatriation of earnings), as well as to varying political and economic risks.

At December 31, 1993, the Carrier business backlog amounted to $780 million, as compared to $685 million at December 31, 1992. Substantially all of the total business backlog at December 31, 1993 is expected to be realized as sales in 1994.

Otis

Otis is the world's leader in the production, installation and service of elevators and escalators. During the years 1991 through 1993, the Corporation's total revenues from elevators, escalators and services were as follows:

Year	Total Revenues-- Elevators, Escalators & Services
1991	$4,304 million
1992	$4,512 million
1993	$4,418 million

Included in the above amounts are service revenues of $2,379 million, $2,666 million, and $2,636 million, in 1991, 1992 and 1993, respectively.

Otis manufactures a wide range of passenger and freight elevators, including geared and hydraulic elevators for medium and low speed passenger and freight applications and gearless elevators for high-speed passenger operations in high rise buildings, and modernizes older elevators and escalators. Otis also produces a broad line of escalators, moving sidewalks, and shuttle systems for horizontal transportation.

Otis services a substantial portion of the elevators and escalators which it has sold in the past and also services elevators and escalators of other manufacturers. At December 31, 1993, Otis serviced more than 750,000 elevators and escalators worldwide, the majority of which are under regular service contracts.

Otis conducts its business principally through various affiliated companies worldwide. In some cases, consolidated affiliates have significant minority interests.

In addition, Otis continues to invest in emerging markets in Central and Eastern Europe and Asia (e.g., Russia, Ukraine, and the People's Republic of China) through the establishment of affiliated companies, with varying amounts of equity participation. Management cannot predict how these markets will progress, but does not believe that any adverse developments in these markets will have a material effect on the Corporation.

Other Otis Segment Information

Otis' business is subject to changes in economic, industrial and international conditions, including possible increases in interest rates, which could reduce the demand for elevators, escalators and services; changes in legislation and in government regulations; changes in technology; decreases in construction starts; and substantial competition from a large number of companies including other major domestic and foreign manufacturers. The principal methods of competition are price, delivery schedule, product performance, service and other terms and conditions of sale. Otis' products and services are sold principally to builders and building contractors and owners.

In 1992 and 1993, revenues associated with operations outside of the U.S. amounted to $3,754 million, or approximately 83 percent, and $3,723 million, or approximately 84 percent, respectively, of total Otis Segment revenues. International operations are subject to local government regulations (including regulations relating to capital contributions, currency conversion and repatriation of earnings), as well as to varying political and economic risks.

At December 31, 1993, the Otis business backlog amounted to $2,812 million as compared to $2,868 million at December 31, 1992. Of the total business backlog at December 31, 1993, approximately $2,442 million is expected to be realized as sales in 1994.

Automotive

The Corporation's Automotive business is conducted through the Automotive Group. The Automotive Group is a major domestic supplier of wire harness systems, switches, terminals and connectors, steering wheels, instrument panels, consoles, fractional horsepower motors and other automotive components. The Automotive Group also supplies wire harness systems, fractional horsepower motors, steering wheels and other automotive components to customers in Europe and Asia.

During 1990, the Corporation sold its interests in (1) the Sealing Systems Division of Sheller-Globe Corporation, a supplier of rubber molded products principally used as weather stripping for automotive windows, with domestic operations in Iowa, Indiana and California and international operations in France and Spain; (2) Diavia S.p.A. and Aura S.r.L., two Italian automotive aftermarket air conditioning system suppliers; (3) Sheller-Ryobi Corporation, an Indiana aluminum die casting manufacturer; and (4) Sheller-Globe Engineered Polymers Corporation, a Minnesota non-automotive plastic components producer.

During 1992, the Corporation sold its interest in the Hose, Fittings and Industrial Products Division of United Technologies Automotive, Inc., a supplier of coupled hose assemblies and fittings products and extruded plastic and plastic sheet products, hydraulic valves and machined products to the automotive and commercial marketplace, which had domestic operations in Georgia, Illinois, Indiana, Michigan, North Carolina and Ohio and an international operation in the United Kingdom.

On January 19, 1994, the Corporation announced that it was planning to sell 40% of the economic interest of its Automotive segment to the public through an initial public offering of the Class A Common Stock of UT Automotive, Inc. ("UTA"). UTA filed a registration statement on Form S-1 under the Securities Act of 1933 relating to the offering (the "Registration Statement"). The Registration Statement has not yet been declared effective and is subject to amendment. The Corporation currently plans to retain 60% of the economic interest in UTA and will have the ability to elect at least 80% of the board of directors of UTA.

Sales to the Automotive Industry

Sales to the major domestic automotive manufacturers are made against periodic short-term releases issued by the automotive manufacturers under annual orders for a percentage of the respective manufacturer's requirements for the products ordered. In 1991, sales to the major domestic automotive manufacturers were $1,302 million, or approximately 62 percent, of total Automotive revenues. In 1992, sales to the major domestic automotive manufacturers were $1,554 million, or approximately 65 percent, of total Automotive revenues. In 1993, sales to the major domestic automotive manufacturers were $1,602 million, or approximately 67 percent, of total Automotive revenues.

In 1991, sales to Ford Motor Company were $851 million, or approximately 65 percent, of sales to the major domestic automotive manufacturers and approximately 41 percent of total Automotive revenues. In 1992, sales to Ford Motor Company were $991 million, or approximately 64 percent, of sales to the major domestic automotive manufacturers and approximately 42 percent of total Automotive revenues. In 1993, sales to Ford Motor Company were $965 million, or approximately 60 percent, of sales to the major domestic automotive manufacturers and approximately 41 percent of total Automotive revenues.

Other Automotive Segment Products

The Automotive Group also produces headliners, door trim panels, sun visors, armrests, package trays and other interior trim, acoustical padding, foam products, mirrors, sun visors, thermal and acoustic barriers, horn pads, airbag covers, steering wheels, electronic controls and modules, vehicle entry systems, relays, interior lighting systems, switches and controls for turn signals, headlights, windshield wipers and ignition systems, power window motors, power door lock activators, anti-lock brake system pump motors, vehicle emission air blower motors, and windshield wiper motors and systems. United Technologies Industrial Lasers Division designs, builds and sells worldwide, high-power, continuous-wave CO_2 industrial lasers.

Other Automotive Segment Information

The Automotive segment's business is subject to changes in economic, industrial and international conditions; increases in interest rates and decreases in the level of automotive production which could reduce the demand for many of the industrial products of the Corporation; changes in the prices of essential raw materials and petroleum-based materials; changes in legislation and in government regulations; changes in technology; and substantial competition from a large number of companies including other major domestic and foreign manufacturers. The principal methods of competition are price, delivery schedule and product performance.

Automotive segment sales are made principally to automotive original equipment manufacturers and systems suppliers. Sales are made both directly to the customer and by or through manufacturers' representatives.

Original equipment manufacturers throughout the world are outsourcing an increasing share of the design and manufacture of their automotive systems and subsystems. This trend benefits a select group of large, first-tier suppliers that can provide sophisticated design and engineering services, low-cost manufacturing, high product quality, and total systems capabilities on a global basis. To remain competitive in this environment, the ability to consistently deliver, on time, products of ever-increasing quality has become a critical requirement.

In 1991, 1992 and 1993, revenues associated with operations outside of the U.S. amounted to $831 million, or approximately 40 percent, $1,062 million, or approximately 45 percent, and $743 million, or approximately 31 percent, respectively, of total Automotive segment revenues. International operations are subject to local government regulations (including regulations relating to currency conversion and repatriation of earnings), as well as to varying political and economic risks.

Other Matters Relating to the Corporation's Business as a Whole

Research and Development

To maintain its competitive position, the Corporation spends substantial amounts of its own funds on research and development. Such expenditures, net of reimbursements from participating suppliers to the Corporation's advanced commercial aircraft engine programs which are charged against income as incurred and relate principally to the Pratt & Whitney business, were $1,137 million or 5 percent of total revenues in 1993, as compared with $1,221 million or 6 percent of total revenues in 1992 and $1,133 million or 5 percent of total revenues in 1991. The Corporation also performs research and development work under contracts funded by the U.S. Government and some other customers. Such contract research and development, which is performed principally in the Pratt & Whitney business and to a lesser extent in the Flight Systems business, amounted to $918 million in 1993, as compared with $1,012 million in 1992 and $750 million in 1991.

Contracts, Environmental and Other Matters

Contracts with the U.S. Government are subject to termination for the convenience of the government, in which event the Corporation normally would be entitled to reimbursement for its allowable costs incurred plus a reasonable profit.

Most of the Corporation's sales are made under fixed-price type contracts; only six percent of the Corporation's total sales for 1993 were made under cost-reimbursement type contracts. Development contracts awarded in 1991 for the RAH-66 Comanche and the F119 Advanced Tactical Fighter engine are on a cost-reimbursement basis.

Like many defense contractors, the Corporation has received allegations from the U.S. Government that some contract prices should be reduced because cost or pricing data submitted in negotiation of the contract prices may not have been in conformance with government regulations. The Corporation has made voluntary refunds in those cases it believes appropriate, has settled some allegations, and does not believe that any further price reductions that may be required will have a material effect upon its financial position or results of operations.

The Corporation is now and believes that, in light of the current government contracting environment, it will be the subject of one or more government investigations. See Item 3 Legal Proceedings at page 14 of this report for further discussion.

Recent peace initiatives and related changes in Eastern Europe have served to reduce both U.S. and foreign defense spending as a whole. Management does not currently believe that Defense Department budget cutbacks will have a material adverse effect on the profitability of the Corporation, however, due in part to the Corporation's efforts to reduce its reliance on defense contracts.

The Corporation purchases substantial quantities of materials, components and supplies from a large number of sources. Like other users in the U.S., the Corporation is largely dependent on foreign sources located in Africa for its requirements of cobalt, and on sources located in Africa, Eastern and Central Europe and the countries of the former U.S.S.R. for its requirements of chromium. The Corporation does not foresee any unavailability of materials or components which will have any material adverse effect on its overall business, or on any of its business segments, in the near term. To alleviate possible longer term effects, the Corporation has a number of ongoing programs which include the expansion of its internal production capacity for precision parts; the development of new vendor sources; the increased use of more readily available materials through material substitutions and the development of new alloys; and conservation of materials through scrap reclamation and new manufacturing processes such as net shape forging.

While the Corporation's patents, trademarks, licenses and franchises are cumulatively important to its business, the Corporation does not believe that the loss of any one or group of related patents, trademarks, licenses or franchises would have a material adverse effect on the overall business of the Corporation or on any of its business segments.

The Corporation does not anticipate that compliance with federal, state and local provisions relating to the protection of the environment will have a material adverse effect upon its capital expenditures, competitive position, financial position or results of operations. (Environmental matters are the subject of certain of the Legal Proceedings described in Item 3 beginning at page 14 of this Report, and are further addressed in "Management's Discussion and Analysis of Results of Operations and Financial Position" at pages 34 and 35 and Note 13 of Notes to Financial Statements at page 50 of the Corporation's 1993 Annual Report to Shareowners.)

Most of the laws governing environmental matters include criminal provisions. If the Corporation were convicted of a violation of the federal Clean Air Act or the Clean Water Act, the facility or facilities involved in the violation would be listed on the Environmental Protection Agency's (EPA) List of Violating Facilities. The listing would continue until the EPA concluded that the cause of the violation had been cured. Any listed facility cannot be used in performing any U.S. Government contract awarded to the Corporation during any period of listing by the EPA.

In March 1990, it was announced that the Corporation and MTU, a subsidiary of Daimler-Benz AG (Daimler) had signed a memorandum of understanding concerning future business collaboration between the two companies. In March 1991, a formal agreement was executed providing for expanded cooperation between the parties with respect to commercial and general aviation engine research and development, manufacturing and marketing. See page 3 of this report for further description of this matter.

Employees

At December 31, 1993, the Corporation's total employment was approximately 168,600, a reduction of approximately 9,400 over the prior year.

Item 2. Properties

The Corporation's fixed assets include the plants and warehouses described below and a substantial quantity of machinery and equipment, most of which is general purpose machinery and equipment using special jigs, tools and fixtures and in many instances having modern automatic control features and special adaptations. The Corporation's plants, warehouses, machinery and equipment are in good operating condition, are well maintained, and substantially all of its facilities are in regular use. The Corporation considers the present level of fixed assets capitalized as of December 31, 1993, suitable and adequate for the respective industry segment's operations in the current business environment. For a further discussion of management's effort to restructure the Corporation, see "Management's Discussion and Analysis of Results of Operations and Financial Position" appearing in the Corporation's 1993 Annual Report to Shareowners, especially the information contained under the heading "Restructuring and Other Actions". The square footage numbers set forth in the succeeding paragraphs of this Item 2 are approximations.

At December 31, 1993, the Corporation operated (a) plants in the U.S. which had 35.7 million square feet, of which 5.7 million square feet were leased; (b) plants outside the U.S. which had 17.9 million square feet, of which 2.4 million square feet were leased; (c) warehouses in the U.S. which had 6.4 million square feet, of which 4.8 million square feet were leased; and (d) warehouses outside the U.S. which had 5.8 million square feet, of which 4.1 million square feet were leased.

Pratt & Whitney segment plants are located in six states, Canada, Singapore, the Netherlands and other areas. At December 31, 1993, the U.S. plants operated by the Pratt & Whitney segment had aggregate floor areas of 14.2 million square feet, of which 0.7 million square feet were leased and the plants outside the U.S. had aggregate floor areas of 3.0 million square feet, of which 0.2 million square feet were leased. In the Pratt & Whitney segment, outdoor testing of engines is conducted on 7,100 acres in Palm Beach County, Florida. In addition, the Corporation currently owns and operates airports in East Hartford, Connecticut and Palm Beach County, Florida. Plans have been announced to move the Corporation's East Hartford airport operations to Bradley International Airport in Windsor Locks, Connecticut.

Flight Systems plants are located in ten states, Italy and the Federal Republic of Germany. At December 31, 1993, the U.S. plants operated by the Flight Systems segment had aggregate floor areas of 8.8 million square feet, of which 1.9 million square feet were leased, and the plants outside the U.S. had aggregate floor areas of 0.7 million square feet, of which 0.1 million square feet were leased. Flight Systems also operates company-owned helicopter air fields in Bridgeport and Stratford, Connecticut, a company-owned rotary-wing aircraft completion, training and test center in Palm Beach County, Florida and a 5,100 acre outdoor rocket engine test center in Coyote, California.

Carrier plants are located in seven states, Europe, Asia, Latin America, Australia and Canada. At December 31, 1993, the U.S. plants had an aggregate floor area of 5.7 million square feet, of which 1.9 million square feet were leased, and the plants outside the U.S. had an aggregate floor area of 4.4 million square feet, of which 0.6 million square feet were leased.

Otis plants are located in one state, Europe, Asia and Latin America. At December 31, 1993, the U.S. plants had an aggregate floor area of 0.8 million square feet, of which none was leased, and the plants outside the U.S. had an aggregate floor area of 5.9 million square feet, of which 0.6 million square feet were leased.

Automotive segment plants are located in fourteen states, Canada, Mexico, Europe and Asia. At December 31, 1993, the U.S. plants had an aggregate floor area of 5.7 million square feet, of which 1.1 million square feet were leased; and the plants outside the U.S. had an aggregate floor area of 4.0 million square feet, of which 1.0 million square feet were leased.

Management believes that the facilities for the production of its products are suitable and adequate for the business conducted therein, are being appropriately utilized in line with experience and have sufficient production capacity for their present intended purposes. Utilization of the facilities varies based on demand for the products. The Corporation continuously reviews its anticipated requirements for facilities and, based on that review, may from time to time acquire additional facilities and/or dispose of existing facilities.

Item 3. Legal Proceedings

In June 1989, Sikorsky Aircraft submitted a voluntary disclosure report to the Department of Defense describing the conditions that gave rise to a $75 million downward adjustment of progress payments in April 1988 and related matters. On May 18, 1989, an employee filed under seal a "qui tam" action under the Civil False Claims Act in the United States District court for the District of Connecticut (Civil Action No. H-89-323-AHM) based on information that he learned while working on the Corporation's investigation of the matter. The Corporation and the Department of Justice have entered into a settlement agreement whereby the Corporation will pay the Government $150 million for any damage it has suffered. The amount of the settlement has been previously accrued.

On June 29, 1992, the Department of Justice filed a Civil False Claims Act complaint in the United States District Court for the District of Connecticut, No. 592CV375, against Sikorsky Aircraft alleging that the government was overcharged by nearly $4 million in connection with the pricing of parts supplied for the reconditioning of the Navy's Sea King helicopter. The Complaint seeks treble damages plus a $10,000 penalty for each false claim submitted. Management believes that resolution of this matter will not have a material adverse effect upon its capital expenditures, competitive position, financial position or results of operations.

In November 1991, the Corporation was served with a Department of Defense Inspector General subpoena for records relating to Pratt & Whitney's government contracts accounting practices for aircraft engine parts produced by foreign companies under certain commercial engine collaboration programs. Pratt & Whitney made a voluntary payment of $13,932,000 to the U.S. Government on December 23, 1992. A federal grand jury in the District of Connecticut is investigating this matter. Management believes that resolution of this matter will not have a material adverse effect upon its capital expenditures, competitive position, financial position or results of operations.

In March 1992, the Corporation received a subpoena from the Department of Defense Inspector General requesting documents in connection with Pratt & Whitney's sales of goods and services to the Israeli Government. The investigation relates to the activities of former Israeli General Rami Dotan who pleaded guilty in Israel to engaging in corrupt practices in connection with Israeli Air Force procurements involving another engine manufacturer. A federal grand jury in the Southern District of Florida and the Civil Division of the Department of Justice are investigating this matter.

A federal grand jury continues to investigate alleged violations of law in connection with marketing helicopters to the Government of the Kingdom of Saudi Arabia. The Corporation has responded to a grand jury subpoena requesting documents in connection with this matter and several current and former employees have been interviewed. A related civil suit filed by a former employee has been settled. Management believes that resolution of this matter will not have a material adverse effect upon its capital expenditures, competitive position, financial position or results of operations.

The Corporation believes that, in light of the current government contracting environment, it will be the subject of one or more government investigations in the foreseeable future. If the Corporation or one of its business units were charged with wrongdoing as a result of any of these investigations, the Corporation or one of its business units could be suspended from bidding on or receiving awards of new government contracts pending the completion of legal proceedings. If convicted or found liable, the Corporation could be fined and debarred from new government contracting for a period generally not to exceed three years. Any contracts found to be tainted by fraud could be voided by the Government.

In 1991, two complaints, each purporting to commence derivative and class actions by shareholders of the Corporation, were filed in the United States District Court for the District of Connecticut. The suits sought unspecified treble damages as well as other relief. On June 26, 1992, the District Court dismissed these two complaints in their entirety. Plaintiffs filed a consolidated amended complaint on September 23, 1992. The amended complaint, like the original complaints, named nine of the Corporation's directors as defendants and related to the Corporation's conduct of its defense business. Defendants moved to dismiss the complaint, and on February 4, 1994, the District Court dismissed the amended consolidated complaint in its entirety.

Various state and federal government authorities have designated the Corporation as a potentially responsible party for liabilities under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar state statutes. Said authorities seek expenditures and damages for contamination due to the release of pollutants into the environment. The

Corporation believes that any payments it may be required to make as a result of these claims will not be material to the business or financial condition of the Corporation. The Corporation has had liability and property insurance in force over its history with a number of insurance companies, and the Corporation has commenced litigation seeking indemnity and defense under these insurance policies. No prediction can be made at this time as to the eventual outcome of this litigation. (For information regarding the matters discussed in this paragraph, see "Environmental Matters" in Management's Discussion and Analysis of Results of Operations and Financial Position at pages 34 and 35 of the Corporation's 1993 Annual Report to Shareowners.)

In January 1994, UT Automotive (UTA) received a letter from the Michigan Department of Natural Resources (MDNR) alleging violations of certain provisions of an air permit for its Niles, Michigan facility. MDNR also asserted that these were violations of a Consent Judgment between the MDNR and UTA (Consent Judgment No. 92-1811-CET, Berrien County Circuit Court). It alleged that the VOC emission rates established by the permit were exceeded. UTA is discussing the allegations with MDNR. Management believes that the resolution of this matter, including payments of any fines or penalties, will not have a material adverse effect upon its capital expenditures, competitive position, financial position or results of operations.

In July 1992, the Maine Department of Environmental Conservation (MDEC) filed a Consent Agreement and Enforcement Order against the Corporation related to a Pratt & Whitney facility in North Berwick, Maine. On October 27, 1993, the Corporation and MDEC entered into a settlement agreement, under which the Corporation agreed to pay a penalty of $134,200, to improve its hazardous waste management procedures and submit certain reports and studies regarding hazardous waste management to the MDEC. The matter is now concluded.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to security holders for a vote during the fourth quarter ended December 31, 1993.

- ----- Executive Officers of the Registrant

The executive officers of United Technologies Corporation, together with the offices in United Technologies Corporation presently held by them, their business experience since January 1, 1989, and their ages, are as follows:

Name	Title	Other Business Experience Since 1/1/89	Age 2/1/94
Norman R. Bodine	President, UT Automotive (since 1992)	President, Electrical Systems & Components; President, Automotive Products Division, UT Automotive	51
Eugene Buckley	President, Sikorsky Aircraft (since 1987)	-------	63
William L. Bucknall, Jr.	Senior Vice President, Human Resources & Organization (since 1992)	Vice President, Human Resources & Organization, United Technologies; Vice President, Human Resources, Carrier; Corporate Director, Compensation and Benefits; Corporate Director, Salaried Employee Relations	51
Franklyn A. Caine	Senior Vice President, Planning and Corporate Development (since 1993)	Senior Vice President, Controller; Senior Vice President, Human Resources & Organization; Vice President, Treasurer	43
Mark S. Coran	Executive Vice President, Operations, Pratt & Whitney (since 1991)	Vice President, Controller, United Technologies; Vice President, Group Finance, Pratt & Whitney	50
Robert F. Daniell	Chairman (since 1987), Chief Executive Officer (since 1986)	President and Chief Operating Officer (1984-1992)	60
George David	President and Chief Operating Officer (since 1992)	Executive Vice President and President, Commercial/Industrial; Senior Vice President, United Technologies; President and Chief Executive Officer, Otis Elevator	51
Thomas J. Fay	Senior Vice President, Communications (since 1990)	Senior Vice President, Corporate Affairs, Aetna Life & Casualty	60
Frederick C. Flynn, Jr.	Vice President, Treasurer (since 1989)	Director, Financial Programs; Director, Business Development	43
William S. Frago	President, Carrier Corporation (since 1992)	President, Carrier North American Operations; Vice President, Worldwide Marketing & Product Management, General Electric Lighting	51
Bruno Grob	President, European & Transcontinental Operations, Otis Elevator (since 1992)	Executive Vice President, European & Transcontinental Operations; President, Director General, Otis France; Vice President & Regional Manager, North American Operations, Otis Elevator	44

Name	Title	Other Business Experience Since 1/1/89	Age 2/1/94
Robert J. Hermann	Senior Vice President Science & Technology (since 1992)	Vice President, Science & Technology	60
James T. Johnson	Executive Vice President, Pratt & Whitney and President-Large Commercial Engines (since 1993)	Vice President and General Manager-Everett Division, Boeing Commercial Airplane Group	51
Karl J. Krapek	President, Pratt & Whitney (since 1992)	Chairman, President and Chief Executive Officer, Carrier Corporation; President and Chief Operating Officer; President, North American Operations, Otis Elevator	45
Frank W. McAbee, Jr.	Senior Vice President, Environmental and Business Practices (since 1990)	Vice President, Business Practices; Vice President, Government Contracts and Compliance	63
George E. Minnich	Vice President - Controller (since 1993)	Partner - Price Waterhouse	44
Stephen F. Page	Executive Vice President and Chief Financial Officer (since 1993)	Executive Vice President and Chief Financial Officer; Vice President Finance & Treasurer, Black & Decker Corporation	54
William F. Paul	Senior Vice President, Government Affairs (since 1991)	Senior Vice President, Washington Office; Senior Vice President & Executive Vice President, Aerospace/Defense; Senior Vice President, Defense & Space Systems	57
Karl M. Thomas	Executive Vice President, Technical, Pratt & Whitney (since 1991)	Group Vice President, Operations; President, Manufacturing, Pratt & Whitney	57
William H. Trachsel	Vice President, Secretary and Deputy General Counsel (since 1993)	Vice President and Deputy General Counsel	50
Jean-Pierre van Rooy	President, Otis Elevator (since 1991)	Executive Vice President and Chief Operating Officer; President, North American Operations; Senior Vice President, European & Transcontinental Operations, Otis Elevator	59
Irving B. Yoskowitz	Executive Vice President and General Counsel (since 1990)	Senior Vice President and General Counsel	48

All of the officers serve at the pleasure of the Board of Directors of United Technologies Corporation or the subsidiary designated.
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Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

See "Comparative Stock Data" appearing on page 35 of the Corporation's 1993 Annual Report to its Shareowners containing the following data relating to the Corporation's Common Stock: principal market, quarterly high and low sales prices, approximate number of shareowners and frequency and amount of dividends. All such data are incorporated by reference in this Report.

Item 6. Selected Financial Data

See the Five-Year Summary appearing on page 27 of the Corporation's 1993 Annual Report to its Shareowners containing the following data: sales, net income, primary and fully diluted earnings per share, cash dividends on Common Stock, total assets and long-term debt. All such data are incorporated by reference in this Report.

Item 7. Management's Discussion and Analysis of Results of Operations and Financial Position

See "Management's Discussion and Analysis of Results of Operations and Financial Position" appearing on pages 28 through 35 of the Corporation's 1993 Annual Report to its Shareowners; such discussion and analysis is incorporated by reference in this Report.

Item 8. Financial Statements and Supplementary Data

The 1993 and 1992 Balance Sheets, and other financial statements for the years 1993, 1992 and 1991, together with the report thereon of Price Waterhouse dated January 26, 1994, appearing on pages 36 through 54 in the Corporation's 1993 Annual Report to its Shareowners are incorporated by reference in this Report.

The 1993 and 1992 Selected Quarterly Financial Data appearing on page 55 in the Corporation's 1993 Annual Report to its Shareowners are incorporated by reference in this Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 10. Directors and Executive Officers of the Registrant

The information required by Item 10 with respect to directors is incorporated herein by reference from pages 4 through 6 of the Corporation's Proxy Statement for the 1994 Annual Meeting of Shareowners. Information regarding executive officers is contained in Part I of this Report (pages 16 through 18).

Item 11. Executive Compensation

The information required by Item 11 is incorporated herein by reference from pages 8 through 13, and pages 18 through 19 of the Corporation's Proxy Statement for the 1994 Annual Meeting of Shareowners. Such incorporation by reference shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a)(8) of Regulation S-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 12 is incorporated herein by reference from pages 7 through 8 of the Corporation's Proxy Statement for the 1994 Annual Meeting of Shareowners.

Item 13. Certain Relationships and Related Transactions

The information required by Item 13 is incorporated herein by reference from page 8 of the Corporation's Proxy Statement for the 1994 Annual Meeting of Shareowners.

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

			Page No. in Annual Report
(a)	(1)	Financial Statements (incorporated by reference from the 1993 Annual Report to Shareowners):	
		Report of Independent Accountants	36
		Consolidated Statement of Operations for the Three Years ended December 31, 1993	37
		Consolidated Balance Sheet--December 31, 1993 and 1992	38
		Consolidated Statement of Cash Flows for the Three Years ended December 31, 1993	39
		Consolidated Statement of Changes in Shareowners' Equity for the Three Years ended December 31, 1993	40
		Notes to Financial Statements	41
		Consolidated Summary of Business Segment Financial Data	51
		Selected Quarterly Financial Data (Unaudited)	55

		Page No. in Form 10-K
(2)	Financial Statement Schedules: For the three years ended December 31, 1993:	
	Report of Independent Accountants on Financial Statement Schedules	S-1
V--	Property, Plant and Equipment	S-2
VI--	Accumulated Depreciation and Amortization of Property, Plant and Equipment	S-3
VIII--	Valuation and Qualifying Accounts	S-4
IX--	Short-Term Borrowings	S-5
X--	Supplementary Income Statement Information	S-6
	Consent of Independent Accountants	F-1

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

(3) Exhibits:

(3) (i) Restated Certificate of Incorporation [incorporated by reference to Exhibit (3)(i) to Form 10K for the year ended December 31, 1992]

(ii) Bylaws

(4) (i) In accordance with Item 601 of Regulation S-K of the Securities and Exchange Commission, the Corporation hereby agrees to furnish upon request to the Commission a copy of each instrument defining the rights of holders of long-term debt of the Corporation and its consolidated subsidiaries and any unconsolidated subsidiaries for which financial statements otherwise would be required to be filed with this annual report on Form 10-K for the year ended December 31, 1993

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(10) (i) United Technologies Corporation 1979 Long Term Incentive Plan [incorporated by reference to Exhibit (10)(i) to Form 10K for the year ended December 31, 1992]

(ii) United Technologies Corporation Annual Executive Incentive Compensation Plan [incorporated by reference to Exhibit (10)(ii) to Form 10K for the year ended December 31, 1992]

(iii) United Technologies Corporation Disability Insurance Benefits for Executive Control Group [incorporated by reference to Exhibit (10)(iii) to Form 10K for the year ended December 31, 1992]

(iv) United Technologies Corporation Executive Estate Preservation Program [incorporated by reference to Exhibit (10)(iv) to Form 10K for the year ended December 31, 1992]

(v) Pension Preservation Plan [incorporated by reference to Exhibit (10)(v) to Form 10K for the year ended December 31, 1992]

(vi) Senior Executive Severance Plan [incorporated by reference to Exhibit (10)(vi) to Form 10K for the year ended December 31, 1992]

(vii) United Technologies Corporation Deferred Compensation Plan [incorporated by reference to Exhibit (10)(vii) to Form 10K for the year ended December 31, 1992]

(viii) Otis Elevator Company Incentive Compensation Plan [incorporated by reference to Exhibit (10)(viii) to Form 10K for the year ended December 31, 1992]

(ix) Directors Retirement Plan [incorporated by reference to Exhibit (10)(ix) to Form 10K for the year ended December 31, 1992]

(x) United Technologies Corporation Deferred Compensation Plan for Non-Employee Directors [incorporated by reference to Exhibit (10)(x) to Form 10K for the year ended December 31, 1992]

(xi) United Technologies Corporation Long Term Incentive Plan [incorporated by reference to Exhibit (10)(xi) to Form 10K for the year ended December 31, 1992]

(xii) United Technologies Corporation Executive Disability, Income Protection and Standard Separation Agreement Plan [incorporated by reference to Exhibit (10)(xii) to Form 10K for the year ended December 31, 1992]

(xiii) United Technologies Corporation Directors' Restricted Stock/Unit Program [incorporated by reference to Exhibit (10)(xiii) to Form 10K for the year ended December 31, 1992]

(xiv) United Technologies Corporation Directors' Stock and Deferred Stock Unit Retainer Program

(xv) United Technologies Corporation Pension Replacement Plan

(11) Statement re Computation of Per Share Earnings

(12) Computation of Ratio of Earnings to Fixed Charges

(13) Annual Report to Shareowners for year ended December 31, 1993 (except for the pages and information thereof expressly incorporated by reference in this Form 10-K, the Annual Report to Shareowners is provided solely for the information of the Securities and Exchange Commission and is not to be deemed "filed" as part of this Form 10-K)

(22) Subsidiaries of the Registrant

(25) Powers of Attorney of Howard H. Baker, Jr., Antonia Handler Chayes, Robert F. Daniell, Robert F. Dee, Charles W. Duncan, Jr., Pehr G. Gyllenhammar, Gerald D. Hines, Charles R. Lee, Robert H. Malott, and Jacqueline G. Wexler

(b) A report on Form 8-K was filed by the Registrant on January 19, 1994, in response to both Item 5 and Item 7.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION

By /s/ Stephen F. Page Date: March 31, 1994
Stephen F. Page, Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated, on the date set forth above.

Signature	Title
ROBERT F. DANIELL* (Robert F. Daniell)	Chairman and Chief Executive Officer; Director
/s/ GEORGE DAVID (George David)	President and Chief Operating Officer; Director
/s/ GEORGE E. MINNICH (George E. Minnich)	Vice President Controller; Principal Accounting Officer
/s/ STEPHEN F. PAGE (Stephen F. Page)	Executive Vice President and Chief Financial Officer
HOWARD H. BAKER, JR.* (Howard H. Baker, Jr.)	Director
ANTONIA HANDLER CHAYES* (Antonia Handler Chayes)	Director
ROBERT F. DEE* (Robert F. Dee)	Director
CHARLES W. DUNCAN, JR.* (Charles W. Duncan, Jr.)	Director
PEHR G. GYLLENHAMMAR* (Pehr G. Gyllenhammar)	Director
GERALD D. HINES* (Gerald D. Hines)	Director
CHARLES R. LEE* (Charles R. Lee)	Director
ROBERT H. MALOTT* (Robert H. Malott)	Director
JACQUELINE G. WEXLER* (Jacqueline G. Wexler)	Director

* By William H. Trachsel
(WILLIAM H. TRACHSEL, AS ATTORNEY-IN-FACT)

REPORT OF INDEPENDENT ACCOUNTANTS ON

FINANCIAL STATEMENT SCHEDULES

To the Board of Directors
of United Technologies Corporation

Our audits of the consolidated financial statements referred to in our report dated January 26, 1994 appearing on page 36 of the 1993 Annual Report to Shareowners of United Technologies Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14(a)(2) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

Price Waterhouse
Hartford, Connecticut
January 26, 1994

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES
Schedule V - Property, Plant and Equipment
Three Years Ended December 31, 1993
(Millions of Dollars)

	Balance at Beginning of Year	Additions at Cost	Retirements or Sales	Other Changes - Debit or (Credit)		Foreign Currency Translation	Balance at Close of Year
1993:							
Land	$ 161	$ 1	$ 2	$ 1	(A)	$ (2)	$ 158
				(1)	(B)		
Buildings and improvements	2,620	162	29	16	(A)	(29)	2,754
				14	(B)		
Machinery, tools and equipment	6,206	761	228	21	(A)	(109)	6,427
				(224)	(B)		
Under construction	543	(78)	6	4	(A)	(4)	457
				(2)	(B)		
	$ 9,530	$ 846	$ 265	$ (171)		$ (144)	$ 9,796
1992:							
Land	$ 164	$ 5	$ 13	$ 1	(A)	$ -	$ 161
				4	(B)		
Buildings and improvements	2,456	240	58	5	(A)	(28)	2,620
				5	(B)		
Machinery, tools and equipment	6,005	736	269	7	(A)	(106)	6,206
				(167)	(B)		
Under construction	608	(61)	5	-	(A)	(2)	543
				3	(B)		
	$ 9,233	$ 920	$ 345	$ (142)		$ (136)	$ 9,530
1991:							
Land	$ 149	$ 5	$ 3	$ 15	(A)	$ (3)	$ 164
				1	(B)		
Buildings and improvements	2,292	195	21	39	(A)	(20)	2,456
				(29)	(B)		
Machinery, tools and equipment	5,497	860	220	91	(A)	(59)	6,005
				(164)	(B)		
Under construction	651	(12)	6	-	(A)	(3)	608
				(22)	(B)		
	$ 8,589	$ 1,048	$ 250	$ (69)		$ (85)	$ 9,233

(A) Acquired companies.
(B) Other, including transfers from under construction, certain fully depreciated or fully amortized assets eliminated and disposition of business units. Reference is made to the following Notes to Financial Statements: Note 1 - Summary of Accounting Principles with respect to depreciation methods and rates, Note 3 - Restructuring and Employee Severance Plans, and Note 4 - International Operations with respect to foreign currency translation.

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES
Schedule VI - Accumulated Depreciation and Amortization
of Property, Plant and Equipment
Three Years Ended December 31, 1993
(Millions of Dollars)

	Balance at Beginning of Year	Additions Charged to Income	Retirements or Sales	Other Changes - (Debit) or Credit	Foreign Currency Translation	Balance at Close of Year
1993:						
Buildings and improvements	$ 1,212	$ 101	$ 19	$ 3 (A) 2 (B)	$ (10)	$ 1,289
Machinery, tools and equipment	3,716	676	188	9 (A) (208) (B)	(63)	3,942
	$ 4,928	$ 777	$ 207	$ (194)	$ (73)	$ 5,231
1992:						
Buildings and improvements	$ 1,141	$ 110	$ 30	$ - (A) (1) (B)	$ (8)	$ 1,212
Machinery, tools and equipment	3,485	667	204	1 (A) (173) (B)	(60)	3,716
	$ 4,626	$ 777	$ 234	$ (173)	$ (68)	$ 4,928
1991:						
Buildings and improvements	$ 1,058	$ 102	$ 12	$ 4 (A) (3) (B)	$ (8)	$ 1,141
Machinery, tools and equipment	3,135	633	158	30 (A) (125) (B)	(30)	3,485
	$ 4,193	$ 735	$ 170	$ (94)	$ (38)	$ 4,626

Notes:
(A) Acquired companies.
(B) Other, including reserves in respect of certain fully depreciated or fully amortized assets eliminated and disposition of business units. Reference is made to the following Notes to Financial Statements: Note 1 - Summary of Accounting Principles with respect to depreciation methods and rates, Note 3 - Restructuring and Employee Severance Plans, and Note 4 - International Operations with respect to foreign currency translation.

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES
Schedule VIII - Valuation and Qualifying Accounts and Reserves
Three Years Ended December 31, 1993
(Millions of Dollars)

Allowances for Doubtful Accounts and Other Customer Financing Activity:

Balance December 31, 1990	$	119
Provision charged to income		45
Doubtful accounts written off (net)		(27)
Other adjustments		4
Balance December 31, 1991		141
Provision charged to income		414
Doubtful accounts written off (net)		(19)
Other adjustments		(12)
Balance December 31, 1992		524
Provision charged to income		40
Doubtful accounts written off (net)		(72)
Other adjustments		(26)
Balance December 31, 1993	$	466

Future Income Tax Benefits - Valuation allowance:

Balance December 31, 1991	$	-
Additions due to adoption of FAS 109		149
Additions charged to income tax expense		68
Balance December 31, 1992	$	217
Additions charged to income tax expense		130
Reductions credited to income tax expense		(50)
Balance December 31, 1993	$	297

Certain 1992 and 1991 amounts have been restated to conform with 1993 presentation.

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES
Schedule IX - Short-Term Borrowings
Three Years Ended December 31, 1993
(Millions of Dollars)

Category of Aggregate Short-Term Borrowings	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period (A)	Average Amount Outstanding During the Period (B)	Weighted Average Interest Rate During the Period (C)
1993:					
Bank borrowings	$ 279	9.3%	$ 415	$ 346	10.8%
Commercial paper	501	3.3	856	799	3.2
1992:					
Bank borrowings	$ 328	10.0%	$ 404	$ 333	13.2%
Commercial paper	49	3.6	285	273	3.7
1991:					
Bank borrowings	$ 289	10.9%	$ 289	$ 192	23.4%
Commercial paper	3	4.9	698	436	6.1

Notes:

(A) Maximum amount of combined short-term borrowings outstanding at any month end during the period totaled $1,207 in 1993, $605 in 1992 and $869 in 1991.
(B) Bank borrowings amounts are based upon a thirteen month-end average, while commercial paper amounts are based upon a daily average.
(C) Interest expense for the period divided by the average amount outstanding.

Reference is made to Note 9 - Borrowings and Lines of Credit of Notes to Financial Statements with respect to the general terms of short-term borrowings.

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES
Schedule X - Supplementary Income Statement Information
Three Years Ended December 31, 1993
(Millions of Dollars)

Maintenance and Repairs:

1993	$ 242
1992	291
1991	284

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (Nos. 33-46916, 33-40163, 33-34320, 33-31514, 33-29687 and 33-6452) and Form S-8 (Nos. 33-45440, 33-11255, 33-26580, 33-26627, 33-28974, 33-51385, and 2-87322) of United Technologies Corporation of our report dated January 26, 1994 appearing on page 36 of the 1993 Annual Report to Shareowners which is incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page S-1 of this Form 10-K.

Price Waterhouse
Hartford, Connecticut
March 29, 1994

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

EXHIBITS FILED

with

FORM 10 - K ANNUAL REPORT
(Fiscal Year ended December 31, 1993)

Under
The Securities Exchange Act of 1934

UNITED TECHNOLOGIES CORPORATION

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INDEX TO EXHIBITS

Exhibit (3)(i)	-- Restated Certificate of Incorporation	*
Exhibit (3)(ii)	-- Bylaws	
Exhibit (10)(i)	-- United Technologies Corporation 1979 Long Term Incentive Plan	*
Exhibit (10)(ii)	-- United Technologies Corporation Annual Executive Incentive Compensation Plan	*
Exhibit (10)(iii)	-- United Technologies Corporation Disability Insurance Benefits for Executive Control Group	*
Exhibit (10)(iv)	-- United Technologies Corporation Executive Estate Preservation Program	*
Exhibit (10)(v)	-- Pension Preservation Plan	*
Exhibit (10)(vi)	-- Senior Executive Severance Plan	*
Exhibit (10)(vii)	-- United Technologies Corporation Deferred Compensation Plan	*
Exhibit (10)(viii)	-- Otis Elevator Company Incentive Compensation Plan	*
Exhibit (10)(ix)	-- Directors Retirement Plan	*
Exhibit (10)(x)	-- United Technologies Corporation Deferred Compensation Plan for Non-Employee Directors	*
Exhibit (10)(xi)	-- United Technologies Corporation Long Term Incentive Plan	*
Exhibit (10)(xii)	-- United Technologies Corporation Executive Disability, Income Protection Plan and Standard Separation Agreement	*
Exhibit (10)(xiii)	-- United Technologies Corporation Directors' Restricted Stock/Unit Program	*
Exhibit (10)(xiv)	-- United Technologies Corporation Directors' Stock and Deferred Stock Unit Retainer Program	

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* Incorporated by reference (see Item 14).

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Exhibit (10)(xv)	-- United Technologies Corporation Pension Replacement Plan
Exhibit (11)	-- Statement re Computation of Per Share Earnings
Exhibit (12)	-- Computation of Ratio of Earnings to Fixed Charges
Exhibit (13)	-- Annual Report to Shareowners for year ended December 31, 1993
Exhibit (22)	-- Subsidiaries of the Registrant
Exhibit (25)	-- Powers of Attorney of Howard H. Baker, Jr., Antonia Handler Chayes, Robert F. Daniell, Robert F. Dee, Charles W. Duncan, Jr., Pehr G. Gyllenhammar, Gerald D. Hines, Charles R. Lee, Robert H. Malott, and Jacqueline G. Wexler

PAGE

Exhibit (3ii)

UNITED
TECHNOLOGIES
CORPORATION

BYLAWS

Adopted April 1, 1993

BYLAWS

OF

UNITED TECHNOLOGIES CORPORATION

SECTION 1

SHAREHOLDER'S MEETING

SECTION 1.1 Annual Meetings. Annual meetings of shareholders shall be held on or prior to April 30 in each year for the purpose of electing directors and transacting such other proper business as may come before the meeting.

SECTION 1.2 Special Meetings. Special meetings of shareholders may be called from time to time by the Board of Directors or by the chief executive officer of the Corporation. Special meetings shall be held solely for the purpose or purposes specified in the notice of meeting.

SECTION 1.3 Time and Place of Meetings. Subject to the provisions of Section 1.1, each meeting of shareholders shall be held on such date, at such hour and at such place as fixed by the Board of Directors or in the notice of the meeting or, in the case of an adjourned meeting, as announced at the meeting at which the adjournment is taken.

SECTION 1.4 Notice of Meetings. A written notice of each meeting of shareholders, stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given either personally or by mail to each shareholder entitled to vote at the meeting. Unless otherwise provided by statute, the notice shall be given not less than ten nor more than sixty days before the date of the meeting and, if mailed, shall be deposited in the United States mail, postage prepaid, directed to the shareholder at his address as it appears on the records of the Corporation. No notice need be given to any person with whom communication is unlawful, nor shall there be any duty to apply for any permit or license to give notice to any such person. If the time and place of an adjourned meeting of shareholders are announced at the meeting at which the adjournment is taken, no notice need be given of the adjourned meeting unless that adjournment is for more than thirty days or unless, after the adjournment, a new record date is fixed for the adjourned meeting.

SECTION 1.5 Waiver of Notice. Anything herein to the contrary notwithstanding, notice of any meeting of shareholders need not be given to any shareholder who in person or by proxy shall have waived in writing notice of the meeting, either before or after such meeting, or who shall attend the meeting in person or by proxy, unless he attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 1.6 Quorum and Manner of Acting. Subject to the provisions of these bylaws, the certificate of incorporation and statute as to the vote that is required for a specified action, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Corporation entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business, and the vote in person or by proxy of the holders of a majority of the shares constituting such quorum shall be binding on all shareholders of the Corporation. A majority of the shares present in person or by proxy and entitled to vote may, regardless of whether or not they constitute a quorum, adjourn the meeting to another time and place. Any business which might have been transacted at the original meeting may be transacted at any adjourned meeting at which a quorum is present.

SECTION 1.7 Voting. Shareholders shall be entitled to cumulative voting at all elections of directors to the extent provided in or pursuant to the certificate of incorporation. Shareholders may vote by proxy, provided that the instrument authorizing such proxy to act shall have been executed in writing (which shall include telegraph or cable) by the shareholder himself or by his duly authorized attorney. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

SECTION 1.8 Judges. The votes at each meeting of shareholders shall be supervised by not less than two judges who shall decide all questions respecting the qualification of voters, the validity of the proxies and the acceptance or rejection of votes. The judges shall be appointed by the Board of Directors but if, for any reason, there are less than two judges present and acting at any meeting, the chairman of the meeting shall appoint an additional judge or judges so that there shall always be at least two judges to act at the meeting.

SECTION 1.9 List of Shareholders. A complete list of the shareholders entitled to vote at each meeting of shareholders, arranged in alphabetical order, and showing the address and number of shares registered in the name of each shareholder, shall be prepared and made available for examination during regular business hours by any shareholder for any purpose germane to the meeting. The list shall be available for such examination at the place where the meeting is to be held for a period of not less than ten days prior to the meeting and during the whole time of the meeting.

SECTION 1.10 Notice of Shareholder Business. At an annual meeting of the shareholders, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any shareholder of the Corporation who complies with the notice procedures set forth in this Section 1.10. For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than thirty days nor more than sixty days prior to the meeting; provided, however, that in the event that less than forty days' notice or prior public disclosure of the date of the meeting is given or made to the shareholders, notice by the shareholder to be timely must be received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring

before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (b) the name and address, as they appear on the Corporation's books, of the shareholder proposing such business; (c) the class and number of shares of the Corporation which are beneficially owned by the shareholder; and (d) any material interest of the shareholder in such business. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 1.10. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 1.10, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.10, a shareholder seeking to have a proposal included in the Corporation's proxy statement shall comply with the requirements of Regulation 14A under the Securities Exchange Act of 1934, as amended (including, but not limited to, Rule 14a-8 or its successor provision).

SECTION 1.11 Notice of Shareholder Nominees. Only persons who are nominated in accordance with the procedures set forth in these bylaws shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of shareholders (a) by or at the direction of the Board of Directors or (b) by any shareholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 1.11. Nominations by shareholders shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a shareholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than thirty days nor more than sixty days prior to the meeting; provided, however, that in the event that less than forty days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the shareholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such shareholder and (ii) the class and number of shares of the Corporation which are beneficially owned by such shareholder. At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the Corporation that information required to be set forth in a shareholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in these bylaws. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that nomination was not made in accordance with the procedures prescribed by these bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 1.12 (a) Consents to Corporate Action. Any action which is required to be or may be taken at any annual or special meeting of shareholders of the Corporation, subject to the provisions of Subsections (b) and (c) of this Section 1.12, may be taken without a meeting, without prior notice and without a vote if consents in writing, setting forth the action so taken, shall have been signed by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or to take such action at a meeting at which all shares entitled to vote thereon were present and voted; provided, however, that prompt notice of the taking of the corporate action without a meeting and by less than unanimous written consent shall be given to those shareholders who have not consented in writing.

(b) Determination of Record Date of Action by Written Consent. The record date for determining shareholders entitled to express consent to corporate action in writing without a meeting shall be fixed by the Board of Directors of the Corporation. Any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent without a meeting shall, by written notice to the Secretary, request the Board of Directors to fix a record date. Upon receipt of such a request, the Secretary shall place such request before the Board of Directors at its next regularly scheduled meeting, provided, however, that if the shareholder represents in such request that he intends, and is prepared, to commence a consent solicitation as soon as is permitted by the Securities Exchange Act of 1934, as amended, and the regulations thereunder and other applicable law, the Secretary shall as promptly

as practicable, call a special meeting of the Board of Directors, which meeting shall be held as promptly as practicable. At such regular or special meeting, the Board of Directors shall fix a record date as provided in Section 213(a) (or its successor provision) of the Delaware General Corporation Law. Should the Board fail to fix a record date as provided for in this Subsection (b), then the record date shall be the day on which the first written consent is expressed.

(c) Procedures for Written Consent. In the event of the delivery to the Corporation of a written consent or consents purporting to represent the requisite voting power to authorize or take corporate action and/or related revocations, the Secretary of the Corporation shall provide for the safekeeping of such consents and revocations and shall, as promptly as practicable, engage nationally recognized independent judges of election for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. No action by written consent and without a meeting shall be effective until such judges have completed their review, determined that the requisite number of valid and unrevoked consents has been obtained to authorize or take the action specified in the consents, and certified such determination for entry in the records of the Corporation kept for the purpose of recording the proceedings of meetings of shareholders.

SECTION 2

Board of Directors

SECTION 2.1 Number and Term of Office. The number of directors shall be not less than 10 nor more than 19. The exact number, within those limits, shall be fixed from time to time by the Board of Directors. Each director shall hold office until a successor is elected and qualified or until his earlier death, resignation or removal.

SECTION 2.2 Election. The directors shall be elected annually by written ballot and, at each election, the nominees receiving the greatest number of votes shall be the directors.

SECTION 2.3 Organization Meetings. As promptly as practicable after each annual meeting of shareholders, an organization meeting of the Board of Directors shall be held for the purpose of organization and the transaction of other business.

SECTION 2.4 Stated Meetings. The Board of Directors may provide for stated meetings of the Board.

SECTION 2.5 Special Meetings. Special meetings of the Board of Directors may be called from time to time by any four directors, by the chief executive officer, or by the chief operating officer of the Corporation in concert with two directors.

SECTION 2.6 Business of Meetings. Except as otherwise expressly provided in these bylaws, any and all business may be transacted at any meeting of the Board of Directors; provided, that if so stated in the notice of meeting, the business transacted at a special meeting shall be limited to the purpose or purposes specified in the notice.

SECTION 2.7 Time and Place of Meetings. Subject to the provisions of Section 2.3, each meeting of the Board of Directors shall be held on such date, at such hour and in such place as fixed by the Board or in the notice of waivers of notice of the meeting or, in the case of an adjourned meeting, as announced at the meeting at which the adjournment is taken.

SECTION 2.8 Notice of Meetings. No notice need be given of any organization or stated meeting of the Board of Directors for which the date, hour and place have been fixed by the Board. Notice of the date, hour and place of all other organization and stated meetings, and of all special meetings, shall be given to each director personally, by telephone or telegraph or by mail. If by mail, the notice shall be deposited in the United States mail, postage prepaid, directed to the director at his residence or usual place of business as the same appear on the books of the Corporation not later than four days before the meeting. If given by telegraph, the notice shall be directed to the director at his residence or usual place of business as the same appear on the books of the Corporation not later than at any time during the day before the meeting. If given personally or by telephone, the notice shall be given not later than the day before the meeting.

SECTION 2.9 Waiver of Notice. Anything herein to the contrary notwithstanding, notice of any meeting of the Board of Directors need not be given to any director who shall have waived in writing notice of the meeting, either before or after the meeting, or who shall attend such meeting, unless he attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 2.10 Attendance by Telephone. Directors may participate in meetings of the Board of Directors by means of conference telephone or similar communications equipment by means of which all directors participating in the meeting can hear one another, and such participation shall constitute presence in person at the meeting.

SECTION 2.11 Quorum and Manner of Acting. One-third of the total number of directors at the time provided for pursuant to Section 2.1 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors and, except as otherwise provided in these bylaws, in the certificate of incorporation or by statute, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. A majority of the directors present at any meeting, regardless of whether or not they constitute a quorum, may adjourn the meeting to another time or place. Any business which might have been transacted at the original meeting may be transacted at any adjourned meeting at which a quorum is present.

SECTION 2.12 Action Without a Meeting. Any action which could be taken at a meeting of the Board of Directors may be taken without a meeting if all of the directors consent to the action in writing and the writing or writings are filed with the minutes of the Board.

SECTION 2.13 Compensation of Directors. Each director of the Corporation who is not a salaried officer or employee of the Corporation, or of a subsidiary of the Corporation, may receive compensation for serving as a director and for serving as a member of any Committee of the Board, and may also receive fees for attendance at any meetings of the Board or any Committee of the Board, and the Board may from time to time fix the amount and method of payment of such compensation and fees; provided, that no director of the Corporation shall receive any bonus or share in the earnings or profits of the Corporation or any subsidiary of the Corporation except pursuant to a plan approved by the shareholders at a meeting called for the purpose. The Board may also, by vote of a majority of disinterested directors, provide for and pay fair compensation to directors rendering services to the Corporation not ordinarily rendered by directors as such.

SECTION 2.14 Resignation of Directors. Any director may resign at any time upon written notice to the Corporation. The resignation shall become effective at the time specified in the notice and, unless otherwise provided in

the notice, acceptance of the resignation shall not be necessary to make it effective.

SECTION 2.15 Removal of Directors. Any director may be removed, either for or without cause, at any time, by the affirmative vote of the holders of record of a majority of the outstanding shares of stock entitled to vote at a meeting of the shareholders called for the purpose, and the vacancy in the Board caused by any such removal may be filled by the shareholders at such meeting or at any subsequent meeting; provided, that no director elected by a class vote of less than all the outstanding shares of the Corporation may, so long as the right to such a class vote continues in effect, be removed pursuant to this section except for cause and by the affirmative vote of the holders of record of a majority of the outstanding shares of such class at a meeting called for the purpose, and the vacancy in the Board caused by the removal of any such director may, so long as the right to such class vote continues in effect, be filled by the holders of the outstanding shares of such class at such meeting or at any subsequent meeting; provided, further, that if less than all the directors then in office are to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the whole Board of Directors or, in the case of directors elected by a class vote the right to which is still then in effect, if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the class of directors of which he is a part.

SECTION 2.16 Filling of Vacancies Not Caused by Removal. Vacancies and newly created directorships resulting from an increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director; provided, that if the vacancy to be filled would, at an election of the whole Board of Directors, be filled by a class vote of less than all of the outstanding shares of the Corporation, and if any of the directors remaining in office were elected by the same class, such majority vote of the directors shall be effective only if it is concurred in by a majority of the remaining directors elected by such class, or by a sole remaining director elected by such class. If for any reason there shall be no directors in office, any officer or any shareholder or any executor, administrator, trustee or guardian of a shareholder, or other fiduciary with like responsibility for the person or estate of a shareholder, may call a special meeting of shareholders in accordance with the provisions of these bylaws for the purpose of electing directors.

SECTION 3

Committees of the Board of Directors

SECTION 3.1 Executive Committee. By resolution adopted by an affirmative vote of the majority of the whole Board of Directors, the Board may appoint an Executive Committee consisting of the directors who occupy the offices of the chief executive and operating officers of the Corporation, ex officio, and two or more other directors and, if deemed desirable, one or more directors as alternate members who may replace any absentee or disqualified member at any meeting of the Executive Committee. If so appointed, the Executive Committee shall, when the Board is not in session, have all the power and authority of the Board in the management of the business and affairs of the Corporation not reserved to the Board by Section 3.3. The Executive Committee shall keep a record of its acts and proceedings and shall report the same from time to time to the Board of Directors.

SECTION 3.2 Other Committees. By resolution adopted by an affirmative vote of the majority of the whole Board of Directors, the Board may from time to time appoint such other Committees of the Board, consisting of one or more directors and, if deemed desirable, one or more directors who shall act as alternate members and who may replace any absentee or disqualified member at any meeting of the Committee, and may delegate to each such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation not reserved to the Board pursuant to Section 3.3. Each such Committee shall keep a record of its acts and proceedings.

SECTION 3.3 Powers Reserved to the Board. No Committee of the Board shall take any action to amend the certificate of incorporation or these bylaws, adopt any agreement to merge or consolidate the Corporation, declare any dividend or recommend to the shareholders a sale, lease or exchange of all or substantially all of the assets and property of the Corporation, a dissolution of the Corporation or a revocation of a dissolution of the Corporation; nor shall any Committee of the Board take any action which is required in these bylaws, in the certificate of incorporation or by statute to be taken by a vote of a specified proportion of the whole Board of Directors.

SECTION 3.4 Election of Committee Members; Vacancies. So far as practicable, members of the Committees of the Board and their alternates (if any) shall be appointed at each organization meeting of the Board of Directors and, unless sooner discharged by an affirmative vote of the majority of the whole Board, shall hold office until the next organization meeting of the Board and until their respective successors are appointed. In the absence or disqualification of any member of a Committee of the Board, the member or members (including alternates) present at any meeting of the Committee and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in place of any absent or disqualified member. Vacancies in Committees of the Board created by death, resignation or removal may be filled by an affirmative vote of a majority of the whole Board of Directors.

SECTION 3.5 Meetings. Each Committee of the Board may provide for stated meetings of such Committee. Special meetings of each Committee may be called by any two members of the Committee (or, if there is only one member, by that member in concert with the chief executive officer) or by the chief executive and chief operating officers of the Corporation. The provisions of Section 2 regarding the business, time and place, notice and waivers of notice of meetings, attendance at meetings and action without a meeting shall apply to each Committee of the Board, except that the references in such provisions to the directors and the Board of Directors shall be deemed respectively to be references to the members of the Committee and to the Committee.

SECTION 3.6 Quorum and Manner of Acting. A majority of the members of any Committee of the Board shall constitute a quorum for the transaction of business at meetings of the Committee, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of the Committee. A majority of the members present at any meeting, regardless of whether or not they constitute a quorum, may adjourn the meeting to another time or place. Any business which might have been transacted at the original meeting may be transacted at any adjourned meeting at which a quorum is present.

SECTION 4

Officers

SECTION 4.1 Election and Appointment. The elected officers of the Corporation shall consist of a Chairman, a President, one or more Vice Presidents, a Controller, a Treasurer, a Secretary and such other elected officers as shall from time to time be designated by the Board of Directors. The Board shall designate from among such elected officers a chief executive officer, a chief operating officer, a chief financial officer and a chief accounting officer of the Corporation, and may from time to time make, or provide for, other designations it deems appropriate. The Board may also appoint, or provide for the appointment of, such other officers and agents as may from time to time appear necessary or advisable in the conduct of the affairs of the Corporation. Any number of offices may be held by the same

person, except no person may at the same time be both the chief executive and the chief financial officer.

SECTION 4.2 Duties of Chief Executive Officer. The chief executive officer of the Corporation shall preside at all meetings of shareholders and at all meetings of the Board of Directors, the Executive Committee and, except to the extent otherwise provided in these bylaws or by the Board, shall have general authority to execute any and all documents in the name of the Corporation and general and active supervision and control of all of the business and affairs of the Corporation. In the absence of the chief executive officer, his duties shall be performed and his powers may be exercised by the chief operating officer or by such other officer as shall be designated either by the chief executive officer in writing or (failing such designation) by the Executive Committee or Board of Directors

SECTION 4.3 Duties of Other Officers. The other officers of the Corporation shall have such powers and duties not inconsistent with these bylaws as may from time to time be conferred upon them in or pursuant to resolutions of the Board of Directors, and shall have such additional powers and duties not inconsistent with such resolutions as may from time to time be assigned to them by any competent superior officer. The Board shall assign to one or more of the officers of the Corporation the duty to record the proceedings of the meetings of the shareholders and the Board of Directors in a book to be kept for that purpose.

SECTION 4.4 Term of Office and Vacancy. So far as practicable, the elected officers shall be elected at each organization meeting of the Board, and shall hold office until the next organization meeting of the Board and until their respective successors are elected and qualified. If a vacancy shall occur in any elected office, the Board of Directors may elect a successor for the remainder of the term. Appointed officers shall hold office at the pleasure of the Board or of the officer or officers authorized by the Board to make such appointments. Any officer may resign by written notice to the Corporation.

SECTION 4.5 Removal of Elected Officers. Elected officers may be removed at any time, either for or without cause, by the affirmative vote of a majority of the whole Board of Directors at a meeting called for that purpose.

SECTION 4.6 Compensation of Elected Officers. The compensation of all elected officers of the Corporation shall be fixed from time to time by the Board of Directors; provided, that no elected officer of the Corporation shall receive any bonus or share in the earnings or profits of the Corporation or any subsidiary of the Corporation except pursuant to a plan approved by the shareholders at a meeting called for the purpose.

SECTION 5

Shares and Transfer of Shares

SECTION 5.1 Certificates. Every shareholder shall be entitled to a certificate signed by the Chairman or the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, certifying the class and number of shares owned by him in the Corporation; provided, that, where such certificate is countersigned by a Transfer Agent or a Registrar, the signature of any such Chairman, President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be facsimile. In case any officer or officers who shall have signed or whose facsimile signature or signatures shall have been used on any such certificate or certificates shall cease to be such officer or officers, whether

because of death, resignation or otherwise, before such certificate or certificates shall have been issued by the Corporation, such certificate or certificates may be issued by the Corporation with the same effect as if he or they were such officer or officers at the date of issue.

SECTION 5.2 Transfer Agents and Registrars. The Board of Directors may, in its discretion, appoint one or more responsible banks or trust companies in the City of New York and in such other city or cities (if any) as the Board may deem advisable, from time to time, to act as Transfer Agents and Registrars of shares of the Corporation; and, when such appointments shall have been made, no certificate for shares of the Corporation shall be valid until countersigned by one of such Transfer Agents and registered by one of such Registrars.

SECTION 5.3 Transfers of Shares. Shares of the Corporation may be transferred by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificates or by written power of attorney to sell, assign and transfer the same, signed by the record holder thereof; but no transfer shall affect the right of the Corporation to pay any dividend upon the shares to the holder of record thereof, or to treat the holder of record as the holder in fact thereof for all purposes, and no transfer shall be valid, except between the parties thereto, until such transfer shall have been made upon the books of the Corporation.

SECTION 5.4 Lost Certificates. In case any certificate for shares of the Corporation shall be lost, stolen or destroyed, the Board of Directors, in its discretion, or any Transfer Agent thereunto duly authorized by the Board, may authorize the issue of a substitute certificate in place of the certificate so lost, stolen or destroyed, and may cause such substitute certificate to be countersigned by the appropriate Transfer Agent (if any) and registered by the appropriate Registrar (if any); provided, that in each such case, the applicant for a substitute certificate shall furnish to the Corporation and to such of its Transfer Agents and Registrars as may require same, evidence to their satisfaction, in their discretion, of the loss, theft or destruction of such certificate and of the ownership thereof, and also such security or indemnity as may by them be required.

SECTION 5.5 Record Dates. In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or to express consent to action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date which shall be not more than sixty nor less than ten days before the date of any meeting of shareholders, and not more than sixty days prior to any other action. In such case, those shareholders, and only those shareholders, who are shareholders of record on the date fixed by the Board of Directors shall, notwithstanding any subsequent transfer of shares on the books of the Corporation, be entitled to notice of and to vote at such meeting of shareholders, or any adjournment thereof, or to express consent to such corporate action in writing without a meeting, or entitled to receive payment of such dividend or other distribution or allotment of rights, or entitled to exercise rights in respect of any such change, conversion or exchange of shares or to participate in any such other lawful action.

SECTION 6

Miscellaneous

SECTION 6.1 Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

SECTION 6.2 Surety Bonds. The chief financial officer, the Controller, the Treasurer, each Assistant Treasurer, and such other officers and agents of the Corporation as the Board of Directors may from time to time direct shall be bonded at the expense of the Corporation for the faithful performance of their duties in such amounts and by such surety companies as the Board may from time to time determine.

SECTION 6.3 Signature of Negotiable Instruments. All bills, notes, checks or other instruments for the payment of money shall be signed or countersigned in such manner as from time to time may be prescribed by resolution of the Board of Directors.

SECTION 6.4 General Auditor. At each annual meeting, the shareholders shall appoint an independent public accountant or firm of independent public accountants to act as the General Auditor of the Corporation until the next annual meeting. Among other duties, it shall be the duty of the General Auditor so appointed to make periodic audits of the books and accounts of the Corporation. As soon as reasonably practicable after the close of the fiscal year, the shareholders shall be furnished with consolidated financial statements of the Corporation and its consolidated subsidiaries, as at the end of such fiscal year, duly certified by such General Auditor, subject to such notes or comments as the General Auditor shall deem necessary or desirable for the information of the shareholders. In case the shareholders shall at any time fail to appoint a General Auditor or in case the General Auditor appointed by the shareholders shall decline to act or shall resign or otherwise become incapable of acting, the Board of Directors shall appoint a General Auditor to discharge the duties herein provided for. Any General Auditor appointed pursuant to any of the provisions hereof shall be directly responsible to the shareholders, and the fees and expenses of any such General Auditor shall be paid by the Corporation.

SECTION 6.5 Indemnification of Officers, Directors, Employees, Agents and Fiduciaries; Insurance. (a) The Corporation may indemnify, in accordance with and to the full extend permitted by the laws of the State of Delaware as in effect at the time of the adoption of this Section 6.5 or as such laws may be amended from time to time, and shall so indemnify to the full extent permitted by such laws, any person (and the heirs and legal representatives of any such person) made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, employee, agent, or fiduciary of the Corporation or any constituent Corporation absorbed in a consolidation or merger, or serves as such with another corporation, or with a partnership, joint venture, trust or other enterprise at the request of the Corporation or any such constituent corporation.

(b) By action of the Board of Directors notwithstanding any interest of the directors in such action, the Corporation may purchase and maintain in such amounts as the Board of Directors deems appropriate on behalf of any person who is or was a director, officer, employee, agent or fiduciary of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation shall have the power to indemnify him against such liability under the provisions of this Section.

SECTION 7

Bylaws Amendments

SECTION 7.1 By the Shareholders. These bylaws may be amended by the shareholders at a meeting called for the purpose in any manner not inconsistent with any provision of law or of the certificate of incorporation.

SECTION 7.2 By the Directors. These bylaws may be amended by the affirmative vote of a majority of the whole Board of Directors in any manner not inconsistent with any provision of law or of the certificate of incorporation; provided, that the Board may not amend this Section, or the bonus proviso of Section 2.13 (Compensation of Directors), or Section 2.15 (Removal of Directors), Section 4.5 (Removal of Elected Officers) or Section 4.6 (Compensation of Elected Officers).

STATE OF CONNECTICUT,
County of Hartford

The Undersigned, _____________________________, Secretary of UNITED TECHNOLOGIES CORPORATION, a corporation of the State of Delaware, HEREBY CERTIFIES that the foregoing is a complete copy of the Bylaws of the said Corporation, as at present in force.

IN WITNESS WHEREOF, the undersigned has hereto set his hand and affixed the seal of the said Corporation, this _______________day of__________________________, 19____.

SECRETARY

Excerpt from United Technologies Corporation Board minutes of September 23, 1993, concerning a program under which non-employee Directors receive 60% of their annual retainer in either shares of Common Stock of the Corporation or in deferred stock units which automatically convert to shares of Common Stock upon termination of service on the Board.

RESOLVED, that, effective January 1, 1994, payment of 60% (currently $15,000 out of $25,000) of the annual retainer be paid in either tax deferred "Stock Units" or in UTC Common Stock.

RESOLVED, that Directors be provided the option, once a year, to elect to take the stock portion of the annual retainer in either:

a. Tax deferred "Stock Units", which will be credited to an account established for each Director. The number of "Stock Units" will be determined annually and calculated by dividing the annual retainer paid in "Stock Units" by the closing price of UTC stock on the first business day of the year. Fractional "Stock Units" will accumulate in the Director's account. All whole "Stock Units" held in the account as of each dividend payment date, will be eligible for dividend equivalents equal to the Corporation's declared dividend and will be converted to additional "Stock Units" or fractional units on the date the dividend is paid. Upon retirement or termination from the Board, all "Stock Units" held in the Director's account will be converted to actual shares of UTC Common Stock. The value of "Stock Units" will not be taxable until the "Stock Units" are converted to actual shares and distributed to the Director upon termination from Board service; or,

b. Shares of UTC Common Stock, with the number of shares determined annually and calculated by dividing the annual retainer paid in stock by the closing price of UTC stock on the first business day of the year, with fractional shares paid in cash. The value of the shares will be considered taxable income upon receipt. UTC will acquire the shares on the open market.

RESOLVED, that the remaining 40% (currently $10,000) of the annual retainer, as well as all Committee, Meeting and Chairmanship fees will continue to be paid in cash on a quarterly or per meeting basis, as appropriate.

RESOLVED, that the portion of the retainer paid in cash, and all other fees paid in cash, continue to be eligible for deferral under the "Deferred Compensation Plan for Non-Employee Directors".

PAGE

EXHIBIT (10)(xv)

UNITED TECHNOLOGIES CORPORATION
PENSION REPLACEMENT PLAN

The Corporation previously implemented a Deferred Compensation Plan for certain employees. The first class year was established in 1985, with additional class years in 1986 and 1994.

As a result of participating in the Deferred Compensation Plan, participants may find their pensionable earnings reduced if compensation is deferred in a year which ultimately counts toward their final five-year average compensation for pension benefit determination. As a result, pension benefits could be reduced under the Qualified Pension Plan and Pension Preservation Plan. The Deferred Compensation Plan provides that no pension shortfall will occur as a result of participation in the Deferred Compensation Plan. The Corporation will, therefore, replace any pension shortfall in either the Qualified Pension Plan or the Pension Preservation Plan.

Whenever an executive terminates or retires from active employment with a vested pension benefit in the Corporation's Qualified Pension Plan, his or her pension benefit will be calculated under the current rules and procedures of such plan and, if applicable, the Pension Preservation Plan. Next, the executive's pension benefit will be calculated as if all compensation that had been deferred during the Qualified Pension Plan's salary averaging period were pensionable earnings. If this computation results in a greater benefit, the difference will be paid to the executive from a Pension Replacement Account established under the Deferred Compensation Plan. Pension replacement payments will be made by the Disbursing Agent for the Qualified Pension Plan in the same manner as the benefit option elected under the Qualified Pension Plan.

EXHIBIT 11

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES
Computations of Earnings Per Share and Fully Diluted Earnings Per Share
Assuming All Outstanding Dilutive Convertible Securities Had Been Converted

For the Five Years Ended December 31, 1993
(Millions of Dollars, except per share amounts)

	1993	1992	1991	1990	1989
Earnings (loss) applicable to Common Stock	$ 444	$ (329)	$ (1,083)	$ 715	$ 687
ESOP Convertible Preferred Stock adjustment (1)	16	16	23	22	8
Fully diluted net earnings (loss) for period	$ 460	$ (313)	$ (1,060)	$ 737	$ 695
Average number of common shares outstanding during period (thirteen month-end average) (thousands)	125,997	123,238	121,537	120,845	128,693
Fully diluted average number of common shares outstanding, assuming all outstanding convertible securities had been converted on the dates of issue (thousands)	139,614	137,157	136,012	133,192	133,840
Primary earnings (loss) per common share	$ 3.53	$ (2.67)	$ (8.91)	$ 5.91	$ 5.34
Fully diluted earnings (loss) per common share	$ 3.30	$ (2.67)	$ (8.91)	$ 5.53	$ 5.20

(1) Each share of the ESOP Preferred Stock is convertible into one share of Common Stock. A reduction in earnings applicable to Common Stock is required in the calculation of fully diluted earnings per share representing the Corporation's additional contribution to the ESOP to enable it to meet its debt repayment responsibilities were the preferred dividends not available for this purpose. The adjustment also reflects the adding back of the ESOP Preferred Stock dividend.

EXHIBIT 12

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES
Computation of Ratio of Earnings to Fixed Charges
(Millions of Dollars)

	Years Ended December 31,				
	1993	1992	1991	1990	1989
Fixed Charges:					
Interest on indebtedness	$ 251	$ 282	$ 339	$ 362	$ 330
Interest capitalized	29	52	70	60	61
One-third of rents*	115	135	130	126	114
Total Fixed Charges	$ 395	$ 469	$ 539	$ 548	$ 505
Earnings:					
Income (loss) before income taxes and minority interests	$ 909	$ 200	$ (891)	$ 1,291	$ 1,260
Fixed charges per above	395	469	539	548	505
Less: interest capitalized	(29)	(52)	(70)	(60)	(61)
	366	417	469	488	444
Amortization of interest capitalized	42	43	40	37	33
Total Earnings	$ 1,317	$ 660	$ (382)	$ 1,816	$ 1,737
Ratio of Earnings to Fixed Charges	3.33	1.41	**	3.31	3.44

* Reasonable approximation of the interest factor.

** Not relevant.

EXHIBIT 13

Financial Section

Five-Year Summary

In Millions of Dollars (except per share amounts)	1993	1992	1991	1990	1989
For the Year					
Sales	$ 20,736	$ 21,641	$ 20,840	$ 21,442	$ 19,532
Percent to United States Government	19%	21%	21%	22%	24%
Research and development	1,137	1,221	1,133	1,028	1,030
Restructuring provision	-	85	1,275	-	-
Income (loss) before cumulative effect of accounting principle changes	487	35	(1,021)	751	702
Net income (loss)	487	(287)	(1,021)	751	702
Earnings (loss) applicable to Common Stock	444	(329)	(1,083)	715	687
Earnings (loss) per share before cumulative effect of accounting principle changes:					
Primary	3.53	(.05)	(8.91)	5.91	5.34
Fully diluted	3.30	(.05)	(8.91)	5.53	5.20
Earnings (loss) per share:					
Primary	3.53	(2.67)	(8.91)	5.91	5.34
Fully diluted	3.30	(2.67)	(8.91)	5.53	5.20
Cash dividends on Common Stock	224	222	219	218	206
Per share	1.80	1.80	1.80	1.80	1.60
Average number of shares of Common Stock outstanding (thousands):					
Primary	125,997	123,238	121,537	120,845	128,693
Fully diluted	139,614	137,157	136,012	133,192	133,840
Return on average common shareowners' equity, after tax	13.1%	(8.7)%	(20.9)%	14.5%	14.2%
At Year End					
Net working capital	$ 786	$ 1,064	$ 2,354	$ 3,061	$ 2,131
Current asset ratio	1.1 to 1	1.2 to 1	1.4 to 1	1.5 to 1	1.3 to 1
Total assets	15,618	15,928	15,985	15,918	14,598
Short-term borrowings	780	377	292	342	1,281
Long-term debt, including current portion	2,179	2,769	3,101	3,220	2,312
Debt to total capitalization	45%	48%	46%	40%	43%
ESOP Preferred Stock, net	176	151	126	81	-
Shareowners' equity	3,598	3,370	3,961	5,343	4,739
Equity per common share	28.54	27.23	32.49	44.10	39.14
Business backlog	18,414	21,175	20,700	20,875	20,125
Number of employees:					
United States	81,700	91,400	98,000	108,100	115,100
International:					
Europe	40,300	40,600	41,800	38,200	38,300
Other	46,600	46,000	45,300	46,300	48,000
Total	168,600	178,000	185,100	192,600	201,400
Number of common shareowners	30,000	32,600	35,400	37,200	39,500

Equity per common share is based on shares outstanding at each year end.
See Note 2 of Notes to Financial Statements for discussion of 1992 accounting changes.
For Pratt and Whitney, backlog is based on the terms of firm orders received and does not include discounts granted directly to airline and other customers.

Management's Discussion and Analysis of Results of Operations and Financial Position

The following discussion and analysis sets forth major factors affecting the Corporation's results of operations during the three-year period ended December 31, 1993. It also comments on the Corporation's financial position at that date as presented in the accompanying financial statements. Operating results for the Corporation's business segments are shown in the Consolidated Summary of Business Segment Financial Data on pages 51 through 54 of this Annual Report.

Business Environment

The Corporation's major business units serve government and commercial aerospace, commercial property and residential housing, and automotive manufacturing customers. Like many businesses, these operations are increasingly affected by global, as well as regional, economic cycles.

In 1993, the U.S. economy continued to strengthen while key international economies were mixed and will continue to exert a negative influence on the Corporation's results of operations in the near term. In the U.S., residential housing starts increased for the second consecutive year, up 14% over 1992 which itself was up 18% over 1991, but U.S. commercial vacancy rates improved only marginally to 17% from the 1992 all-time high of 18% and commercial construction starts remained weak. Construction activity in Europe and Japan remained weak while China and other Pacific Rim countries showed continued strength.

North American car and light truck production surged 12% in 1993 to 12.8 million units, only slightly below the recent peak of 12.9 million units in 1988. However, European car production, an increasingly important market to the Corporation, was adversely affected by the recession in Europe with production declining 14% in 1993 to the lowest levels since 1985.

The financial performance of the Corporation's Pratt & Whitney segment, and to a lesser extent, the Flight Systems segment, is directly tied to the commercial airline industry. The Pratt & Whitney segment is a major supplier of commercial engines and spare parts. The Flight Systems segment, through Hamilton Standard, provides fuel and environmental control systems and propellers for commercial aircraft.

The poor financial condition of the commercial airline industry has had a significant impact on the Corporation's 1992 and 1993 results. However, during 1993, the commercial airline industry experienced moderate, but distinct financial improvement, and traffic for the U.S. domestic airlines increased approximately 5% over 1992. Some airlines recorded operating profits for the first time in several years. This improvement over prior years' performance principally resulted from restructuring actions and other adjustments in airline operating strategies, rather than significant improvement in the economic conditions which caused the current decline in the industry.

Beginning in 1992, in response to the depressed levels of business, several major domestic and foreign airlines negotiated extensions in delivery schedules of aircraft on firm order and, in some cases, canceled existing orders and options for future delivery. Changes in engine contract terms and schedules generally involve economic concessions by the airline and more favorable financial terms to the supplier. However, these actions adversely affect the production schedules for new engines and exacerbate the already significant engine pricing competition for new engine orders. Pratt & Whitney's large commercial engine shipments totaled 442 in 1993, down from 610 in 1992 and 692 in 1991. In addition, the mix of engine sales has continued to shift to newer, lower margin engines.

The follow-on spare parts sales for Pratt & Whitney engines in service has traditionally been an important source of profit to the Corporation, and its decline has had a significantly adverse impact on operating results of Pratt & Whitney. Spare parts sales in 1993 were somewhat lower than 1992 which had been flat against the depressed levels of 1991. However, sales in the fourth quarter 1993 were higher than prior quarters and higher than the prior year fourth quarter. In addition, orders for spare parts in 1993 were higher than those received in 1992.

The development of commercial aircraft engines requires substantial investment by the Corporation. Over the past decade, Pratt & Whitney has developed three new families of engines which are in production and airline service today; the V2500, the PW2000 and the PW4000. Presently, the PW4084 and PW4168 engines, derivatives of the PW4000 family of engines, are being introduced for the Boeing 777 and Airbus A330 aircraft, respectively. Pratt & Whitney's research and development expense in 1993 was $632 million compared to $723 million in 1992. With the PW4168 engine certified in August 1993 and the PW4084 scheduled for certification in April 1994, Pratt & Whitney's research and development expenses are expected to continue to decline.

BAR CHART DESCRIPTION:
Revenues ($ Billions)
    1989 - $19.8
    1990 - $21.8
    1991 - $21.3
    1992 - $22.0
    1993 - $21.1

In view of the global nature of the commercial aircraft industry and the risk and cost associated with launching new engine development programs, Pratt & Whitney has developed strategic alliances and collaboration arrangements on commercial engine programs. These alliances also facilitate access to international markets and technology. At December 31, 1993, other participants in these alliances represented 29% and 20% of the PW2000 and PW4000 programs, respectively, and 30% of the PW4084. Also, Pratt & Whitney has a 33% interest in International Aero Engines, an international consortium of five partners for the V2500 commercial aircraft engine.

The Corporation's aerospace and defense businesses continue to respond to a changing global political environment. The defense industry is downsizing further as the U.S. Defense budget shrinks and as the threat of large scale conflict between superpowers has diminished. However, management believes the Corporation is well positioned as a major supplier for key domestic and foreign defense programs that will be important to military needs in the 1990's and beyond.

The Corporation will continue to supply Black Hawk helicopters to the U.S. and foreign governments under contracts extending to 1997 and 1998. The Corporation is also well positioned on three major U.S. Defense programs of the future, the F-22 fighter, powered by the Pratt & Whitney F119 engine, and RAH-66 Comanche helicopter, both in development, and the C-17 airlifter, powered by Pratt & Whitney's F117 engine, which became operational with the Air Force in 1993. While these programs are expected to retain support by the U.S. military and Congress, these and other U.S. military programs will continue to compete for available defense funds.

The Corporation has, however, continued to reduce its reliance on U.S. Defense contracts over the past few years and its exposure to loss from fixed-price development contracts. This trend has been partially offset by increased foreign military sales. Business derived from the U.S. Government declined from 24% of total sales in 1989 to 19% in 1993.

While the changing world political climate has reduced defense spending, ongoing changes in the former Soviet Union and the People's Republic of China, where potentially enormous markets for aircraft engines are developing, present significant opportunities for the commercial aircraft industry. The Corporation has been developing strategic alliances in these markets and believes it is well positioned to take advantage of these opportunities.

Pratt & Whitney is aggressively reducing manufacturing costs to remain competitive and regain the profit margins commensurate with the risks and investment this industry requires. From 1991 to December 31, 1993, Pratt & Whitney's workforce was reduced from 44,600 to 33,700 employees and manufacturing space has been reduced by 1.1 million square feet. Pratt & Whitney plans to reduce its workforce to no more than 30,000 during 1994, and further reductions may be required if commercial engine volumes continue to decline.

Restructuring and Other Actions

In December 1992 the Corporation recorded charges of $447 million for credit and other exposures related to the airline industry, $169 million for various contract matters and $85 million for restructuring actions. The 1992 restructuring actions were incremental to the $1.275 billion pre-tax restructuring charge recorded in 1991. The 1991 restructuring program included eliminating jobs, closing or consolidating facilities, and improving design, engineering and manufacturing processes.

Program to date workforce reductions total 24,710 positions. Workforce reductions during 1993 totaled 11,690 positions. Manufacturing floor space totaling 2.8 million and 5.6 million square feet has been eliminated during 1993 and program to date, respectively. This represents 57% of the goal to eliminate 9.9 million square feet of manufacturing space by 1995.

Results of Operations

Revenues:

Decreased 4% or $951 million from 1992 to 1993;
Increased 4% or $770 million from 1991 to 1992.

In Millions of Dollars	1993	1992	1991
Product sales	$16,671	$17,559	$17,054
Service sales	4,065	4,082	3,786
Financing revenues and other	345	391	422

The negative impact of the commercial airline industry and unfavorable foreign currency translation impacts are the principal causes for the overall reduction in 1993 sales.

It is estimated that increases in selling prices to customers averaged approximately 2% in 1993 and were not significant in 1992. The net impact of translating sales of foreign subsidiaries decreased

sales by 3% in 1993 and was not significant in 1992, indicating that the real volume of sales decreased 3% in 1993 and increased 4% in 1992.

Financing revenues and other income, less other deductions, decreased $46 million and $31 million in 1993 and 1992, respectively. The 1993 decrease resulted primarily from lower royalties and interest income partially offset by an increase in the amount of commercial aircraft engine participation fees. The decrease in 1992 resulted primarily from lower commercial aircraft engine participation fees partially offset by higher licensing and royalty fees.

Revenues of the Corporation's principal business segments for the years ended December 31 were:

In Millions of Dollars	1993	1992	1991
Pratt & Whitney	$5,942	$6,894	$7,133
Flight Systems	3,930	4,045	4,024
Carrier	4,480	4,328	3,843
Otis	4,418	4,512	4,304
Automotive	2,382	2,378	2,084

Pratt & Whitney segment revenues decreased $952 million (14%) in 1993 and $239 million (3%) in 1992. The decrease in 1993 reflects decreases in commercial and government engine and spare parts sales. Although commercial spare parts sales were lower than the depressed levels of 1992, sales during the second half of 1993 showed modest growth and exceeded the comparable 1992 period. The overall decrease was partially offset by revenues resulting from the renegotiation of certain aircraft leases during the second quarter of 1993. The decrease in 1992 resulted from reductions in commercial and government engine sales offset somewhat by a slight increase in government spare parts sales.

Flight Systems segment revenues for 1993 decreased $115 million (3%) compared to 1992. As a result of substantially increased international Black Hawk shipments, helicopter business revenues in 1993 contributed 59% of Flight Systems segment revenues (51% in 1992 and 50% in 1991). This increase was more than offset by reductions in defense electronics and commercial aerospace volumes in the segment's other businesses. Flight Systems segment revenues in 1992 remained essentially unchanged from 1991.

Carrier segment revenues increased $152 million (4%) in 1993 and $485 million (13%) in 1992. The translation impact of a stronger U.S. dollar negatively impacted 1993 revenues by approximately $115 million (3%). Revenues for 1992 were positively impacted by approximately $30 million (1%) as a result of foreign currency translation. Both 1993 and 1992 revenues reflect continuing volume increases in the North American and Asia-Pacific regions as well as the transportation refrigeration business. Revenues were also positively impacted by increased Latin American volumes during 1993. These increases were partially offset by the effects of the continuing recession in Europe, particularly affecting the Spanish and Italian operations.

Otis segment revenues decreased $94 million (2%) in 1993 and increased $208 million (5%) in 1992. The impact of currency exchange rates versus the U.S. dollar reduced revenues by approximately $278 million (6%) in 1993 and increased revenues by approximately $107 million (2%) in 1992. Revenues in 1993 and 1992, exclusive of the translation impact, reflect the continuing increase in service volumes in all regions. In addition, new equipment revenues were slightly higher in 1993 primarily due to higher volumes in the European and Latin American regions offset partially by lower North American volume. New equipment revenues in 1992 were lower than 1991 levels primarily due to decreases in the North American and Latin American regions.

Automotive segment revenues were essentially unchanged from 1992. Revenues in 1992 were $294 million (14%) higher than 1991. During 1993 and 1992, the segment was positively impacted by increased North American car and light truck production and European market penetration. North American car and light truck production increased 12% in 1993 over 1992 and 9% in 1992 over 1991. During 1993, these increases were substantially offset by the overall reduction in European vehicle production, the negative translation impact of the stronger U.S. dollar of approximately $112 million (5%), and the absence of sales in 1993 from certain automotive business units divested in the third quarter of 1992.

Cost of products and services sold as a percent of sales decreased:
1% from 1992 to 1993;
1% from 1991 to 1992.

In Millions of Dollars	1993	1992	1991
Cost of products sold	$13,666	$14,642	$14,331
Product margin %	18.0%	16.6%	16.0%
Cost of services sold	$ 2,571	$ 2,591	$ 2,408
Service margin %	36.8%	36.5%	36.4%

The cost of products sold as a percentage of sales, excluding the impact of special charges recorded in 1992 and 1991, remained

relatively constant in 1993 and 1992 from the respective prior years. The on-going efforts of the Corporation's cost reduction programs were offset by a shift in the mix of commercial aircraft engines sold to newer, lower margin engines and lower spare parts sales in the commercial aircraft and general aviation businesses.

Research and development expenses:
decreased 7% or $84 million from 1992 to 1993;
increased 8% or $88 million from 1991 to 1992.

Gross research and development expenditures in 1993 and 1992, before the reductions described below, were 5% lower and 2% higher than in 1992 and 1991, respectively. The reduction in expenditures during 1993 occurred primarily at Pratt & Whitney where the PW4084 and PW4168 commercial engine development programs are reaching maturity. Overall, expenditures for military aircraft engine programs during 1993 and 1992 were substantially lower than in previous years and in 1992 were offset by higher expenditures for commercial engine programs, as well as increased expenditures at Carrier and Otis.

Billings to participants for certain advanced commercial aircraft engine program expenditures and partial sponsorship of military aircraft engine programs aggregating $84 million, $67 million, and $134 million in 1993, 1992, and 1991, respectively, have been applied as reductions of research and development expenses. While billings remained relatively constant in 1993, the decrease in billings during 1992 is the result of lower fees from reduced sponsorship of military aircraft engine programs, partially offset by higher commercial engine program fees.

BAR CHART DESCRIPTION:
R&D Expenses ($ Millions)
1989 - $1,030
1990 - $1,028
1991 - $1,133
1992 - $1,221
1993 - $1,137

Selling, general and administrative expenses:
decreased 15% or $464 million from 1992 to 1993;
increased 13% or $344 million from 1991 to 1992.

The decrease from 1992 to 1993 results from the effects of the Corporation's restructuring efforts initiated in the first quarter of 1992 which have increasingly reduced ongoing general and administrative expenses and the absence of the $360 million charges recorded during the fourth quarter of 1992 for commercial airline industry exposures and other contract matters. The effects of the restructuring efforts were overshadowed in 1992 primarily from the $360 million charges as well as the incremental 1992 impact of FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

BAR CHART DESCRIPTION:
SG&A Expenses ($ Millions)
1989 - $2,811
1990 - $3,094
1991 - $2,667
1992 - $3,011
1993 - $2,547

Operating profits increased:
123% or $725 million from 1992 to 1993;
$1,086 million from 1991 to 1992.

Operating profits (losses) of the Corporation's principal business segments for the years ended December 31 were:

In Millions of Dollars	1993	1992	1991
Pratt & Whitney	$156	$(288)	$(282)
Flight Systems	385	275	(224)
Carrier	226	152	(159)
Otis	377	313	163
Automotive	148	111	2

In the first quarter of 1993, the Corporation changed its presentation of general corporate expenses to report those costs which do not directly benefit the reporting segments as general corporate items. This change in presentation is consistent with the manner in which the individual operating units are both managed and measured from an internal profitability perspective. Operating profits (losses) for 1992 are shown below on both the current and former bases of presentation. The comparisons below of operating results between 1993 and 1992 are based on the current presentation while comparisons between 1992 and 1991 are based on the former presentation. In addition, the operating profits (losses) above include the restructuring provisions recorded in 1992 and 1991 and discussed previously. For purposes of analysis and comparison, the operating profits (losses) below exclude these amounts.

In Millions of Dollars	1993	1992 Current	1992 Former	1991

Pratt & Whitney	$156	$(171)	$(218)	$406
Flight Systems	385	316	290	(82)
Carrier	226	183	152	31
Otis	377	346	313	296
Automotive	148	128	111	61

Pratt & Whitney segment operating profits increased $327 million in 1993. The 1992 results include the impact of the special charges recorded during the fourth quarter for commercial airline exposures. Excluding the impact of these charges, the 1993 results decreased due to lower commercial and government engine and spare parts sales, partially offset by an increase in a partner's interest in the PW4000 engine program during 1993. In addition, Pratt & Whitney reduced research and development expenditures during 1993 as the PW4084 and PW4168 commercial engine programs

reach maturity. The decrease in 1992 resulted from the previously discussed charges recorded in the fourth quarter of 1992, reduced commercial engine shipments, lower margins on the mix of sales, and lower commercial aircraft engine participation fees.

Flight Systems segment operating profits increased $69 million (22%) and $372 million in 1993 and 1992, respectively. The increase in 1993 results primarily from improved operating performance and increased Black Hawk shipments by Sikorsky and better than expected contract performance related principally to Norden's Multi Mode Radar System contract. These increases were partially offset by declines in commercial aerospace volumes at Hamilton Standard and the absence of the favorable impacts of the settlement of several government contracting claims recorded in 1992. The 1992 increase in profitability resulted primarily from improved operating performance at Sikorsky, the absence of the 1991 $148 million charge relating to Norden's Multi Mode Radar System and other contract matters, and the absence of the $148 million charge for environmental remediation activities recorded in 1991.

Carrier segment operating profits increased $43 million (23%) in 1993 and $121 million (390%) in 1992. Improved operating profits resulting from increased volumes and margins in the Asia-Pacific and Latin American regions were partially offset by the effects of the continuing recession in Europe. The 1992 increase was primarily a result of increased new equipment volumes, most notably in the North American region and the transportation refrigeration business, as well as a more profitable mix of sales.

Otis segment operating profits increased $31 million (9%) and $17 million (6%) in 1993 and 1992, respectively. The translation impact of the stronger U.S. dollar negatively impacted segment operating profits in 1993 by $38 million. The improved operating profits reflect the effect of continued growth in service volumes during both 1992 and 1993. During 1993, increases in Latin American and European new equipment volumes and improvement in Latin American new equipment margins contributed to the growth. New equipment revenues in 1992 were lower than 1991 levels primarily due to decreases in the North American and Latin American regions.

Automotive segment operating profits increased $20 million (16%) and $50 million (82%) in 1993 and 1992, respectively. Operating profits during 1993 and 1992 reflect the impact of increased North American production volumes and European market penetration. During 1993, these increases were partially offset by the reduction in European vehicle production and the absence of the operating results of certain automotive business units divested during the third quarter of 1992. In addition, 1992 results include the gain on sale of these units.

Interest expense decreased:
11% or $31 million from 1992 to 1993;
17% or $57 million from 1991 to 1992.

The Corporation's interest expense continues to be favorably impacted by reductions in the amount of debt outstanding during 1993 and 1992 combined with reductions in interest rate levels for both years.

The weighted-average interest rate on the Corporation's short-term borrowings in 1993 was 5.5% (8.9% in 1992 and 11.4% in 1991), and the average composite rate for short-term borrowings and long-term debt, excluding the ESOP debt guarantee, for 1993 was 7.2% (7.8% in 1992 and 8.9% in 1991). The average rate applicable to debt outstanding at December 31, 1993 was 5.4% for short-term borrowings, and the average composite rate, including all long-term debt other than the ESOP debt guarantee, was 6.8%.

Net income increased $774 million from 1992 to 1993;
Net loss decreased $734 million from 1991 to 1992.

In addition to the matters previously discussed, the Corporation adopted FAS 106 in the fourth quarter of 1992 with effect from January 1, 1992. The transition obligation at that date of $482 million, net of tax, was recorded as a charge to earnings. The incremental expense associated with FAS 106 was $23 million and $71 million in 1993 and 1992, respectively. This reduction was attributable to revisions in the Corporation's substantive postretirement medical plan for certain of its employee population.

The Corporation also adopted the provisions of FAS 109, "Accounting for Income Taxes," in the fourth quarter of 1992, with effect from January 1, 1992, resulting in a credit to earnings of $160 million representing recognition of previously unrecognized tax benefits. This standard requires, among other things, recognition of deferred tax assets (representing future tax benefits) attributable to deductible temporary differences between financial statement and income tax bases of assets and liabilities and to tax carryforwards to the extent that realization of these benefits is more likely than not. If the more likely than not threshold cannot be met, valuation allowances must be recorded to reduce the deferred tax assets to amounts expected to be realized.

Deductible and taxable temporary differences in the same taxing jurisdiction are offset for presentation in the Consolidated Balance Sheet. The following table summarizes the future income tax

benefits arising from net deductible temporary differences and tax carryforwards at December 31, 1993:

In Millions of Dollars	
Net deductible temporary differences	$1,463
Tax carryforwards:	
Acquired loss carryforwards	18
Foreign and state loss carryforwards	155
Foreign and state tax credit carryforwards	69
Alternative minimum tax credits (MTC)	84
	1,789
Valuation allowance	(297)
Total future income tax benefits	$1,492

The future tax benefit arising from net deductible temporary differences of $1,463 million relates to expenses recognized for financial reporting purposes which will result in tax deductions over varying future periods. The realization of this amount is dependent upon the generation of sufficient taxable income, primarily in the United States, over the varying future periods in which the tax deductions will be recognized, including applicable carryforward periods. Future tax benefits of $368 million attributable to postretirement benefits will be realized as paid over a period of forty years or more based on the Corporation's healthcare plans for retirees. Conversely, expenses associated with the Corporation's restructuring program (tax benefits of $182 million) are expected to result in tax deductions primarily within two years. Other future tax benefits of $913 million relate to such matters as environmental accruals, warranty provisions and the timing of inventory and contract cost recognition which are expected to result in tax deductions in periods up to generally ten years.

Prior to 1992, the Corporation's U.S. operations consistently produced taxable income, averaging $300 million of domestic source taxable income per year for the five years ending in 1991. In 1992 and 1993, primarily as a result of depressed conditions in the commercial airline industry and actual expenditures relating to the 1991 restructuring provision, domestic tax losses were incurred which have been utilized by carryback to prior years.

Based on the Corporation's business plans, including the benefits of the cost reductions resulting from the restructuring program, and the tax planning strategies available, management believes that the Corporation's domestic earnings during the periods identified above will be sufficient to realize these future income tax benefits.

Minimum tax credit and certain state tax credit carryforwards have no expiration date. Foreign and state tax loss carryforwards arise in a number of different taxing jurisdictions with expiration dates ranging from 1994 to 2008. For those jurisdictions where the expiration date or the projected operating results indicate that realization is not likely, a valuation allowance has been provided. Foreign tax credit carryforwards, which require future foreign source income to be utilized, expire after five years and generally are fully reserved through valuation allowances.

Liquidity and Financing Commitments

Management assesses the Corporation's liquidity in terms of its overall ability to generate cash to fund its operating and investing activities. Of particular importance in the management of liquidity are cash flows generated from operating activities, capital expenditure levels, adequate bank lines of credit, and financial flexibility to attract long-term capital on satisfactory terms.

Set forth below is selected key cash flow data from the Consolidated Statement of Cash Flows:

In Millions of Dollars	1993	1992	1991
Net Cash Flows from Operating Activities	$ 1,508	$ 1,203	$ 1,890
Purchases of fixed assets	$ (846)	$ (920)	$(1,048)
(Acquisitions) dispositions of business units, net	-	64	(7)
Other investing activities	(180)	(70)	27
Net Cash Flows from Investing Activities	$(1,026)	$ (926)	$(1,028)
Net Cash Flows from Financing Activities	$ (379)	$ (435)	$ (517)

Net cash flows from operating activities in 1993 improved over 1992 primarily due to operating results. Operating cash flows remain lower than the 1991 level primarily because of the impact of the Corporation's restructuring activities.

BAR CHART DESCRIPTION:
Operating Cash Flows ($ Millions)
1989 - $1,129
1990 - $1,333

1991 - $1,890
1992 - $1,203
1993 - $1,508

The substantial fixed asset additions during the period 1991 through 1993, while decreasing in each year, have been necessary to increase productivity, to modernize certain of the Corporation's facilities and to provide for expansion of some product lines. The great

majority of these expenditures were for machinery and equipment and were made across all business segments. Cash used for financing activities during the period included dividends to preferred and common shareowners.

BAR CHART DESCRIPTION:
Capital Expenditures and Depreciation ($ Millions)

	Capital Expenditures	Depreciation
1989 -	$1,023	$591
1990 -	$1,200	$675
1991 -	$1,048	$735
1992 -	$ 920	$777
1993 -	$ 846	$777

During the years ended December 31, 1993 and 1992, the Corporation met its net financing requirements by adjusting its level of short-term borrowings as required and issuing long-term debt when conditions were considered favorable. The results of the foregoing activities upon the Corporation's financial structure are shown in the following tabulation:

In Millions of Dollars	1993	1992
Short-term borrowings and current portion of long-term debt	$ 1,020	$ 788
Long-term debt	1,560	1,964
Capital lease obligations	379	394
Shareowners' equity	3,598	3,370
Debt to total capitalization	45%	48%

The Corporation's ratio of debt to total capitalization reflects a three percentage point decrease from 1992. Operating results in 1993 combined with the improved cash flow caused the decrease in this ratio. The impact of fourth quarter charges combined with the net charge taken as a result of the adoption of FAS 106 and FAS 109 caused a decrease in shareowners' equity which more than offset the effect of debt reductions and increased the Corporation's debt to total capitalization ratio two percentage points at December 31, 1992. The Corporation expects the costs of the restructuring actions will be funded from operations and from the cash flow benefits associated with the restructuring. Consequently, the Corporation's restructuring actions are not expected to result in significant increases in borrowing levels.

The Corporation believes that existing sources of liquidity are adequate to meet anticipated short-term borrowing needs at similar risk-based interest rates for the foreseeable future. While Moody's Investor Services reduced the Corporation's debt rating from A1 to A2 in 1993, Standard & Poor's reaffirmed the Corporation's debt rating at A+. Accordingly, the Corporation does not believe its long-term borrowing costs will be materially impacted.

At December 31, 1993, the Corporation had credit commitments from banks totaling $1.0 billion under two Revolving Credit Agreements. Each agreement provides for borrowings of $500 million at interest rates up to the prime rate. One commitment expires October 14, 1994 and the other on January 1, 1996. At December 31, 1993, there were no borrowings under either Revolving Credit Agreement. Long-term financing will continue to be considered in the future if conditions are advantageous, and in that regard, under an effective Registration Statement on file with the Securities and Exchange Commission at December 31, 1993, up to $871 million of medium-term and long-term debt of the Corporation might be issued.

In addition to the requirements discussed above, the Corporation had commitments to finance or arrange financing for customers at December 31, 1993 of approximately $1.3 billion of commercial aircraft, of which $174 million may be required to be disbursed in 1994.

New FASB Pronouncement

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112 (FAS 112), "Employers' Accounting for Postemployment Benefits," in November 1992. FAS 112 requires that the liability for certain postemployment benefits, including salary continuation, supplemental unemployment benefits and job training, be recognized over the employees' service lives when certain conditions are met. Liabilities for FAS 112 type benefits have already been recorded pursuant to FAS 106 and other pre-existing policies of the Corporation.

Environmental Matters

The Corporation's operations are subject to environmental regulation by federal, state, and local authorities in the United States and regulatory authorities with jurisdiction over its foreign operations.

The Corporation has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or Superfund) for environmental remediation at 84 federal Superfund sites, many of which relate to formerly-owned businesses. To date, the Corporation has made expenditures of $37 million for remediation at these Superfund sites and its share of future expenditures at these Superfund sites is estimated to be in the range of $110-$140 million. Additionally, the Corporation is potentially responsible for remediation under federal, state and/or local regulations at other sites. The Corporation has adequately provided for its share of future remediation and related expenditures at Superfund and other known sites for which it may have some remediation responsibility.

The Corporation had expenditures related to remediation at Superfund and other sites of $64 million in 1993, $58 million in 1992 and $57 million in 1991. These expenditures are not expected to exceed $100 million in each of the next two years.

Since environmental laws are becoming increasingly more stringent, the Corporation's capital expenditures and costs for environmental compliance may increase in the future.

The Corporation has instituted legal proceedings against its insurers seeking insurance coverage for remediation and related expenditures. These proceedings are expected to last several years. As no prediction can be made as to the outcome of these proceedings, potential insurance reimbursements are not recorded. The above uncertainties notwithstanding, the Corporation believes that expenditures necessary to comply with the present regulations governing environmental protection will not have a material effect upon its capital expenditures, competitive position, financial position or results of operations.

Other Contingencies

In June 1989, Sikorsky Aircraft submitted a voluntary disclosure report to the Department of Defense describing the conditions that gave rise to a $75 million downward adjustment of progress payments in April 1988 and related matters. An employee filed a "qui tam" action under the Civil False Claims Act based on matters that he learned while working on the Corporation's investigation of the matter. The Civil Division of the Department of Justice has stated that it would accept $150 million in full settlement of the matter, which compensates the Government for damages it has suffered, but the terms and conditions of such a settlement are the subject of continuing negotiations. The Corporation has accrued its estimated liability for this matter based on available information. If the Corporation is unable to negotiate a satisfactory settlement, it intends to litigate.

The Corporation is now and believes that, in light of the current government contracting environment, it will be the subject of one or more government investigations. If the Corporation or one of its business units were charged with wrongdoing as a result of any of these investigations, the Corporation or one of its business units could be suspended from bidding on or receiving awards of new government contracts pending the completion of legal proceedings. If convicted or found liable, the Corporation could be fined and debarred from new government contracting for a period generally not to exceed three years. Any contracts found to be tainted by fraud could be voided by the Government.

Subsequent Event

On January 19, 1994, the Corporation filed a registration statement with the Securities and Exchange Commission pursuant to its plan to sell to the public a 40 to 44 percent equity interest in UT Automotive, the Corporation's Automotive segment. The Corporation has not made decisions regarding the use of proceeds, which for purposes of the filing were estimated at $470 million.

Comparative Stock Data	1993			1992		
Common Stock	High	Low	Dividend	High	Low	Dividend
First Quarter	49 7/8	43 3/4	$.45	56 5/8	49	$.45
Second Quarter	55 7/8	46 1/4	.45	56	50 1/4	.45
Third Quarter	59 3/8	51 1/2	.45	57 1/4	47 3/4	.45
Fourth Quarter	66 1/8	56 1/2	.45	49	42 1/4	.45

The Corporation's Common Stock is listed on the New York Stock Exchange. The high and low prices are based on the Composite Tape. There were 30,000 common shareowners of record at December 31, 1993.

Management's Responsibility for Financial Statements

The financial statements of United Technologies Corporation and subsidiaries, and all other information presented in this Annual Report, are the responsibility of the management of the Corporation. The financial statements have been prepared in accordance with generally accepted accounting principles.

Management is responsible for the integrity and objectivity of the financial statements, including estimates and judgments reflected in them. It fulfills this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. These controls include the selection and training of management and supervisory personnel; maintenance of an organizational structure providing for delegation of authority and establishment of responsibilities; communication of requirements for compliance with approved accounting, control and business practices throughout the organization; business planning and review; and a program of internal audit. Management believes the internal accounting controls in use provide reasonable assurance that the Corporation's assets are safeguarded, that transactions are executed in accordance with management's authorizations, and that the financial records are reliable for the purpose of preparing financial statements.

Independent accountants are elected annually by the Corporation's shareowners to audit the financial statements in accordance with generally accepted auditing standards. Their report appears in this Annual Report. Their audits, as well as those of the Corporation's internal audit department, include a review of internal accounting controls and selective tests of transactions.

The Audit Review Committee of the Board of Directors, consisting of six directors who are not officers or employees of the Corporation, meets regularly with management, the independent accountants and the internal auditors, to review matters relating to financial reporting, internal accounting controls and auditing.

/s/ Robert F. Daniell	/s/ George David
Robert F. Daniell	George David
Chairman and	President and
Chief Executive Officer	Chief Operating Officer

/s/ Stephen F. Page
Stephen F. Page
Executive Vice President
and Chief Financial Officer

Report of Independent Accountants

To the Shareowners of United Technologies Corporation

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations, of changes in shareowners' equity and of cash flows present fairly, in all material respects, the financial position of United Technologies Corporation and its subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Corporation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 2, the Corporation changed its methods of accounting for postretirement benefits other than pensions and for income taxes in 1992.

/s/ Price Waterhouse
One Financial Plaza
Hartford, Connecticut
January 26, 1994

Consolidated Statement of Operations — United Technologies Corporation

In Millions of Dollars (except per share amounts)	1993	1992	1991
Revenues			
Product sales	$ 16,671	$ 17,559	$ 17,054
Service sales	4,065	4,082	3,786
Financing revenues and other income, less other deductions	345	391	422
	21,081	22,032	21,262
Costs and Expenses			
Cost of products sold	13,666	14,642	14,331
Cost of services sold	2,571	2,591	2,408
Research and development	1,137	1,221	1,133
Selling, general and administrative	2,547	3,011	2,667
Interest	251	282	339
Restructuring provision	-	85	1,275
	20,172	21,832	22,153
Income (loss) before income taxes and minority interests	909	200	(891)
Income taxes	336	77	75
Income (loss) before minority interests	573	123	(966)
Less-Minority interests in subsidiaries' earnings	86	88	55
Income (loss) before cumulative effect of accounting principle changes	487	35	(1,021)
Cumulative effect of changes in accounting principles for:			
Income taxes	-	160	-
Postretirement benefits other than pensions	-	(482)	-
Net Income (Loss)	$ 487	$ (287)	$ (1,021)
Preferred Stock Dividend Requirement	$ 43	$ 42	$ 62
Earnings (Loss) Applicable to Common Stock	$ 444	$ (329)	$ (1,083)
Per Share of Common Stock:			
Primary:			
Earnings (loss) before cumulative effect of accounting principle changes	$ 3.53	$ (0.05)	$ (8.91)
Cumulative effect of changes in accounting principles for:			
Income taxes	-	1.29	-
Postretirement benefits other than pensions	-	(3.91)	-
Earnings (Loss)	$ 3.53	$ (2.67)	$ (8.91)
Fully Diluted:			
Earnings (loss) before cumulative effect of accounting principle changes	$ 3.30	$ (0.05)	$ (8.91)
Cumulative effect of changes in accounting principles for:			
Income taxes	-	1.29	-
Postretirement benefits other than pensions	-	(3.91)	-
Earnings (Loss)	$ 3.30	$ (2.67)	$ (8.91)

Years Ended December 31.

See accompanying Notes to Financial Statements

Consolidated Balance Sheet United Technologies Corporation

In Millions of Dollars	December 31, 1993	1992
Assets		
Cash and short-term cash investments	$ 421	$ 354
Accounts receivable (net of allowance for doubtful accounts of $336 and $447)	2,981	3,135
Future income tax benefits	794	802
Inventories and contracts in progress	4,635	5,095
Less-Progress payments and billings on contracts in progress	(1,482)	(1,587)
Prepaid expenses	357	302
Total Current Assets	7,706	8,101
Investments and receivables due after one year	457	416
Customer financing assets	914	647
Fixed assets (net of accumulated depreciation of $5,231 and $4,928)	4,565	4,602
Future income tax benefits	698	783
Deferred charges:		
Costs in excess of net assets of acquired companies (net of accumulated amortization of $254 and $230)	544	577
Prepaid pension costs and other	734	802
	1,278	1,379
Total Assets	$15,618	$15,928
Liabilities and Shareowners' Equity		
Short-term borrowings	$ 780	$ 377
Accounts payable	1,815	2,097
Accrued salaries, wages and employee benefits	912	945
Accrued restructuring costs	245	435
Other accrued liabilities	2,053	2,056
Long-term debt - currently due	240	411
Income taxes currently payable	314	232
Advances on sales contracts	561	484
Total Current Liabilities	6,920	7,037
Future income taxes payable	177	186
Long-term debt	1,939	2,358
Future pension and postretirement benefit obligations	1,440	1,395
Other long-term liabilities	999	1,085
Commitments and contingent liabilities (Notes 5 and 13)		
Minority interests in subsidiary companies	369	346
Series A ESOP Convertible Preferred Stock, $1 par value (Authorized - 20,000,000 shares)		
Outstanding-12,459,932 and 12,661,738 shares	822	836
ESOP deferred charge and note receivable	(646)	(685)
	176	151
Shareowners' Equity:		
Capital Stock:		
Preferred Stock, $1 par value (Authorized - 230,000,000 shares; none issued and outstanding)	-	-
Common Stock, $5 par value (Authorized - 500,000,000 shares)		
Issued-138,712,505 and 136,438,880 shares	2,075	1,965
Cost of 12,665,188 and 12,664,188 common shares in treasury	(677)	(677)
Retained earnings	2,466	2,247
Deferred foreign currency translation adjustments	(227)	(135)
Minimum pension liability adjustment	(39)	(30)
Total Shareowners' Equity	3,598	3,370
Total Liabilities and Shareowners' Equity	$15,618	$15,928

See accompanying Notes to Financial Statements

Consolidated Statement of Cash Flows United Technologies Corporation

In Millions of Dollars	1993	1992	1991
	Years Ended December 31,		
Cash flows from operating activities:			
Net income (loss)	$ 487	$ (287)	$(1,021)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Restructuring provision	-	85	1,275
Environmental remediation provision, less portion in current liabilities	30	39	291
Depreciation and amortization	815	852	764
(Increase) decrease in:			
Accounts receivable	45	239	302
Inventories, net of progress payments	335	328	168
Prepaid expenses	(55)	(135)	96
Increase (decrease) in:			
Accounts and taxes payable, and accrued liabilities	(25)	359	501
Future income taxes payable and future income tax benefits	33	(626)	(346)
Noncurrent postretirement benefit obligation	37	808	-
Advances on sales contracts	77	(133)	84
Restructuring liabilities	(393)	(354)	(208)
Environmental liabilities	(54)	(52)	(41)
Minority interests in subsidiaries' earnings	86	88	55
Gains from dispositions of business units	-	(16)	-
Other, net	90	8	(30)
Net Cash Flows from Operating Activities	1,508	1,203	1,890
Cash flows from investing activities:			
Purchases of fixed assets	(846)	(920)	(1,048)
Sales of fixed assets	47	95	64
Increase in customer financing assets	(356)	(202)	(81)
Decrease in customer financing assets	148	-	74
Investments - other companies	(20)	29	(31)
Acquisitions of business units	-	-	(7)
Dispositions of business units	-	64	-
Other, net	1	8	1
Net Cash Flows from Investing Activities	(1,026)	(926)	(1,028)
Cash flows from financing activities:			
Issuance of long-term debt	27	13	509
Repayments of long-term debt	(636)	(355)	(690)
Increase (decrease) in short-term borrowings	403	85	(64)
Decrease in ESOP note receivable and debt guarantee, net of $14 million, $16 million and $7 million ESOP Preferred Stock retirements	25	25	45
Common Stock issued for employee stock plans and other	110	87	28
Dividends paid on Common and ESOP Preferred Stocks	(267)	(264)	(281)
Other, net	(41)	(26)	(64)
Net Cash Flows from Financing Activities	(379)	(435)	(517)
Effect of foreign exchange rate changes on cash and short-term cash investments	(36)	(11)	(23)
Net Increase (Decrease) in Cash and Short-Term Cash Investments	67	(169)	322
Cash and Short-Term Cash Investments, Beginning of year	354	523	201
Cash and Short-Term Cash Investments, End of year	$ 421	$ 354	$ 523
Supplemental Disclosure of Cash Flow Information:			
Interest paid, net of amounts capitalized	$ 239	$ 293	$ 330
Income taxes paid, net of refunds	179	403	436
Non-cash investing and financing activities:			
Assets of businesses acquired	-	-	191
Liabilities of businesses acquired	-	-	155
Assets of businesses sold	-	64	-
Liabilities of businesses sold	-	16	-

See accompanying Notes to Financial Statements

Consolidated Statement of Changes in Shareowners' Equity — United Technologies Corporation

	In Millions of Dollars			
	Common Stock	Treasury Stock	Retained Earnings	Other
Balance December 31, 1990	$1,850	$(677)	$4,089	$ 81
Issued under employee incentive plans, with no tax benefit (742,147 shares of Common Stock, net of 25,761 shares purchased and reissued)	28			
Net loss			(1,021)	
Dividends on -Common Stock ($1.80 per share)			(219)	
-ESOP Preferred Stock ($4.80 per share), with no tax benefit			(62)	
Deferred foreign currency translation adjustments:				
Translation and hedging adjustments, with no tax benefit				(107)
Sale of foreign investments				(1)
Balance December 31, 1991	1,878	(677)	2,787	(27)
Issued under employee incentive plans, and related tax benefit (1,868,645 shares of Common Stock, net of 160,002 shares purchased and reissued)	87		(1)	
Redemption of Common Stock Rights			(12)	
Net loss			(287)	
Dividends on -Common Stock ($1.80 per share)			(222)	
-ESOP Preferred Stock ($4.80 per share), net of income tax benefits of $19 million			(42)	
-Recognition of previously unrecognized tax benefit on ESOP Preferred Stock dividends			24	
Deferred foreign currency translation adjustments:				
Translation and hedging adjustments, including income taxes of $12 million				(108)
Minimum pension liability adjustment, net of income tax benefits of $19 million				(30)
Balance December 31, 1992	1,965	(677)	2,247	(165)
Issued under employee incentive plans, and related tax benefit (2,273,625 shares of Common Stock, net of 21,409 shares purchased and reissued)	110		(1)	
Net income			487	
Dividends on -Common Stock ($1.80 per share)			(224)	
-ESOP Preferred Stock ($4.80 per share), net of income tax benefits of $18 million			(43)	
Deferred foreign currency translation adjustments:				
Translation and hedging adjustments, including income taxes of $4 million				(92)
Minimum pension liability adjustment, net of income tax benefits of $7 million				(9)
Balance December 31, 1993	$2,075	$(677)	$2,466	$(266)

See accompanying Notes to Financial Statements

Notes to Financial Statements

Note 1
Summary of Accounting Principles

Principles of Consolidation: The consolidated financial statements include the accounts of the Corporation and its subsidiaries. International operating subsidiaries are included generally on the basis of fiscal years ending November 30. All material intercompany transactions have been eliminated. Certain reclassifications have been made to 1992 and 1991 amounts to conform with 1993 presentation.

Revenue Recognition: Sales under government and commercial fixed-price contracts and government fixed-price-incentive contracts are recorded at the time deliveries are made or, in some cases, on a percentage of completion basis. Sales under cost-reimbursement contracts are recorded as work is performed and billed. Sales of commercial aircraft engines sometimes require significant participation by the Corporation in aircraft financing arrangements; when appropriate, such sales are accounted for as operating leases. Sales under elevator and escalator installation and modernization contracts are accounted for under the percentage of completion method.

Prospective losses, if any, on contracts are provided for when the losses become anticipated. Loss provisions are based upon any anticipated excess of inventoriable manufacturing or engineering cost and estimated warranty costs over the net revenue from the products contemplated by the specific order.

Service sales, representing aftermarket repair and maintenance activities performed on produced or similar use equipment, are recognized over the contractual period or as services are performed.

Inventories and Contracts in Progress: Inventories and contracts in progress are stated at the lower of cost or estimated realizable value. Inventories consist primarily of raw materials and work in process. Materials in excess of requirements for contracts and orders currently in effect or anticipated have been eliminated. A considerable portion of inventories is based on cost standards which are adjusted to reflect approximate current costs. The remainder of inventories is stated either at average cost or at actual cost accumulated against specific contracts or orders or, in the case of a substantial portion of inventories in the Carrier and Automotive businesses, at last-in, first-out (LIFO) cost. Manufacturing tooling costs are charged to inventories or to fixed assets depending upon their nature, general applicability and useful lives. Tooling costs included in inventory are charged to cost of sales based on usage, generally within two years after they enter productive use. All other manufacturing costs are allocated to current production; no such costs are deferred and assigned to future production.

Contracts in progress relate to elevator and escalator contracts and include standard cost of manufactured components, accumulated installation costs and estimated earnings on uncompleted contracts.

Depreciation and Amortization: Provisions for depreciation of plant and equipment related to the Corporation's aerospace operations have generally been made using accelerated methods. Provisions for depreciation of other plant and equipment have primarily been made using the straight-line method. Estimated useful lives principally range from 30 to 50 years for buildings and improvements, from 8 to 20 years for machinery and equipment, and from 5 to 10 years for office equipment. Improvements to leased property are amortized over the life of the lease.

Environmental Activities: Provisions for environmental remediation activities are recorded when assessments are made, remedial efforts are probable and related amounts can be reasonably estimated; potential insurance reimbursements are not recorded. The Corporation periodically assesses its environmental liabilities through reviews of contractual commitments, site assessments, feasibility studies and formal remedial design and action plans.

Research and Development and Other Costs: Research and development costs not specifically covered by contracts and those related to the Corporation-sponsored share of research and development activity in connection with cost-sharing arrangements are charged to operations as incurred. General and administrative expenses also are charged to operations as incurred. Costs pertaining to fulfillment of the Corporation's warranty and service policies and product guarantees are estimated on the basis of past experience and current product performance and, where believed to be significant and reasonably predictable in amount, are accrued at the time products are sold.

Goodwill: Costs in excess of values assigned to the underlying net assets of acquired companies are included in deferred charges and are generally being amortized over periods ranging from 25 to 40 years.

Hedging Activity: The Corporation enters into a variety of interest rate futures, options, currency swaps and forward contracts in its management of interest rate and foreign currency exposures. Realized and unrealized gains and losses are deferred and either recognized as interest expense over the borrowing period or recognized in shareowners' equity, depending on the exposure hedged.

The Corporation enters into forward foreign exchange contracts to hedge foreign currency denominated receivables and payables. Such contracts generally have maturities of one year or less and the counterparties are typically major international financial institutions.

Cash flows attributable to the forward foreign exchange contracts are generally included with the cash flows from the associated hedged receivables or payables.

Income Taxes: Provisions for income taxes are based upon income and expenses recorded in accordance with the Corporation's regular accounting practices and as shown in the financial statements. The income tax effects of differences in the time when items of income and expense are reflected in accordance with such regular accounting practices and the time they are recognized for income tax purposes are shown in the balance sheet as future income tax benefits or as future income taxes payable, as appropriate.

Earnings Per Share: Primary earnings per share computations are based on the average number of shares of Common Stock outstanding during the year. Fully diluted earnings per share reflect the maximum dilution of per share earnings, if applicable, which would have occurred if all the ESOP Convertible Preferred Stock of the Corporation had been converted as of the date of issue. Each share of the ESOP Preferred Stock is convertible into one share of Common Stock. A reduction in earnings applicable to common shares is required in the calculation of fully diluted earnings per share representing the Corporation's assumed additional contribution to the ESOP to enable it to meet its debt repayment responsibilities were the preferred dividends not available for this purpose.

Cash and Cash Equivalents: Short-term cash investments are highly liquid in nature and have original maturities of three months or less.

Note 2

Accounting and Reporting Changes

Effective January 1, 1992, the Corporation adopted Statement of Financial Accounting Standards No. 106 (FAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions," using the immediate recognition transition option. The after-tax cumulative effect attributable to prior years as of January 1, 1992 for this change in accounting for retiree health care and life insurance benefits reduced 1992 earnings by $482 million ($3.91 per share). Prior to 1992 the Corporation recognized the cost of providing these benefits as premiums were incurred. The incremental expense associated with FAS 106 was $23 million and $71 million in 1993 and 1992, respectively. This reduction was attributable to revisions in the Corporation's substantive postretirement medical plan for certain of its employee population.

Effective January 1, 1992, the Corporation adopted Statement of Financial Accounting Standards No. 109 (FAS 109), "Accounting for Income Taxes." The Statement requires the liability method of accounting for income taxes rather than the deferred method previously used. The cumulative effect attributable to prior years as of January 1, 1992 for this change in accounting for income taxes increased 1992 earnings by $160 million ($1.29 per share).

Prior years' financial statements were not restated.

Note 3

Restructuring and Employee Severance Plans

On January 20, 1992, the Corporation's Board of Directors approved restructuring plans which resulted in a $1.275 billion pre-tax ($1.21 billion after-tax, or $10.06 per share) charge to 1991 operations. The restructuring actions included eliminating jobs, closing or consolidating facilities, and improving design, engineering and manufacturing processes.

As a result of the continued worsening of the commercial airline industry, the Corporation recorded additional restructuring provisions of $85 million in the fourth quarter of 1992 to reflect the need for further workforce reductions in the Pratt & Whitney and Flight Systems segments.

Note 4

International Operations

A substantial portion of the Corporation's revenues and assets is attributable to international operations. The Corporation has significant manufacturing facilities in Canada, Italy, France, Japan, South Korea, Spain, Australia, Mexico, the United Kingdom, Brazil, China, Ireland, Singapore, and Germany and operations of lesser size in a number of other countries. At December 31, 1993, the investment (identifiable assets) in any single country outside the United States did not exceed 5% of the Corporation's total identifiable assets, other than investments in Canada which amounted to slightly more than 5% of total identifiable assets.

Amounts included in the accompanying consolidated financial statements associated with operations outside the United States consist of the following:

In Millions of Dollars	1993	1992	1991
Sales	$7,854	$8,396	$7,720
Net income	264	254	179
Assets	4,722	4,999	5,096
Liabilities	2,076	2,395	2,758
Minority interests	364	340	328

The financial position and results of operations of substantially all of the Corporation's significant foreign subsidiaries are measured using local currency as the functional currency. The aggregate effects of translating the financial statements of these subsidiaries are deferred as a separate component of shareowners' equity.

At December 31, 1993, the Corporation had $667 million notional principal amount of outstanding currency swaps and forward exchange contracts to hedge its foreign net investment exposures. In addition, at December 31, 1993 and 1992, the

Corporation had $1.6 billion and $1.7 billion, respectively, of forward foreign exchange contracts hedging other foreign currency exposures.

Earnings were credited or charged with foreign exchange gains (losses), including gains and losses of operations in highly inflationary economies, of $3 million, $6 million and $(22) million in 1993, 1992 and 1991, respectively.

Note 5

Airline Industry and Customer Financing Assets

The Corporation has significant receivables and other financing assets which result from its business activities with commercial airline industry customers totaling $2,235 million and $2,219 million at December 31, 1993 and 1992, respectively. The commercial airline industry and customer financing asset amounts primarily include assets of Pratt & Whitney, Hamilton Standard and UT Finance Corporation.

Customer financing assets consist of the following:

In Millions of Dollars	1993	1992
Notes receivable	$570	$365
Leases receivable, less unearned income of $311 and $13	367	73
Products under lease	19	255
	956	693
Less: receivables due within one year	42	46
	$914	$647

Scheduled maturities of amounts included in notes and leases receivable due after one year for the next five years are $40 million in 1995, $49 million in 1996, $105 million in 1997, $58 million in 1998 and $643 million in 1999 and thereafter.

Customer aircraft financing activities are conducted principally through UT Finance Corporation, its consolidated subsidiaries and certain other customer financing operations.

The competitive commercial aircraft engine market often requires customer financing commitments. These commitments may be in the form of guarantees, secured debt or lease financing. At December 31, 1993, the Corporation had commitments to finance or arrange financing for approximately $1.3 billion of commercial aircraft. The Corporation cannot currently predict the extent to which these commitments will be utilized, since certain customers may be able to obtain more favorable terms using traditional financing sources. From time to time, the Corporation also arranges for third party investors to assume a portion of its commitments. However, should all current commitments be exercised as scheduled, the maximum amounts that will be disbursed are as follows: $174 million in 1994, $280 million in 1995, $204 million in 1996, $440 million in 1997, $112 million in 1998 and $67 million in 1999 and beyond. If exercised, the financing arrangements will be secured by assets with fair values exceeding the financed amounts.

The Corporation's customer financing activities include leasing aircraft and subleasing the aircraft to customers. In some instances, customers have cancellation provisions which may result in sublease periods shorter than the Corporation's lease obligation. At December 31, 1993, the Corporation's rental commitments under long-term noncancelable operating leases aggregated $290 million ($25 million in each of the years 1994 through 1998). At December 31, 1993, the Corporation also had approximately $421 million of residual value and other guarantees related to various commercial aircraft engine customer financing arrangements. These guarantees may extend for up to twenty-two years and may be used by the customers to obtain more favorable financing terms than would otherwise be available. Where applicable, the estimated fair market values of the assets securing these guarantees and operating lease obligations equaled or exceeded the related guarantees and obligations, after considering existing reserves. As with financing commitments, the Corporation may arrange for third party investors to assume a portion of its guarantees or operating lease obligations.

Allowances for possible losses relating to financing activities with commercial airline customers total $374 million and $409 million at December 31, 1993 and 1992, respectively.

Note 6

Inventories and Contracts in Progress

Inventories and contracts in progress at December 31, 1993 consist of inventories of $3,629 million ($4,018 million at December 31, 1992) and elevator and escalator contracts in progress of $1,006 million ($1,077 million at December 31, 1992).

The methods of accounting followed by the Corporation do not permit classification of inventories by categories of finished goods, work in process and raw materials. The Corporation's sales contracts in many cases are long-term contracts expected to be performed over periods exceeding twelve months. Approximately 58% (60% at December 31, 1992) of the total inventories and contracts in progress has been acquired or manufactured under such long-term contracts. It is impracticable for the Corporation to determine the amounts of inventory scheduled for delivery under long-term contracts within the next twelve months.

The principal elements of cost included in inventories are materials, purchased components, direct labor and manufacturing overhead (engineering overhead in the case of engineering contracts). Tooling and other costs are an insignificant portion of inventories.

A substantial portion of the Corporation's inventories in its Carrier and Automotive businesses is valued under the LIFO method. If these inventories had been valued at the lower of replacement value or cost under the first-in, first-out method, they

would have been higher by $137 million at December 31, 1993 ($148 million at December 31, 1992).

The book basis of LIFO inventories exceeded the tax basis of such inventories by approximately $57 million at December 31, 1993 and 1992 resulting from the assignment of fair value to inventories acquired in a business acquisition accounted for under the purchase method of accounting.

At December 31, 1993, progress payments, secured by lien, on United States Government contracts and billings on contracts in progress amounted to $347 million ($333 million at December 31, 1992) and $1,135 million ($1,254 million at December 31, 1992), respectively.

Note 7
Investments and Receivables Due After One Year

Investments and receivables due after one year consist of the following:

In Millions of Dollars	1993	1992
Receivables due after one year	$239	$216
Investments	218	200
	$457	$416

Current and long-term accounts receivable at December 31, 1993 and 1992 include approximately $105 million and $144 million, respectively, representing retainage under contract provisions and amounts which are not presently billable because of lack of funding or final prices or contractual documents under government contracts or for other reasons. These items are expected to be collected in the normal course of business.

Note 8
Fixed Assets

In Millions of Dollars	1993	1992
Fixed assets, at cost:		
Land	$ 158	$ 161
Buildings and improvements	2,754	2,620
Machinery, tools and equipment	6,427	6,206
Under construction	457	543
	9,796	9,530
Accumulated depreciation	(5,231)	(4,928)
	$ 4,565	$ 4,602

Depreciation expense was $777 million in 1993 and 1992, and $735 million in 1991.

Note 9
Borrowings and Lines of Credit

The following summarizes the short-term borrowings, lines of credit and long-term debt of the Corporation and its subsidiaries. Short-term borrowings:

In Millions of Dollars	1993	1992
Foreign bank borrowings	$204	$253
Commercial paper and notes	576	124
	$780	$377

At December 31, 1993, the Corporation had credit commitments from banks totaling $1.0 billion under two Revolving Credit Agreements. Each agreement provides for borrowings of $500 million at interest rates up to the prime rate. The termination date for one agreement is January 1, 1996 with a facility fee not to exceed 1/4% per year on the aggregate commitment. The other is effective through October 14, 1994 and has a facility fee not to exceed 3/16% per annum on the aggregate commitment. There were no borrowings under either Revolving Credit Agreement during the two years ended December 31, 1993.

Long-term debt:

	1993 Debt		In Millions of Dollars	
Type of Issue	Weighted Average Interest Rate	Maturity	1993	1992
Denominated in U.S. Dollars:				

Notes and other debt	6.3%	1995-2021	$1,003	$1,316
Denominated in foreign currency:				
Notes and other debt	8.0%	1995-2030	40	95
Capital lease obligations	9.5%	1995-2013	379	394
ESOP debt guarantee	7.5%	1995-2009	517	553
			$1,939	$2,358

Principal payments required on long-term debt for the next five years are $240 million in 1994, $148 million in 1995, $119 million in 1996, $185 million in 1997 and $80 million in 1998.

The terms of the indentures relating to certain issues of long-term debt include provisions intended to restrict, under certain conditions, the availability of retained earnings for payment of dividends on the Common Stock. At December 31, 1993, all of the Corporation's retained earnings were free of such restrictions.

At December 31, 1993, the Corporation had entered into various interest rate swap contracts (including options thereon) related to approximately $805 million of its outstanding borrowings. The expiration dates of the various contracts are tied to scheduled debt and capital lease obligation payment dates and extend to 2002.

Capitalized Interest: During 1993, the Corporation and its consolidated subsidiaries capitalized $29 million ($52 million in 1992 and $70 million in 1991) of interest, to be depreciated over the lives of the related fixed assets.

Note 10
Taxes on Income

The provision for income taxes for the years ended December 31 comprises the following:

In Millions of Dollars	1993	1992	1991*
Current:			
United States:			
Federal	$ 6	$(145)	$138
State	22	9	48
Foreign	226	263	246
	254	127	432
Future:			
United States:			
Federal	4	(19)	(275)
State	22	(44)	(31)
Foreign	27	(24)	(51)
	53	(87)	(357)
	307	40	75
Benefits attributable to items credited to equity	29	37	-
	$ 336	$ 77	$ 75

* 1991 amounts have not been restated for FAS109.

As discussed in Note 2, the Corporation adopted FAS 109 as of January 1, 1992, and the cumulative effect of this change is reported in the 1992 Consolidated Statement of Operations.

Future income taxes represent the tax effects of transactions which are reported in different periods for financial and tax reporting purposes. These temporary differences are determined in accordance with FAS 109 and are more inclusive in nature than "timing differences" as determined under previously applicable accounting principles. Temporary differences and carryforwards which gave rise to future income tax benefits and payables at December 31, 1993 and 1992 are as follows:

In Millions of Dollars	1993	1992
Future income tax benefits:		
Tax depreciation and foreign capital allowances	$ (129)	$ (147)
Capitalization of interest cost, less related depreciation	(99)	(105)
Adjustment of inventories and contract losses to tax basis	393	304
Provisions for warranty	286	306
Insurance and employee benefits	554	468
Restructuring provisions	182	351
Alternative minimum tax credits	84	51
Environmental remediation provisions	195	199
Federal, foreign and state tax loss carryforwards	173	123
Foreign and state tax credit carryforwards	69	31
Other items, net	81	221
Valuation allowance	(297)	(217)
	1,492	1,585
Future income taxes payable:		
Use of completed-contract method for reporting taxable income	11	17
Tax depreciation and foreign capital allowances	104	109
Capitalization of interest cost, less related depreciation	21	23
Insurance and employee benefits	42	34
Lease transactions, finance subsidiaries	23	21

Other items, net	9	69
	210	273
Net future income tax benefits	$1,282	$1,312

Current and non-current future income tax benefits and payables within the same tax jurisdiction are offset for presentation in the Consolidated Balance Sheet. Valuation allowances have been established for state and foreign tax credit and tax loss carryforwards to reduce the future income tax benefits to amounts expected to be realized. Federal loss carryforwards arise from business acquisitions with significant restrictions as to their future realization and consequently are fully reserved.

Deferred U.S. federal, state and foreign income taxes shown in the income tax provision for 1991 are comprised principally of the income tax effects of insurance and employee benefit items $(107) million, restructuring provisions $(59) million, and environmental remediation provisions $(102) million.

The sources of income (loss) before income taxes and minority interests were:

In Millions of Dollars	1993	1992	1991
United States	$291	$(374)	$(1,311)
Foreign	618	574	420
	$909	$ 200	$ (891)

Future income taxes payable generally have not been provided on undistributed earnings of international subsidiaries, of $1,288 million, which are included in consolidated retained earnings at December 31, 1993. A substantial portion of the undistributed earnings of the international subsidiaries has been reinvested, and the Corporation believes that income taxes otherwise payable upon repatriation of earnings not reinvested would not be significant.

Differences between effective income tax rates and the statutory U.S. federal income tax rates are as follows:

	1993	1992	1991*
Statutory U.S. federal income tax rate	35.0%	34.0%	(34.0)%
State and local income taxes, net of federal tax benefit	3.4	(9.6)	1.3
Varying tax rates of consolidated subsidiaries (including Foreign Sales Corporation)	(1.0)	(5.7)	7.1
Amortization of excess purchase accounting and goodwill adjustments, without tax effect	0.5	3.4	0.4
Foreign tax credits	(0.4)	15.6	33.5
Other	(0.5)	0.7	0.1
Effective income tax rates	37.0%	38.4%	8.4%

* 1991 amounts have not been restated for FAS109.

Foreign and state tax credit carryforwards total $69 million at December 31, 1993, $27 million of which expire in 1998. Federal, state and foreign tax loss carryforwards total $1,418 million at December 31, 1993 and expire as follows:

In Millions of Dollars	Federal	State	Foreign
1994-1998	$ -	$640	$120
1999-2003	51	107	2
2004-2008	1	455	-
Indefinite	-	-	42

Note 11
Employee Benefit Plans

Employee Pension Benefits: The Corporation and its domestic subsidiaries have a number of defined benefit pension plans covering substantially all U.S. employees. Plan benefits are generally based on years of service and the employee's compensation during the last several years of employment. The Corporation's funding policy is based on an actuarially determined cost method allowable under Internal Revenue Service regulations. The funds are invested either in various securities by trustees or in insurance annuity contracts. Certain foreign subsidiaries have defined benefit pension plans or severance indemnity plans covering their employees. The Corporation accounts for the cost of its defined benefit plans in accordance with Statement of Financial Accounting Standards No. 87 (FAS 87), "Employers' Accounting for Pensions."

In addition to the defined benefit plans covering U.S. and foreign employees discussed above, the Corporation makes contributions to multiemployer plans (predominantly defined benefit plans) covering certain employees in some of its U.S. operations. Certain additional employees, primarily located in foreign countries, are covered by retirement arrangements which do not meet the reporting requirements of FAS 87.

Summarized below are the components of net periodic pension cost for defined benefit plans, net pension cost for multiemployer plans and other costs for pension and severance indemnity plans:

In Millions of Dollars	1993	1992	1991
Defined benefit plans:			
Service cost-benefits earned			

during the period	$ 204	$ 195	$ 210
Interest cost on projected benefit obligation	573	551	524
Actual return on assets	(1,024)	(286)	(1,198)
Net amortization and deferral of actuarial gains (losses)	305	(433)	508
Net periodic pension cost	$ 58	$ 27	$ 44
Net pension cost:			
Multiemployer plans	$ 19	$ 17	$ 21
Other costs	20	11	22

Summarized below is the funded status of the defined benefit pension plans and the related amounts that are recognized in the Consolidated Balance Sheet at December 31:

Millions of Dollars	December 31, 1993 Assets Exceed Accumulated Benefits	December 31, 1993 Accumulated Benefits Exceed Assets	December 31, 1992 Assets Exceed Accumulated Benefits	December 31, 1992 Accumulated Benefits Exceed Assets
Actuarial present value of benefit obligations:				
Vested	$4,894	$1,702	$4,176	$1,566
Nonvested	615	128	223	147
Accumulated benefit obligation	5,509	1,830	4,399	1,713
Effect of projected future salary increases	834	106	1,081	130
Projected benefit obligation for services rendered to date	6,343	1,936	5,480	1,843
Plan assets available for benefits	5,937	1,532	5,283	1,475
Plan assets less than projected benefit obligation	(406)	(404)	(197)	(368)
Unrecognized net loss (gain)	609	195	363	166
Prior service cost not yet recognized in net periodic pension cost	58	128	88	146
Unrecognized net (asset) obligation at transition	(112)	(25)	(148)	(11)
Additional minimum liability recognized	-	(207)	-	(207)
Prepaid pension cost (pension liability) included in deferred charges (future pension and postretirement benefit obligations)	$ 149	$ (313)	$ 106	$ (274)

The pension funds are valued at September 30 of the respective years in the table above. Major assumptions used in the accounting for the defined benefit pension plans are shown in the following table. Net periodic pension cost is determined using these factors as of the end of the prior year, whereas the funded status of the plans uses only the first two factors as of the end of the current year.

	December 31, 1993	1992	1991	1990
Weighted-average discount rate	7.3%	8.1%	8.6%	9.0%
Rate of increase in future compensation	5.1%	5.2%	6.1%	7.0%
Expected long-term rate of return on assets	9.7%	10.5%	10.5%	10.5%

In accordance with the provisions of FAS 87, the Corporation was required to record an additional minimum pension liability at December 31, 1993 and 1992. This amount represents the excess of the accumulated benefit obligations over the fair value of plan assets and accrued pension liabilities. The liabilities have been offset by intangible assets to the extent possible. Because the asset recognized may not exceed the amount of unrecognized prior service cost, the balance of the liability at the end of each period is reported as a separate reduction to shareowners' equity, net of tax benefits.

Amounts are summarized as follows:

In Millions of Dollars	December 31, 1993	1992
Additional minimum liability	$207	$207
Intangible assets	$142	$158
Reduction of shareowners' equity	39	30
Tax benefits	26	19

Certain of the Corporation's international subsidiaries generally do not determine the actuarial value of accumulated benefits and the value of net assets on the basis shown above. For these plans, unfunded vested benefits as of December 31, 1993 and 1992 were insignificant. Unfunded liabilities for pension plans of certain international subsidiaries and for employee severance benefits, including those accruing to employees under foreign government regulations, are included in future pension and postretirement benefit obligations in the accompanying balance sheet.

Employee Health Care and Insurance Benefits: As discussed in Note 2, the Corporation adopted FAS 106 as of January 1, 1992.

The Corporation expects to continue funding postretirement health care and insurance benefit costs principally on a pay-as-you-go basis. Substantially all domestic full-time employees who retire from the Corporation between age 55 and age 65, and certain foreign employees, are eligible to receive postretirement health care and life insurance benefits. Beginning in the first quarter of 1993 and continuing through the year, the Corporation revised its substantive postretirement medical plan for certain of its employee population. The revised plan calls for defined dollar benefits for all domestic salaried employees and certain domestic hourly employees. Most other employees who retire from the Corporation between ages 55 and 65, are eligible to receive, at a cost to the retiree equal to the Corporation's cost for an active employee, certain health care benefits identical to those available to active employees. After attaining age 65, an eligible retiree's health care benefit coverage

becomes coordinated with Medicare, with the retiree paying substantially all of the cost of the coverage. Certain retired employees of businesses acquired by the company are covered under other health care plans that differ from current plans in coverage, deductibles, and retiree contributions. In addition, certain retirees may elect, at retirement, to continue life insurance coverage of up to twice their annual base pay as of that date.

Summary information on the Corporation's plans is as follows:

In Millions of Dollars	December 31, 1993	December 31, 1992
Accumulated postretirement benefit obligation:		
Retirees	$ 505	$ 433
Fully eligible, active plan participants	32	32
Other active participants	341	565
	878	1,030
Less: plan assets at fair value	107	118
Postretirement benefit obligation in excess of plan assets	771	912
Unrecognized net loss	(73)	(4)
Unrecognized net reduction in prior service costs	222	-
Accrued postretirement benefit cost	$ 920	$ 908

The components of net periodic postretirement benefit cost are as follows:

In Millions of Dollars	December 31, 1993	December 31, 1992
Service cost of benefits earned	$ 17	$ 35
Interest cost on accumulated postretirement benefit obligation	65	80
Actual return on plan assets	(7)	(10)
Net amortization and deferral of actuarial (gains) losses	(17)	-
Net periodic postretirement benefit cost	$ 58	$105

The discount rate used in determining the APBO was 7.4% and 8.1% for 1993 and 1992, respectively. The expected long-term rate of return on plan assets used in determining the net periodic postretirement benefit cost was 8.5% and 8.35% in 1993 and 1992, respectively. The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 14.25% and 15% in 1993 and 1992, respectively, declining by .75% per year to an ultimate rate of 8%.

If the health care cost trend rate assumptions were increased by 1%, the APBO as of December 31, 1993 would be increased by 5%. The December 31, 1992 APBO would have been increased by 10% for the change. The effect of this change on the sum of the service cost and interest cost components of the net periodic postretirement benefit cost for 1993 and 1992 would be an increase of 5% and 13%, respectively. The impact of changes in expected health care trend rates was substantially reduced during 1993 as a result of postretirement medical plan revisions calling for defined dollar benefits for many domestic employees.

Curtailment: During 1993 and 1991, the Corporation recognized net curtailment losses of $56 million and $54 million, respectively, in accordance with FAS 88 and FAS 106. These losses resulted from the net increase in the Corporation's benefit obligation for pension and postretirement benefits for certain employees affected by workforce reductions at several operating units and from enhanced early retirement benefits.

Employee Savings Plans: In 1989, the Corporation established an Employee Stock Ownership Plan (ESOP) to serve as the vehicle for the Corporation's match of employee contributions within one of its existing savings plans. The Corporation's Board of Directors authorized 20,000,000 shares of Series A ESOP Convertible Preferred Stock, par value $1.00 per share, having a 7.38% dividend rate per annum. Each share of ESOP Preferred Stock is convertible into one share of Common Stock. In 1990 and 1989, the ESOP Trust acquired 2,900,000 and 10,153,847 shares of this new series of ESOP Preferred Stock, respectively, in exchange for individual promissory notes aggregating $202 million and $660 million, respectively. In 1990, the ESOP Trust arranged $660 million of permanent financing guaranteed by the Corporation and repaid the note issued in 1989. The Corporation has no intention at this time of arranging permanent financing for the remaining balance of the 10.5% $202 million promissory note.

The guarantee of the ESOP's debt resulted in the Corporation recording such debt in its Consolidated Balance Sheet with a corresponding offset to the ESOP Preferred Stock. The Corporation is required to contribute sufficient funds, when combined with dividends paid on the ESOP Preferred Stock, to meet the ESOP Trust's debt service requirements on the permanent financing and promissory note. In 1993 and 1992, the ESOP incurred interest expense aggregating $54 million and $58 million, respectively, on its outstanding indebtedness. In 1993, the ESOP made principal payments of $34 million and $5 million on its permanent financing and promissory note, respectively.

Shares of ESOP Preferred Stock are held by the ESOP Trustee with the number of shares allocated to each employee determined annually in accordance with a method approved by the Internal Revenue Service. To the extent that allocated shares are not sufficient to meet the matching requirement of the savings plan, the Corporation will contribute additional ESOP Preferred Stock, Common Stock or cash.

Shares allocated to employees generally may not be withdrawn until the employee's termination, disability, retirement or death. Upon withdrawal, shares of ESOP Preferred Stock must be converted into one share of the Corporation's Common Stock or, if the value of the Common Stock is less than the original cost of the ESOP Preferred Stock, the ESOP Trustee may require the Corporation to repurchase the ESOP Preferred Stock at its original cost. Because of the guaranteed value, the ESOP Preferred Stock is classified outside of permanent equity. In conjunction with the establishment of the ESOP, the Corporation purchased approximately 1.7 million shares and 10.4 million shares of its Common Stock in 1990 and 1989, respectively, at a combined average cost of $53.48 per share to substantially provide for the conversion feature of the ESOP Preferred Stock.

Dividends on ESOP Preferred Stock are deductible for U.S. income tax purposes. Tax benefits available to the Corporation resulting from such dividends are applied as a reduction of the ESOP Preferred Stock dividends in the financial statements.

The ESOP Preferred Stock is redeemable, in whole or in part, generally at the option of the Corporation at redemption prices ranging from $67.88-$69.77 per share plus accrued and unpaid dividends. At December 31, 1993, the aggregate redemption value of the ESOP Preferred Stock was $851 million.

Contributions to the ESOP together with the value of additional ESOP Preferred Stock, Common Stock or cash necessary to satisfy the savings plan matching requirement are charged to expense. The Corporation and a number of its subsidiaries have additional savings plans in which a portion of employee contributions is matched in cash by the employer. The amount expensed related to all savings plans totaled $77 million in 1993 ($77 million in 1992 and $88 million in 1991).

Employee Incentive Plans: On April 24, 1989, the Corporation's shareowners approved the Long-Term Incentive Plan (1989 Plan) under which shares of Common Stock may be sold or awarded to officers and key employees. The 1989 Plan in effect replaced the 1979 Long-Term Incentive Plan (1979 Plan). The 1989 Plan also had the effect of amending the terms of all grants and awards under the 1979 Plan that remain outstanding inasmuch as they shall be administered in accordance with the terms and provisions of the 1989 Plan.

The 1989 Plan authorized various types of market-based incentive and performance-based awards. The exercise price of an option, which will be set at the time of the grant, will not be less than the fair market value of the shares subject thereto on the date of grant. The maximum number of shares which may be utilized for awards granted during a given calendar year may not exceed 2% of the aggregate shares of Common Stock, common stock equivalents and treasury shares as reported outstanding in the Annual Report on Form 10-K for the preceding fiscal year.

At December 31, 1993, stock options for 5,338,917 shares of Common Stock were exercisable at an average price of $46.41 per share.

At December 31, 1993, 7,983,128 shares of Common Stock were reserved for issuance under various employee incentive plans.

For 1993, $67 million ($58 million in 1992 and $54 million in 1991) was charged to income with respect to employee incentive plans of the Corporation and certain of its subsidiaries, of which $32 million ($35 million in 1992 and $24 million in 1991) relates to the Corporation's principal incentive compensation plan, and the remainder to the 1989 Plan and other plans.

A summary of the transactions under all Plans for the three years ended December 31 follows:

	Stock Options		
	Shares	Average Price	Other Incentive Awards
Outstanding - December 31, 1990	8,164,005	$42.32	247,099
Granted	1,438,054	$48.92	654,816
Exercised/earned	(705,691)	$33.21	(68,157)
Cancelled	(192,996)	$47.88	(149,197)
Outstanding - December 31, 1991	8,703,372	$44.03	684,561
Granted	1,618,726	$50.28	640,595
Exercised/earned	(1,698,513)	$38.26	(468,209)
Cancelled	(179,832)	$48.49	(266,622)
Outstanding - December 31, 1992	8,443,753	$46.30	590,325
Granted	1,395,273	$47.36	438,865
Exercised/earned	(2,103,123)	$44.62	(338,681)
Cancelled	(180,846)	$48.21	(74,017)
Outstanding - December 31, 1993	7,555,057	$46.92	616,492

Note 12

Fair Value of Financial Instruments

FAS 107, "Disclosures about Fair Value of Financial Instruments," requires the determination of fair value for certain of the Corporation's assets, liabilities and contingent liabilities. When practicable, the following methods and assumptions were used to estimate the fair value of those financial instruments included in the following categories:

Cash and short-term cash investments: The carrying amount approximates fair value because of the short maturity of those instruments.

Investments and receivables due after one year: The fair values of some investments and receivables are estimated based on quoted market prices for those or similar instruments. For other investments and receivables for which there are no quoted market prices, an approximation of fair value is based upon projected cash flows discounted at an estimated current market rate of interest.

Customer financing assets: The fair values of customer financing assets are estimated based upon projected cash flows discounted at an estimated current market rate of interest.

Long-term debt: The fair value of the Corporation's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Corporation for debt of the same remaining maturities.

Interest rate swap agreements: The fair value of interest rate swaps (used for hedging purposes) is the estimated amount that the Corporation would receive or pay to terminate the swap agreements at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

Foreign currency contracts: The fair value of foreign currency contracts (used for hedging purposes) is estimated by obtaining quotes from brokers.

Financing commitments: It was not practicable, without incurring excessive cost, to estimate the fair value of the Corporation's financing commitments totaling $1.3 billion at December 31, 1993. The fair value of such commitments would be based upon the amount a third party would charge for assuming the Corporation's obligation under the commitments. Additional information pertaining to these commitments is included in Note 5.

Except for the financing commitments described above and long-term debt, it is estimated that the carrying value of all of the Corporation's financial instruments approximate fair value at December 31, 1993. Based upon market conditions at December 31, 1993, the fair value of the Corporation's long-term debt exceeded the carrying value by approximately $180 million.

Note 13

Commitments and Contingent Liabilities

The Corporation and its consolidated subsidiaries occupy space and use certain equipment under lease arrangements. Rent expense in 1993, 1992 and 1991 under such arrangements totaled $344 million, $405 million and $389 million, respectively. Rental commitments at December 31, 1993 under long-term noncancelable operating leases are as follows (See Note 5 for lease commitments associated with customer financing arrangements):

In Millions of Dollars	Land, Buildings and Office Space	Machinery, Tools and Equipment
1994	$127	$ 58
1995	99	37
1996	76	20
1997	60	9
1998	49	7
After 1998	122	2
	$533	$133

The Corporation extends performance and operating cost guarantees, which are beyond its normal warranty and service policies, for extended periods on some of its products, particularly commercial aircraft engines. Liability under such guarantees is contingent upon future product performance and durability. The Corporation has accrued its estimated liability that may result under these guarantees.

The Corporation has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or Superfund) for environmental remediation at 84 federal Superfund sites, many of which relate to formerly-owned businesses. Additionally, the Corporation is potentially responsible for remediation under federal, state and/or local regulations at other sites. The Corporation has adequately provided for its share of future remediation and related expenditures at Superfund and other known sites for which it may have some remediation responsibility.

The Corporation has instituted legal proceedings against its insurers seeking insurance coverage for remediation and related expenditures. These proceedings are expected to last several years. As no prediction can be made as to the outcome of these proceedings, potential insurance reimbursements are not recorded. The above uncertainties notwithstanding, the Corporation believes that expenditures necessary to comply with the present regulations governing environmental protection will not have a material effect upon its capital expenditures, competitive position, financial position or results of operations.

In June 1989, Sikorsky Aircraft submitted a voluntary disclosure report to the Department of Defense describing the conditions that gave rise to a $75 million downward adjustment of progress payments in April 1988 and related matters. An employee filed a "qui tam" action under the Civil False Claims Act based on matters that he learned while working on the Corporation's investigation of the matter. The Civil Division of the Department of Justice has stated that it would accept $150 million in full settlement of the matter, which compensates the Government for damages it has suffered, but the terms and conditions of such a settlement are the subject of continuing negotiations. The Corporation has accrued its estimated liability for this matter based on available information. If the Corporation is unable to negotiate a satisfactory settlement, it intends to litigate.

The Corporation is now and believes that, in light of the current government contracting environment, it will be the subject of one or more government investigations. If the Corporation or one of its business units were charged with wrongdoing as a result of any of these investigations, the Corporation or one of its business units could be suspended from bidding on or receiving awards of new government contracts pending the completion of legal proceedings. If convicted or found liable, the Corporation could be fined and debarred from new government contracting for a period generally not to exceed three years. Any contracts found to be tainted by fraud could be voided by the Government.

The Corporation also has other commitments and contingent liabilities related to legal proceedings and matters arising out of the normal course of business.

Management believes that resolution of these matters will not have a material adverse effect upon either results of operations, cash flows, or financial position of the Corporation.

Note 14
Subsequent Event

On January 19, 1994, the Corporation filed a registration statement with the Securities and Exchange Commission pursuant to its plan to sell to the public a 40 to 44 percent equity interest in UT Automotive, the Corporation's Automotive segment. The Corporation has not made decisions regarding the use of proceeds, which for purposes of the filing were estimated at $470 million.

Note 15
Business Segment Financial Data

The Corporation and its subsidiaries design, develop, manufacture and sell high-technology products, classified in five principal industry segments or lines of business.

Pratt & Whitney products are principally aircraft engines and substantial spare parts sold to a diversified customer base including international and domestic commercial airlines and aircraft leasing companies, aircraft manufacturers, regional and commuter airlines, and U.S. and non-U.S. governments. Modified aircraft engines used for electrical power generation and other applications are also included.

Flight Systems products include helicopters and spare parts, propellers, rocket motors, and fuel control, environmental, radar, cockpit and integrated display and other airborne and space systems sold primarily to U.S. and non-U.S. governments, aerospace and defense prime contractors, and airframe and jet engine manufacturers. Products also include fuel cells and the design and manufacture of microelectronic circuits.

Carrier products include air conditioning equipment, substantial service, maintenance and spare parts sold to a diversified international customer base in commercial and residential real estate development.

Otis products include elevators and escalators, substantial service, maintenance and spare parts sold to a diversified international customer base in commercial real estate development.

Automotive products include electrical wiring systems, electromechanical and hydraulic devices, electric motors, car and truck interior trim components, steering wheels, instrument panels and other products for the automotive industry principally in the United States and Canada.

Activities classified as "Other" consist of a variety of business and developmental activities.

Business segment information for the three years ended December 31, 1993 appears in the Consolidated Summary of Business Segment Financial Data on pages 52 through 54.

Consolidated Summary of Business Segment Financial Data — United Technologies Corporation

Industry Segments In Millions of Dollars	1993	1992	1991
Revenues			
Pratt & Whitney	$ 5,942	$ 6,894	$ 7,133
Flight Systems	3,930	4,045	4,024
Carrier	4,480	4,328	3,843
Otis	4,418	4,512	4,304
Automotive	2,382	2,378	2,084
Other	43	40	33
Corporate items and eliminations	(114)	(165)	(159)
Consolidated revenues	$21,081	$22,032	$21,262
Operating Profits (Losses)			
Pratt & Whitney	$ 156	$ (288)	$ (282)
Flight Systems	385	275	(224)
Carrier	226	152	(159)
Otis	377	313	163
Automotive	148	111	2
Other	22	25	(3)
Eliminations	-	1	6
Operating profits (losses)	1,314	589	(497)
Financing revenues and other income, less other deductions	15	4	50
Interest expense	(251)	(282)	(339)
General corporate expenses	(169)	(111)	(105)
Consolidated income (loss) before income taxes	$ 909	$ 200	$ (891)
Identifiable Assets			
Pratt & Whitney	$ 4,270	$ 4,483	$ 5,122
Flight Systems	2,011	2,170	2,323
Carrier	2,639	2,616	2,619
Otis	1,689	1,821	1,827
Automotive	1,557	1,537	1,625
General corporate assets and other	3,452	3,301	2,469
Consolidated assets	$15,618	$15,928	$15,985
Capital Expenditures			
Pratt & Whitney	$ 252	$ 274	$ 351
Flight Systems	139	159	196
Carrier	176	175	203
Otis	124	139	128
Automotive	141	136	113
General corporate assets and other	14	37	57
Consolidated additions to fixed assets	$ 846	$ 920	$ 1,048

Years Ended December 31.

See accompanying Notes to Consolidated Summary of Business Segment Financial Data

Consolidated Summary of Business Segment Financial Data (Continued) — United Technologies Corporation

Geographic Areas In Millions of Dollars	1993	1992	1991
Revenues			
United States operations	$13,818	$14,403	$14,201
International operations:			
Europe	4,018	4,572	4,121
Other	4,130	4,131	3,908
Corporate items and eliminations	(885)	(1,074)	(968)
Consolidated revenues	$21,081	$22,032	$21,262
Operating Profits (Losses)			
United States operations	$ 663	$ (83)	$(1,034)
International operations:			
Europe	375	469	370
Other	333	272	184
Eliminations	(57)	(69)	(17)
Operating profits (losses)	1,314	589	(497)
Financing revenues and other income, less other deductions	15	4	50
Interest expense	(251)	(282)	(339)
General corporate expenses	(169)	(111)	(105)
Consolidated income (loss) before income taxes	$ 909	$ 200	$ (891)
Identifiable Assets			
United States operations	$ 7,934	$ 8,200	$ 8,959
International operations:			
Europe	1,883	2,247	2,392
Other	2,520	2,311	2,255
General corporate assets and other	3,281	3,170	2,379
Consolidated assets	$15,618	$15,928	$15,985

Years Ended December 31.

See accompanying Notes to Consolidated Summary of Business Segment Financial Data

Notes to Consolidated Summary Of Business Segment Financial Data

Revenues: Revenues by industry segment and geographic area include inter-segment sales and transfers between geographic areas. Generally, such sales and transfers are made at prices approximating those which the selling or transferring entity is able to obtain on sales of similar products to unaffiliated customers.

Revenues include sales under prime contracts and subcontracts to the U.S. Government, for the most part Pratt & Whitney and Flight Systems products, as follows:

In Millions of Dollars	1993	1992	1991
Pratt & Whitney	$1,556	$1,905	$1,922
Flight Systems	2,416	2,616	2,511

Revenues from United States operations include export sales of $3,503 million in 1993, $3,451 million in 1992 and $3,587 million in 1991. Export sales to Europe were $932 million, $1,114 million and $1,375 million of the 1993, 1992 and 1991 amounts, respectively. Export sales include direct sales to commercial customers outside the United States and sales to the U.S. Government, commercial and affiliated customers which are known to be for resale to customers outside the United States.

Operating Profits: The Corporation changed its presentation of general corporate expenses in 1993 to reflect in each segment's results only those expenses which directly benefit the segment. As required by generally accepted accounting principles, 1992 and 1991 operating profits have not been restated for the 1993 change in presentation. Operating profits for 1993 on the old basis of presentation of general corporate expenses would be as follows: Pratt & Whitney - $121 million; Flight Systems - $362 million; Carrier - $199 million; Otis - $350 million; and Automotive - $134 million.

Identifiable Assets: Identifiable assets are those which are specifically identified with the industry segments and geographic areas in which operations are conducted. General corporate assets consist principally of short-term cash investments, customer financing subsidiaries, future income tax benefits, and investments in other companies.

Depreciation and amortization charges are as follows:

In Millions of Dollars	1993	1992	1991
Pratt & Whitney	$304	$322	$306
Flight Systems	157	168	138
Carrier	132	132	121
Otis	97	92	76
Automotive	96	95	91

Eliminations: Eliminations made in reconciling industry and geographic area data with the related consolidated amounts include intersegment sales and transfers between geographic areas, unrealized profits in inventory and similar items.

Restructuring: The Corporation recorded charges of $85 million and $1,275 million to operations for restructuring actions in 1992 and 1991, respectively. Restructuring provisions, by business segment and in total, were as follows:

In Millions of Dollars	1992	1991
Pratt & Whitney	$ 70	$ 688
Flight Systems	15	142
Carrier	-	190
Otis	-	133
Automotive	-	59
Other	-	16
	85	1,228
Financing revenues and other income, less other deductions	-	6
General corporate expenses	-	41
	$ 85	$1,275

The Summary of Business Segment Financial Data should be read in conjunction with the consolidated financial statements of the Corporation and notes thereto appearing elsewhere in this Annual Report.

Selected Quarterly Financial Data United Technologies Corporation

In Millions of Dollars (except per share amounts)

	Quarter Ended			
1993	March 31	June 30	September 30	December 31
Sales	$4,725	$5,508	$5,056	$5,447
Financing revenues and other income, less other deductions	139	62	72	72
Gross profit	976	1,188	1,142	1,193
Net income	64	130	157	136
Earnings per share-primary	.43	.95	1.16	.98
-fully diluted	.42	.89	1.08	.92

1992				
Sales	$5,058	$5,635	$5,287	$5,661
Financing revenues and other income, less other deductions	108	101	88	94
Gross profit	1,107	1,202	1,199	900
Income (loss) before cumulative effect of accounting principle changes	94	148	126	(333)
Net income (loss)	(228)	148	126	(333)
Primary earnings (loss) per share before cumulative effect of accounting principle changes	.68	1.11	.94	(2.77)
Primary earnings (loss) per share	(1.95)	1.11	.94	(2.77)
Fully diluted earnings (loss) per share before cumulative effect of accounting principle changes	.68	1.03	.87	(2.77)
Fully diluted earnings (loss) per share	(1.95)	1.03	.87	(2.77)

The cumulative effect of the accounting principle changes appears in the Corporation's Consolidated Statement of Operations on page 37 of this Annual Report.

In the fourth quarter of 1992, the Corporation recorded charges of $447 million for credit and other exposures related to the commercial airline industry, $169 million for various contract matters, and $85 million for additional restructuring.

Exhibit (22)

SUBSIDIARIES OF THE REGISTRANT

The companies listed below are direct or indirect subsidiaries of the Registrant. Their names and jurisdictions of incorporation are as follows:

United Technologies Automotive Holdings, Inc.	Delaware
Carrier Corporation	Delaware
Otis Elevator Company	New Jersey
Otis Europe S.A.	France
Pratt & Whitney Canada Inc.	Canada

Other subsidiaries of the Registrant have been omitted from this listing since, considered in the aggregate or as a single subsidiary, they would not constitute a significant subsidiary.

Exhibit 25

UNITED
TECHNOLOGIES
CORPORATION

Powers of Attorney

UNITED TECHNOLOGIES CORPORATION

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as a member of the Board of Directors, or as an officer of UNITED TECHNOLOGIES CORPORATION, a Delaware corporation (the "Corporation"), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints STEPHEN F. PAGE, IRVING B. YOSKOWITZ, WILLIAM H. TRACHSEL, AND GEORGE E. MINNICH, or any one of them, his true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to the Corporation's Form 10-K Annual Reports filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Reports, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Reports or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 30th day of January, 1994.

/s/ HOWARD H. BAKER, JR.

Howard H. Baker, Jr.

UNITED TECHNOLOGIES CORPORATION

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as a member of the Board of Directors, or as an officer of UNITED TECHNOLOGIES CORPORATION, a Delaware corporation (the "Corporation"), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints STEPHEN F. PAGE, IRVING B. YOSKOWITZ, WILLIAM H. TRACHSEL, AND GEORGE E. MINNICH, or any one of them, her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to the Corporation's Form 10-K Annual Reports filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Reports, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Reports or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 30th day of January, 1994.

/s/ ANTONIA HANDLER CHAYES

Antonia Handler Chayes.

UNITED TECHNOLOGIES CORPORATION

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as a member of the Board of Directors, or as an officer of UNITED TECHNOLOGIES CORPORATION, a Delaware corporation (the "Corporation"), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints STEPHEN F. PAGE, IRVING B. YOSKOWITZ, WILLIAM H. TRACHSEL, AND GEORGE E. MINNICH, or any one of them, his true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to the Corporation's Form 10-K Annual Reports filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Reports, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Reports or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents this 30th day of January, 1994.

/s/ ROBERT F. DANIELL

Robert F. Daniell

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Power of Attorney

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/s/ ROBERT F. DEE

Robert F. Dee

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/s/ CHARLES W. DUNCAN, JR.

Charles W. Duncan, Jr.

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/s/ PEHR G. GYLLENHAMMAR

Pehr G. Gyllenhammar

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/s/ GERALD D. HINES

Gerald D. Hines

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IN WITNESS WHEREOF, the undersigned has subscribed these presents this 28th day of March, 1994.

/s/ CHARLES R. LEE

Charles R. Lee

UNITED TECHNOLOGIES CORPORATION

Power of Attorney

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IN WITNESS WHEREOF, the undersigned has subscribed these presents this 30th day of January , 1994.

/s/ ROBERT H. MALOTT

Robert H. Malott

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IN WITNESS WHEREOF, the undersigned has subscribed these presents this 30th day of January, 1994.

/s/ JACQUELINE G. WEXLER
Jacqueline G. Wexler