FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C.
20549

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

For the quarterly period ended September 30, 1995

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

DELAWARE 06-0570975

One Financial Plaza, Hartford, Connecticut 06101

(203) 728-7000

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 .

At September 30, 1995 there were 122,007,844 shares of Common Stock outstanding.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONTENTS OF QUARTERLY REPORT ON FORM 10-Q

Quarter Ended September 30, 1995

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Three Months Ended September 30, 1995	1994
Revenues:		
Product sales	$ 4,420	$ 4,094
Service sales	1,184	1,041
Financing revenues and other income, net	47	115
	5,651	5,250
Costs and expenses:		
Cost of products sold	3,610	3,359
Cost of services sold	715	652
Research and development	251	229
Selling, general and administrative	642	610
Interest	57	69
	5,275	4,919
Income before income taxes and minority interests	376	331
Income taxes	131	114
Minority interests	35	29
Net Income	$ 210	$ 188
Preferred Stock Dividend Requirement	7	6
Earnings Applicable to Common Stock	$ 203	$ 182
Earnings per share of common stock and common stock equivalents	$ 1.60	$ 1.41
Dividends per share of common stock	$ .50	$ .50
Average common and equivalent shares outstanding (in thousands)	130,813	132,012

See Accompanying Notes

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Nine Months Ended September 30, 1995	1994
Revenues:		
Product sales	$ 13,285	$ 12,154
Service sales	3,411	3,032
Financing revenues and other income, net	139	336
	16,835	15,522
Costs and expenses:		
Cost of products sold	10,944	10,056
Cost of services sold	2,050	1,892
Research and development	702	730
Selling, general and administrative	1,943	1,861
Interest	186	208
	15,825	14,747
Income before income taxes and minority interests	1,010	775
Income taxes	351	277
Minority interests	96	78
Net Income	$ 563	$ 420
Preferred Stock Dividend Requirement	20	16
Earnings Applicable to Common Stock	$ 543	$ 404
Earnings per share of common stock and common stock equivalents	$ 4.28	$ 3.14
Dividends per share of common stock	$ 1.50	$ 1.40
Average common and equivalent shares outstanding (in thousands)	130,414	132,571

See Accompanying Notes

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED BALANCE SHEET

In Millions of Dollars	September 30, 1995 (Unaudited)	December 31, 1994
Assets		
Cash and cash equivalents	$ 904	$ 386
Accounts receivable, net	3,713	3,745
Inventories and contracts in progress, net	2,957	2,955
Future income tax benefits	860	929
Other current assets	202	213
Total Current Assets	8,636	8,228
Fixed assets	10,316	10,193
Less - accumulated depreciation	(5,967)	(5,661)
	4,349	4,532
Other assets	2,756	2,864
Total Assets	$ 15,741	$ 15,624
Liabilities and Shareowners' Equity		
Short-term borrowings	$ 266	$ 402
Accounts payable	1,851	1,924
Accrued liabilities	4,150	4,071
Long-term debt currently due	91	156
Total Current Liabilities	6,358	6,553
Long-term debt	1,707	1,885
Future pension and postretirement benefit obligations	1,438	1,389
Other long-term liabilities	1,900	1,706
Series A ESOP Convertible Preferred Stock	894	905
ESOP deferred compensation	(508)	(566)
	386	339
Shareowners' Equity:		
Common Stock	2,225	2,148
Treasury Stock	(1,162)	(947)
Retained earnings	3,143	2,790
Currency translation and pension liability adjustments	(254)	(239)
	3,952	3,752
Total Liabilities and Shareowners' Equity	$ 15,741	$ 15,624

See Accompanying Notes

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

In Millions of Dollars	Nine Months Ended September 30, 1995	1994
Cash flows from operating activities:		
Net income	$ 563	$ 420
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	621	623
Change in:		
Accounts receivable	26	(395)
Inventories and contracts in progress	(28)	40
Accounts payable and accrued liabilities	73	(189)
Future income taxes payable and future income tax benefits	3	95
ESOP deferred compensation	38	106
Other, net	218	168
Net Cash Flows from Operating Activities	1,514	868
Cash flows from investing activities:		
Capital expenditures	(486)	(489)
Acquisitions of business units	(151)	(106)
Dispositions of business units	103	238
Decrease in customer financing assets, net	276	17
Other, net	50	35
Net Cash Flows from Investing Activities	(208)	(305)
Cash flows from financing activities:		
Issuance of long-term debt	1	31
Repayments of long-term debt	(250)	(150)
Decrease in short-term borrowings, net	(136)	(50)
Dividends paid on Common Stock	(185)	(177)
Common Stock repurchase	(215)	(164)
Other, net	(4)	68
Net Cash Flows from Financing Activities	(789)	(442)
Effect of foreign exchange rate changes on cash and cash equivalents	1	2
Net Increase in Cash and Cash Equivalents	518	123
Cash and Cash Equivalents, Beginning of year	386	421
Cash and Cash Equivalents, End of period	$ 904	$ 544

See Accompanying Notes

UNITED TECHNOLOGIES CORPORATION
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The condensed consolidated financial statements at September 30, 1995 and for the three-month and nine-month periods ended September 30, 1995 and 1994 are unaudited, but in the opinion of the Corporation include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. Certain 1994 amounts have been reclassified to conform with the presentation at September 30, 1995.

Accounting and Reporting Changes

In the fourth quarter of 1994 the Corporation adopted, effective January 1, 1994, AICPA Statement of Position (SOP) 93-6, "Employers' Accounting for Employee Stock Ownership Plans." The principal impact of the accounting change on ongoing results is to consider as outstanding only those ESOP Convertible Preferred shares committed to employee accounts, to report as interest expense all interest on the debt of the ESOP trust and to report preferred stock dividends only on those shares considered as outstanding.

As this accounting change was adopted in the fourth quarter of 1994, previously reported 1994 quarterly information has been restated to reflect the change effective January 1, 1994.

As a result of this change, the Corporation's pretax income was reduced by $10 million for the three month period and $85 million, including a one-time charge of $51 million ($31 million after tax or $.23 per share) for the nine-month period. This one-time charge represents the cumulative difference between the expense determined under the new accounting method and that previously recognized from inception of the ESOP through January 1, 1994. The one-time charge has been recorded in Financing revenues and other income, net in the Consolidated Statement of Operations.

The 1994 ESOP accounting change, excluding the one-time charge, reduced pretax income by $10 million and $34 million, reduced net income by $6 million and $21 million, and reduced reported preferred stock dividends by $4 million and $16 million for the three-month and nine-month periods ended September 30, 1994, respectively. These reductions in net income and preferred stock dividend requirements, and the reduction in ESOP shares considered outstanding of 8.4 million and 8.6 million shares, have the combined effect of increasing earnings per share by $.06 and $.13, excluding the one-time charge, for the three-month and nine-month periods ended September 30, 1994, respectively. Overall, earnings per share for the three-month period ended September 30, 1994 were increased by $.06 and for the nine-month period ended September 30, 1994 were reduced by $.10 as a result of this accounting change.

Borrowings and Lines of Credit

In July, the Corporation executed an in-substance defeasance of $30 million of its 8.26% medium term notes due June 3, 1996, bringing the total of in-substance defeasances to $130 million for the nine-month period. The Corporation deposited U.S. Government securities into irrevocable trusts to cover the interest and principal payments on this debt. For financial reporting purposes, the debt has been considered extinguished and the loss on these transactions, which was immaterial, is included in Financing revenues and other income, net. In addition, during the third quarter the Corporation retired $55 million of long-term debt.

During the nine-month period of 1995, the Corporation canceled $600 million of outstanding interest rate hedges. As a result of debt reduction and these contract cancellations, the percentage of total debt at floating interest rates, after taking effect of the remaining outstanding interest rate contracts, is 15% at September 30, 1995, versus 42% at December 31, 1994.

Contingent Liabilities

While there has been no significant change in the Corporation's material contingencies during 1995, the matters previously described in Note 14 of Notes to Financial Statements in the Corporation's Annual Report on Form 10K for calendar year 1994 are summarized below.

Environmental

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.

It is the Corporation's policy to accrue environmental investigatory and remediation costs when it is probable that a liability has been incurred by the Corporation for known sites and the amount of loss can be reasonably estimated. Where no amount within a range of estimates is more likely, the minimum is accrued. Otherwise, the most likely cost to be incurred is accrued. The measurement of the liability is based on an evaluation of currently available facts with respect to each individual site and takes into account factors such as existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites.

Where the Corporation is not the only party responsible for the remediation of a site, the Corporation considers its likely proportionate share of the anticipated remediation expense in establishing a provision for those costs. Included within the sites known to the Corporation are those sites at which the Corporation has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or Superfund). Under the provisions of this statute, the Corporation may be held liable for all costs of environmental remediation without regard to the legality of the Corporation's actions resulting in the contamination. In estimating its liability for remediation, the Corporation considers its likely proportionate share of the anticipated remediation expense and the ability of the other potentially responsible parties to fulfill their obligations.

Some of the Corporation's liabilities, including certain Superfund liabilities, relate to facilities that were acquired by the Corporation with indemnities from the sellers or former owners. In estimating the potential liability at these sites, the Corporation has considered the indemnification separately from the liability.

The Corporation has instituted legal proceedings against its insurers seeking insurance coverage for remediation costs, defense costs, physical loss or damage to the property of the Corporation and others, and for related costs. Settlements to date, which have not been material, have been recorded upon receipt. It is expected that one or more of these cases will last several years. Environmental liabilities are not reduced by potential insurance reimbursements.

U.S. Government

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's contracts with the U.S. Government are also subject to audits. Like many defense contractors, the Corporation has received audit reports which recommend that certain contract prices should be reduced to comply with various government regulations. Some of these audit reports involve substantial amounts. The Corporation has made voluntary refunds in those cases it believes appropriate.

Other

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

The Corporation has accrued its liability for environmental investigation and remediation, performance guarantees, and other litigation and claims based on management's estimate of the probable outcome of these matters. While it is possible that the outcome of these matters may differ from the recorded liability, 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.

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With respect to the unaudited condensed consolidated financial information of United Technologies Corporation for the three and nine-month periods ended September 30, 1995 and 1994, Price Waterhouse LLP ("Price Waterhouse") reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated October 25, 1995 appearing below, states that they did not audit and they do not express an opinion on that unaudited condensed consolidated financial information. Price Waterhouse has not carried out any significant or additional audit tests beyond those which would have been necessary if their report had not been included. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Price Waterhouse is not subject to the liability provisions of section 11 of the Securities Act of 1933 for their report on the unaudited condensed consolidated financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by Price Waterhouse within the meaning of sections 7 and 11 of the Act.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
United Technologies Corporation

We have reviewed the accompanying condensed consolidated statement of operations of United Technologies Corporation and consolidated subsidiaries for the three and nine-month periods ended September 30, 1995 and 1994, the condensed consolidated statement of cash flows for the nine months ended September 30, 1995 and 1994, and the condensed consolidated balance sheet as of September 30, 1995. This financial information is the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial information for it to be in conformity with generally accepted accounting principles.

We previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1994, and the related consolidated statements of operations, of cash flows and of changes in shareowners' equity for the year then ended (not presented herein), and in our report dated January 26, 1995, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1994, when read in conjunction with the consolidated financial statements from which it has been derived, is fairly stated in all material respects in relation thereto.

PRICE WATERHOUSE LLP

Hartford, Connecticut
October 25, 1995

UNITED TECHNOLOGIES CORPORATION
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL POSITION

BUSINESS ENVIRONMENT

The Corporation's Otis, Carrier and UT Automotive subsidiaries serve customers in the commercial property, residential housing and automotive businesses. Additionally, the Corporation's Pratt & Whitney, Sikorsky and Hamilton Standard businesses serve commercial and government customers in the aerospace industry. As world-wide businesses, these operations are affected by global as well as regional economic factors.

U.S. residential housing starts in the first nine months decreased approximately 7% over the same period in 1994. While commercial construction starts in the U.S. are higher than last year they remain weak. U.S. commercial vacancy rates have improved only marginally from the 1992 peak.

North American car and light truck production and European car sales were down in the Third Quarter and essentially flat for the first nine months of 1995 versus the comparable period in 1994.

Worldwide airline profits in 1994 were nominal despite load factors at historically high levels. Reported airline results in the first nine months of 1995 have shown improvement through higher revenues and relatively flat costs. However, competitive pricing strategies and disparate cost structures continue to make it difficult for the U.S. airlines to achieve the financial condition necessary to make significant investments in new aircraft. For many international airlines, increasing competition, high cost structures and privatization initiatives will strain financial results and resources in the near term. While airlines have historically begun ordering new equipment approximately 18 months after returning to profitability, management believes the current recovery may be slower. It is too early to determine what impact, if any, the labor strike at Boeing may have on Pratt & Whitney's operating profits or cash flow or on negotiations of its labor contract, which expires in December.

The U.S. Defense industry continues to experience significant downsizing, and further consolidation within the industry is expected. As a result, the Corporation has continued to reduce its reliance on U.S. Defense contracts.

RESULTS OF OPERATIONS

Consolidated revenues and margin percentages were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In Millions of Dollars	1995	1994	1995	1994
Product sales	$ 4,420	$ 4,094	$ 13,285	$ 12,154
Service sales	1,184	1,041	3,411	3,032
Financing revenues and other income, net	47	115	139	336
Product margin %	18.3%	18.0%	17.6%	17.3%
Service margin %	39.6%	37.4%	39.9%	37.6%

/TABLE

Consolidated revenues increased 8% for the three-month and nine-month periods ended September 30, 1995, over the comparable periods of 1994. Excluding the favorable effect of foreign exchange translation, consolidated revenues increased approximately 6% for the same periods. All segments, excluding Flight Systems, reported increased revenues in the third quarter. UTC's commercial and industrial segments increased 11% and 14% for the three-month and nine-month periods, respectively. The aerospace segments, excluding the impacts of the second quarter 1994 sale of the equity share holding in Westland Group plc and Norden divestiture, increased 3% and 4% for the three-month and nine-month periods, respectively.

Financing revenues and other income decreased in the third quarter, from the comparable period in the prior year, principally due to lower financing revenues in 1995 on a lower customer financing asset base and the absence of miscellaneous asset sales and insurance litigation settlements. Financing revenues and other income for the 1994 nine-month period includes a $51 million charge relating to the adoption of SOP 93-6, "Employers' Accounting for Employee Stock Ownership Plans" and an $87 million gain realized on the sale of the equity share holding in Westland Group plc. Excluding these effects, financing revenues and other income for the nine-month period decreased due to the same effects as in the third quarter.

Product margin percentage for the nine months ended September 30, 1994 was 18.0% before the impact of 1994 charges for downsizing and other actions. The product margin percentage for the comparable 1995 period of 17.6% is down slightly as improved product margins at Pratt & Whitney and Hamilton Standard were offset by decreases at Sikorsky and Otis, and by the first quarter 1995 charges for the wafer fabrication facility of Hamilton Standard and a workforce reduction at Sikorsky. Service margins as a percentage of sales improved in all of the Corporation's businesses.

Research and development expenses increased $22 million (10%) for the third quarter and decreased $28 million (4%) in the nine-month period as compared to 1994. As a percentage of revenue, research and development was 4.4% in the third quarter and 4.2% in the nine-month period compared to 4.4% and 4.7% in the corresponding 1994 periods last year. The decrease for the nine-month period occurred principally in the Flight Systems Segment as several development programs at Hamilton Standard reached completion. Research and development expenses in 1995 are expected to be essentially flat with the spending level of 1994 and lower as a percentage of revenues.

Selling, general and administrative expenses in the 1995 third quarter and nine-month period increased by $32 million (5%) and $82 million (4%) over the 1994 comparable periods. However, as a percentage of revenues, these expenses decreased from 11.6% to 11.4% for the three-month period and from 12.0% to 11.5% for the nine-month period as the Corporation achieved increased sales while continuing to control expenses.

Segment revenues and operating profits in the Corporation's principal business segments for the three-month and nine-month periods ended September 30, 1995 and 1994 are as follows (in millions of dollars):

	Revenues		Operating Profits		Operating Profit Margin	
	1995	1994	1995	1994	1995	1994
Three Months Ended September 30,						
Otis	$ 1,323	$ 1,158	$ 130	$ 111	9.8%	9.6%
Carrier	1,462	1,363	144	127	9.8%	9.3%
Automotive	687	606	35	31	5.1%	5.1%
Pratt & Whitney	1,521	1,376	131	110	8.6%	8.0%
Flight Systems	688	768	40	57	5.8%	7.4%
Nine Months Ended September 30,						
Otis	$ 3,858	$ 3,348	$ 364	$ 309	9.4%	9.2%
Carrier	4,122	3,721	303	252	7.4%	6.8%
Automotive	2,234	1,914	148	131	6.6%	6.8%
Pratt & Whitney	4,507	4,214	383	247	8.5%	5.9%
Flight Systems	2,204	2,428	144	203	6.5%	8.4%

Otis segment revenues for the three-month and nine-month periods ended September 30, 1995 were 14% and 15% higher than the comparable periods of 1994, respectively. Excluding the favorable impact of foreign exchange translation effects, 1995 revenues increased approximately 8% for the third quarter and nine-month periods over 1994 with all geographic regions showing an increase compared to last year.

Operating profits at Otis increased $19 million and $55 million in the third quarter and nine-month period of 1995 compared to 1994. Approximately one-half of the increase in the third quarter and nine-month period was due to favorable foreign exchange translation effects with the balance due to improved performance in all geographic regions compared to last year.

Carrier 1995 third quarter and nine-month period revenues increased 7% and 11% from 1994, respectively. Excluding the favorable impact of foreign exchange translation effects, 1995 revenues increased approximately 5% and 8% over the three-month and nine-month periods of 1994, respectively. The increased revenues in both periods were led by continued strong growth in the Asia Pacific region and the recovery in Europe.

Operating profits at Carrier increased $17 million and $51 million in the third quarter and nine-month period of 1995 compared to 1994 with approximately one-third of the increases in both periods due to favorable foreign exchange translation effects. Higher volumes and continued cost reductions more than offset cost increases in raw materials such as copper and aluminum. Nine-month results include improved Brazilian profits, particularly in the first quarter on a strong summer selling season and a gain from selling a joint venture interest in its Arkadelphia scroll compressor plant, which was substantially offset by charges for closure and consolidation of certain facilities, inventory reserves, and start-up costs of four new joint ventures in China.

Automotive segment revenues increased 13% and 17% in the 1995 third quarter and nine-month period, respectively, as compared to 1994. Revenue increases in

both periods were a result of higher vehicle content, and favorable product mix in North America and increased market penetration in Europe.

Operating profits at the Automotive segment increased $4 million and $17 million in the 1995 third quarter and nine-month period compared to the same periods in 1994, while margins as a percentage of revenues were flat in the third quarter and decreased slightly for the nine-month period as compared to 1994. The positive effects of higher revenues in Europe and North America were partially offset by global increases in raw material costs and continuing costs in support of new vehicle model awards in North America. UT Automotive management is considering cost reduction actions to be taken, including consolidation of certain production facilities as a part of its ongoing cost and productivity improvement. This should help mitigate price reductions under long-term agreements with OEM customers. Appropriate provisions will be charged to the Automotive segment results as decisions are made and actions taken.

Pratt & Whitney revenue during the third quarter and nine-month period ended September 30, 1995 increased 11% and 7%, respectively, as compared to 1994; however, revenues for the full year are expected to be essentially the same as last year. The increase in the third quarter and nine-month period over the prior year is due to increases in Pratt & Whitney's commercial, government, and general aviation businesses.

Operating profits for Pratt & Whitney for the third quarter and nine-month period ended September 30, 1995 increased $21 million and $136 million, respectively, over the comparable periods of 1994. The increases reflect higher revenues and improved margins arising from cost reduction initiatives. While research and development expenses were lower in the first six months of 1995 they were moderately higher in the third quarter. Improved 1995 third quarter results were partially offset by increases to manufacturing cost estimates on commercial engine contracts, principally higher production costs on the PW4084 engine. In addition, the nine-month period results reflect the absence of a $50 million downsizing charge partially offset by the sale of a participation interest in the PW4000 engine program, both of which occurred in the second quarter of 1994.

Flight Systems revenues decreased 10% and 9% in the third quarter and nine-month period ended September 30, 1995, respectively, compared to 1994. Revenue decreases in the third quarter of 1995 were the result of lower helicopter shipments as compared to 1994. Revenue decreases for the nine-month period were a result of the sale of the equity share holding in Westland Group plc and the Norden divestiture, both in the second quarter of 1994, and lower 1995 revenues at Sikorsky. Revenues at Sikorsky are expected to decrease versus last year due to fewer scheduled deliveries of helicopters.

Operating profits for Flight Systems decreased $17 million and $59 million in the third quarter and nine-month period ended September 30, 1995, respectively, as compared to 1994. Nine-month period 1994 results include an $87 million gain realized on the sale of the equity share holding in Westland Group plc and $35 million in downsizing charges. Operating profits excluding those items decreased $7 million in the nine-month period ended September 30, 1995. The third quarter decrease reflects continuing operating improvement at Hamilton Standard, offset by lower helicopter volume at Sikorsky and a service and warranty provision for a Hamilton Standard propeller, including estimated costs for inspections, repairs and replacements. The nine-month period results reflect improved performance at Hamilton Standard, offset by costs associated with selling the wafer fabrication facility of Hamilton Standard's Microelectronics Center and lower volumes and charges in the first quarter of 1995 for a workforce reduction at Sikorsky.

Interest expense decreased $12 million and $22 million in the three-month and nine-month periods ended September 30, 1995 to $57 million and $186 million, respectively. This decrease is mainly due to a reduced average borrowing level during the third quarter and nine-month period compared to last year as the Corporation continues to retire or extinguish debt with its improved cash flow, partially offset by increased interest rates.

The effective tax rate for the first nine months of 1995 was 34.8%, compared to an effective tax rate of 35.7% for the corresponding period of 1994. The Corporation has reduced its effective income tax rate by implementing tax reduction strategies.

FINANCIAL POSITION AND LIQUIDITY

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, customer financing requirements, 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:

In Millions of Dollars	Nine Months Ended September 30, 1995	1994
Operating Activities		
Net Cash Flows from Operating Activities	$ 1,514	$ 868
Investing Activities		
Capital expenditures	(486)	(489)
Acquisitions of business units	(151)	(106)
Dispositions of business units	103	238
Decrease in customer financing assets, net	276	17
Financing Activities		
Common Stock repurchase	(215)	(164)
Decrease in total debt	(379)	(151)
Decrease in net debt	(897)	(274)

Cash flows from operating activities were $1,514 million during the first nine months of 1995 compared to $868 million for the corresponding period of 1994. The improvement resulted primarily from improved operating performance and working capital management, and the absence of a $150 million payment to the U.S. Government made in the second quarter of 1994 for a previously reported settlement by Sikorsky Aircraft.

Cash flows from investing activities were a use of funds of $208 million during the first nine months of 1995 compared to a $305 million use in the corresponding period of 1994. During the nine-month period ended September 30, 1995, the Corporation received proceeds of $103 million from dispositions of business units, the largest item being proceeds received in the second quarter of 1995 from the sale of a joint venture interest in Carrier's Arkadelphia scroll compressor plant. During the nine-month period ended September 30, 1995,

the Corporation invested $151 million for the acquisition of business units, the largest item being the purchase of an Australian elevator company in the third quarter. Capital expenditures in the nine-month period of 1995 were $486 million, a $3 million decrease over the corresponding period of 1994. The Corporation expects 1995 full year capital spending to be slightly higher than 1994. The decrease in customer financing assets in the 1995 period includes loan repayments and asset sales. While the Corporation now believes that changes in customer financing assets in 1995 will be a net source of funds, actual funding is subject to usage under existing customer financing commitments during the remainder of the year.

The Corporation repurchased $215 million of common stock, representing 2.76 million shares, in the first nine months of 1995 under previously announced stock repurchase programs.

Other selected financial data is as follows:

In Millions of Dollars	September 30, 1995	December 31, 1994	September 30, 1994
Cash and cash equivalents	$ 904	$ 386	$ 544
Total debt	2,064	2,443	2,808
Net debt (total debt less cash)	1,160	2,057	2,264
Shareowners' equity	3,952	3,752	3,734
Debt-to-total capitalization	34.3%	39.4%	42.9%
Net debt-to-total capitalization	22.7%	35.4%	37.7%

In July, the Corporation executed an in-substance defeasance of $30 million of its 8.26% medium term notes due June 3, 1996, bringing the total of in-substance defeasances to $130 million for the nine-month period. The Corporation deposited U.S. Government securities into irrevocable trusts to cover the interest and principal payments on this debt. For financial reporting purposes, the debt has been considered extinguished and the loss on these transactions, which was immaterial, is included in Financing revenues and other income, net. In addition, during the third quarter the Corporation retired $55 million of long-term debt.

During the nine-month period of 1995, the Corporation canceled $600 million of outstanding interest rate hedges. As a result of debt reduction and these contract cancellations, the percentage of total debt at floating interest rates, after taking effect of the remaining outstanding interest rate contracts, is 15% at September 30, 1995, versus 42% at December 31, 1994.

Management believes that its existing cash position and other available sources of liquidity are sufficient to meet current and anticipated requirements for the foreseeable future.

Part II - Other Information

Item 1. Legal Proceedings

On October 12, 1995 following discussions with the United States Environmental Agency, Region V, UT Automotive paid a fine of $125,000 to settle certain allegations of violations of water discharge permits issued under the Clean Water Act at a facility formerly owned by UT Automotive in Columbia City, Indiana. This matter which was previously reported in the Corporation's Annual Report on Form 10K for calendar year 1994 is now concluded.

Other than the matter described above, there has been no material change in legal proceedings during the third quarter of 1995. (For a description of previously reported legal proceedings, refer to Part 1, Item 3 - Legal Proceedings of the Corporation's Annual Report on Form 10K for calendar year 1994, and to Part II, Item 1 - Legal Proceedings of the Corporation's Report on Form 10Q for the first and second quarters of calendar year 1995.)

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- (10) (xvi) United Technologies Corporation Special Retention and Stock Appreciation Program
- (11) Computation of per share earnings
- (12) Computation of ratio of earnings to fixed charges
- (15) Letter re unaudited interim financial information
- (27) Financial data schedule (submitted electronically herewith)

(b) No reports on Form 8-K were filed during the quarter ended September 30, 1995.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements 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

Dated: October 30, 1995 By: Stephen F. Page
Stephen F. Page
Executive Vice President and
Chief Financial Officer

Dated: October 30, 1995 By: George E. Minnich
George E. Minnich
Vice President and Controller

Dated: October 30, 1995 By: William H. Trachsel
William H. Trachsel
Vice President and Secretary

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

EXHIBIT INDEX

Exhibit 10 (xvi) - United Technologies Corporation Special Retention and Stock Appreciation Program

Exhibit 11 - Computation of per share earnings

Exhibit 12 - Computation of ratio of earnings to fixed charges

Exhibit 15 - Letter re unaudited interim financial information

Exhibit 27 - Financial data schedule (submitted electronically herewith)

Exhibit 11

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

COMPUTATION OF PER SHARE EARNINGS

In Millions of Dollars (except per share amounts)	Three Months Ended September 30, 1995	1994
Earnings applicable to Common Stock	$ 203	$ 182
ESOP Convertible Preferred Stock adjustment	6	4
Net earnings for calculation of primary and fully diluted earnings per share	$ 209	$ 186
Average number of common shares and common stock equivalents outstanding during period (four month-end average)	130,813,139	132,011,619
Fully diluted average number of common shares and common stock equivalents outstanding during period (four month-end average)	131,189,176	132,185,586
Primary earnings per common share	$ 1.60	$ 1.41
Fully diluted earnings per common share (Note1)	$ 1.59	$ 1.41

Note 1 - Fully diluted earnings per common share is less than 3% dilutive and is not shown separately on the Condensed Consolidated Statement of Operations.

Exhibit 11

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

COMPUTATION OF PER SHARE EARNINGS

In Millions of Dollars (except per share amounts)	Nine Months Ended September 30, 1995	1994
Earnings applicable to Common Stock	$ 543	$ 404
ESOP Convertible Preferred Stock adjustment	16	12
Net earnings for calculation of primary and fully diluted earnings per share	$ 559	$ 416
Average number of common shares and common stock equivalents outstanding during period (ten month-end average)	130,413,809	132,570,827
Fully diluted average number of common shares and common stock equivalents outstanding during period (ten month-end average)	131,418,808	132,738,029
Primary earnings per common share	$ 4.28	$ 3.14
Fully diluted earnings per common share (Note 1)	$ 4.25	$ 3.13

Note 1 - Fully diluted earnings per common share is less than 3% dilutive and is not shown separately on the Condensed Consolidated Statement of Operations.

Exhibit 12

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

In Millions of Dollars	Nine Months Ended September 30, 1995	1994
Fixed Charges:		
Interest on indebtedness	$ 186	$ 208
Interest capitalized	15	17
One-third of rents*	57	76
Total Fixed Charges	$ 258	$ 301
Earnings:		
Income before income taxes and minority interests	$ 1,010	$ 775
Fixed charges per above	258	301
Less: interest capitalized	(15)	(17)
	243	284
Amortization of interest capitalized	31	32
Total Earnings	$ 1,284	$ 1,091
Ratio of Earnings to Fixed Charges	4.98	3.62

* Reasonable approximation of the interest factor.
/TABLE

Exhibit 15

October 30, 1995

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Dear Sirs:

We are aware that United Technologies Corporation has incorporated by reference our report dated October 25, 1995 (issued pursuant to the provisions of Statement on Auditing Standards No. 71) in the Prospectus constituting part of its 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. 33-57769, 33-45440, 33-11255, 33-26580, 33-26627, 33-28974, 33-51385, 33-58937 and 2-87322). We are also aware of our responsibilities under the Securities Act of 1933.

Yours very truly,

Price Waterhouse LLP

The schedule contains summary financial information extracted from the Condensed Consolidated Balance Sheet at September 30, 1995 (Unaudited) and the Condensed Consolidated Statement of Operations for the nine months ended September 30, 1995 (Unaudited) and is qualified in its entirety by reference to such financial statements.

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DEC-31-1995
JAN-01-1995
SEP-30-1995
904
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4,062
349
2,957
8,636
10,316
5,967
15,741
6,358
1,707
2,225
386
0
1,727
15,741
13,285
16,835
10,944
12,994
702
0
186
1,010
351
563
0
0
0
563
4.28
4.28

UNITED TECHNOLOGIES CORPORATION
SPECIAL RETENTION
AND STOCK APPRECIATION PROGRAM

INTRODUCTION

The Board of Directors Committee on Compensation and Executive Development (the `Committee') of United Technologies Corporation (the `Corporation') has established a special award program for certain key employees whose continued performance and retention is deemed to be important to the future success of the Corporation. The purpose of the Special Retention and Stock Appreciation Program (the `Program') is: (i) to provide certain of the Corporation's employees as selected by the Committee (the `Participants') with a specific performance based incentive award directly linked to shareowner value; and (ii) to enhance the Corporation's ability to retain those of its most valuable employees whom the Committee has selected to participate herein.

PROGRAM AWARDS

Under the Program, certain of the Corporation's senior executives, as determined by the Committee, will be awarded stock appreciation units (the `Units'), as more fully described hereafter and in each Participant's Statement of Award (an `Award'). Units are performance-based Awards that will vest if the Corporation or the Participant's business unit achieves certain objectives as established by the Committee (the `Performance Target'). The Performance Target applicable to an Award and the date by which such Performance Target must be achieved (the `Award Expiration Date') are described in the Statement of Award (see `Vesting of Units'). Awards may also be subject to a combination of time-based vesting criteria and performance-based vesting criteria. The Units can be settled only in cash. In no event may the Committee grant Awards of more than 1,000,000 Units in any calendar year.

VESTING OF UNITS

Units will vest and become immediately redeemable following the achievement of the performance-based and time-based vesting criteria (if applicable), as set forth in the Statement of Award (the `Vesting Date'). Performance-based vesting criteria may be based on a Performance Target such as a specified increase in the value of the Corporation's Common Stock, total shareholder return, or other quantitative performance criteria applicable to the Corporation or the Participant's business unit, as specified by the Committee. If the applicable Performance Target is not achieved prior to the Award Expiration Date or termination of employment, the Units will be forfeited without value (except in the case of death, disability, the occurrence of an event described in `Change of Control' or if otherwise extended by the Committee, as hereafter provided).

VALUE AND PAYMENT OF UNITS

Beginning on the Vesting Date (but in no event prior to the earlier of the date that is six months following the date of the Award or the date of termination of employment by reason of disability, retirement or death), a Participant will be entitled to redeem all or a portion of the Units and receive in exchange a cash payment per Unit equal to the excess of the closing price of Common Stock on the New York Stock Exchange on the date the Participant notifies the Director, Compensation of his or her intention to redeem Units over the closing price of Common Stock on the date the Committee awards the Unit (the `Unit Value'). Following the Vesting Date, the value of the Units will be continuously variable by reference to the price of Common Stock. Accordingly, there can be no guarantee that the future value of the Units will not be less than the value on the Vesting Date.

EXPIRATION OF PROGRAM
The Program expires on June 27, 2005 (the `Program Expiration Date'). No Awards shall be granted after the Program Expiration Date.

EXPIRATION OF AWARDS
Participants will automatically receive a cash payment promptly following an Award Expiration Date equal to the aggregate Unit Value of outstanding vested Units, determined as of the Award Expiration Date.

TERMINATION OF EMPLOYMENT
A.Termination Before Vesting Date
If a Participant's employment with the Corporation terminates prior to the Vesting Date (other than by reason of the death or disability of the Participant or the occurrence of an event described in `Change of Control', as hereafter provided for), all non-vested Units held by the Participant will be forfeited without value as of the termination date, unless the Committee, in its sole discretion, decides to either: (i) extend all or a portion of the non-vested Units for a period of time, as determined by the Committee (not to exceed the Award Expiration Date), in which case such Units will vest if the applicable Performance Target is achieved during the extension period; or (ii) immediately vest all or a portion of the Units without regard to the achievement of the Performance Target, in which case the vested Units will be immediately redeemable, for a period of time as specified by the Committee.

B.Termination After Vesting Date
If a Participant's employment with the Corporation terminates on or after the Vesting Date, the vested Units will be redeemable by the Participant for a period of time following the Termination Date, as determined by the Committee, in its sole discretion (but not beyond the Award Expiration Date).

C.Death
In the event of the death of a Participant, all Units of such Participant then outstanding will be immediately vested (without regard to whether any applicable Performance Target or other vesting criteria have been achieved), effective as of the date of death. Such Units may be redeemed at the applicable Unit Value by the Participant's estate for a period of up to one year following the date of death.

D.Disability
In the event of the termination of a Participant's employment as a result of the Participant's total and permanent disability (as determined under the Corporation's long term disability program), the Participant's then outstanding Units shall be extended until the Award Expiration Date.

CHANGE OF CONTROL
Notwithstanding any other provision herein to the contrary, in the event of a Change of Control of the Corporation, Participants will be fully vested in their Units without regard to the achievement of any Performance Target or other vesting criteria and Participants will be entitled to redeem then outstanding Units at any time following the Change of Control until the Award Expiration Date. The Committee will provide for such other adjustments or modifications with respect to outstanding Units as the Committee may deem appropriate to assure fair and equitable treatment of Participants under the Program in response to: (i) a Change of Control; (ii) an event, which if consummated, would constitute a Change of Control; or (iii) any other significant change pertaining to the ownership of the Corporation and the involuntary or constructive termination of the Participant within two years of such change. With respect to Participants

who participate in the Corporation's Senior Executive Severance Plan, amounts realized from the redemption of Units following accelerated vesting pursuant to this Section are subject to additional `gross up' payments to the extent that excise taxes may be imposed under Internal Revenue Code Section 4999, the amount of such gross up payments to be determined in accordance with the procedures set forth in the Corporation's Senior Executive Severance Program.

For purposes of the Plan, a `Change of Control' means the acquisition of 20% or more of the Corporation's outstanding voting shares by a person or group (as defined in Section 13 (d) (3) of the Securities Exchange Act of 1934) of which such person is a member or a change in the majority of the Board of Directors such that, within any consecutive two-year period, the members of the new majority are not approved by two-thirds of the members incumbent at the beginning of such two-year period. Members approved after such date by two-thirds of such incumbents as of the beginning of such two-year period shall be deemed to be incumbents as of the beginning of such two-year period for purposes of this computation. A merger or consolidation of the Corporation with another company where the Corporation is not the surviving company, a sale of substantially all of the assets of the Corporation, a dissolution or liquidation of the Corporation or other event or transaction having similar effect also constitutes a `Change of Control' for purposes of this Program.

ADJUSTMENT OF PERFORMANCE TARGET, NUMBER OF UNITS

If the Corporation effects a subdivision or consolidation of shares of Common Stock, the number of Units and any Performance Target established by reference to the value of Common Stock on the date of the Award shall be adjusted by the Committee so that the relative value of a Unit, a share of Common Stock and the Performance Target are not affected as a result of any significant change to the Corporation's capital structure. In the case of a stock split with respect to Common Stock, the number of Units will be proportionately increased and the Performance Target and the Unit grant price will be proportionately decreased. Conversely, in the case of a reverse stock split with respect to Common Stock, the number of Units will be decreased proportionately and the Performance Target and the Unit grant price will be increased proportionately. The Committee shall make such adjustments with respect to Units awarded hereunder as it deems necessary or appropriate to prevent the enlargement or dilution of the rights of Participants in the Program in the event of a change in the Corporation's capital structure resulting from: the payment of a special dividend (other than regular quarterly dividends) or other special distributions to shareowners without receiving consideration therefore; the spin-off of a subsidiary; the sale of a substantial portion of the Corporation's assets; the merger, consolidation or acquisition of the Corporation; or other extraordinary non-recurring events or transactions affecting the Corporation's capital structure that the Committee determines to be significant for purposes of this Program.

NONASSIGNABILITY

No assignment or transfer of any interest of the Participant in any of the rights represented by any Award hereunder or any Deferred Account that may be established (as hereinafter described), whether voluntary or involuntary, by operation of law or otherwise shall be permitted except by will or by the laws of descent and distribution. Any attempt to assign such interests shall be void and shall be without force or effect.

AWARDS NOT TO AFFECT OR BE AFFECTED BY CERTAIN TRANSACTIONS

Neither the Program nor the award of Units hereunder shall affect in any way the right or power of the Corporation or its shareowners to make or

authorize: (a) any or all adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital structure or its business; (b) any merger or consolidation of the Corporation; (c) any issue of bonds, debentures, preferred or prior preference stocks holding any priority or preferred to, or otherwise affecting in any respect the Common Stock of the Corporation or the rights of the holders of such Common Stock; (d) the dissolution or liquidation of the Corporation; (e) any sale or transfer of all or any part of its assets or business; or (f) any other corporate act or proceeding.

NOTICES

Every notice or other communication relating to this Program and any Award hereunder shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party. Unless and until some other address has been so designated, all notices by the Participant to the Corporation shall be mailed to or delivered to the Corporation's Director, Compensation at United Technologies Building, MS 504, Hartford, Connecticut 06101, and all notices by the Corporation to the Participant shall be given to the Participant personally or be mailed to the Participant at his or her address as shown on the records of the Corporation.

ADMINISTRATION

This Program and all rights in respect of Units awarded hereunder shall be interpreted and administered by the Committee. The Committee shall establish such procedures as it deems necessary and appropriate to administer the Units in a manner that is consistent with the objectives of the Program.

Any question of administration or interpretation arising under this Program shall be determined by the Committee, such determination to be final and binding upon all parties in interest. The Program is intended to meet the requirements of Rule 16a-1(c)(3)(i) under Section 16(a) of the Securities Exchange Act of 1934, as amended, and shall be interpreted accordingly.

TAXES/WITHHOLDING

The Participant shall be responsible for any income or other tax liability attributable to amounts realized from the Units, except to the extent provided in `Change of Control' with respect to gross up payments for excise taxes under Section 4999 of the Internal Revenue Code. The Corporation shall take such steps as are appropriate to assure compliance with applicable federal, state and local tax withholding requirements. The Corporation shall, to the extent required by law, have the right to deduct directly from any payment due the Participant or from the Participant's regular compensation, all federal, state and local taxes of any kind required by law to be withheld with respect to payments in respect of the redemption of Units.

LIMITATIONS IMPOSED BY SECTION 162(m)

No Award shall be granted hereunder to any individual who at the time of the Award is a `covered employee' within the meaning of Section 162(m) of the Internal Revenue Code. Notwithstanding any other provision hereunder, if and to the extent that the Committee determines that the Company's federal tax deduction in respect of the payment of any amounts due upon the redemption of a Unit may be limited as a result of Section 162(m) of the Internal Revenue Code, the Committee and the Participant may agree to delay the payment in respect of such Units until a date that is within 30 days after the earlier to occur of: (i) the date the Participant ceases to be a `covered employee' within the meaning of Section 162(m) of the Code; or (ii) the occurrence of a Change in Control. In the event that a

Participant desires to redeem Units at a time when the Participant is a `covered employee,' and the Committee and the Participant agree to delay the payment in respect of such Units, the Committee shall then establish a book account for such Participant (the `Deferred Account'). The amount initially credited to such account will equal the cash amount that would otherwise have been paid to the Participant. The Committee will credit additional amounts to such Deferred Account as it may determine in its sole discretion, provided however, that in no event will the amount so credited be less than the average interest rate on 10 year U.S. Treasury Bonds over the preceding 12 month period, plus 1%. Any Deferred Account created hereunder will not be funded in advance and represents only an unfunded unsecured promise by the Company to pay the amount credited thereto to the Participant in the future. In this regard, the Participants' interests in a Deferred Account will be those of a general, unsecured creditor of the Corporation.

RIGHT OF DISCHARGE RESERVED

Nothing in the Program or in any Award granted hereunder shall confer upon any Participant the right to continue in the employment or service of the Corporation or any affiliate thereof for any period of time or affect any right that the Corporation may have to terminate the employment or service of such Participant at any time for any reason.

RIGHT OF COMMITTEE TO REVOKE AWARDS

Notwithstanding any other provision herein, the Committee reserves the right, prior to a Change of Control of the Corporation, to cancel any Award, whether or not the Performance Target has been achieved or the Award has otherwise vested, if the Committee determines that the Participant has engaged in any act or practice with respect to the affairs of the Corporation, whether or not employed by the Corporation at the time, that is materially detrimental to the Corporation, provided, however that the Committee shall not take any such action in an arbitrary or capricious manner.

NATURE OF PAYMENTS

All Awards made pursuant to the Program are in consideration of services performed for the Corporation. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and shall not be taken into account as compensation for purposes of any of the employee benefit plans of the Corporation.

UNFUNDED PROGRAM

The Program is unfunded. Neither the Corporation nor the Board of Directors shall separate assets or establish a trust for the purpose of funding the obligations represented by the Units awarded hereunder. The Corporation's liability to the Program Participants in respect of the Units is based solely upon its contractual obligations created by the Program. In this regard, the Program Participants' rights for payment in respect of the Units or any Deferred Accounts shall be those of a general, unsecured creditor of the Corporation.

AMENDMENT AND TERMINATION

The Committee reserves the right to amend, suspend or terminate the Program at any time provided that any such actions shall not have the effect of reducing the value of Participants' interests in this Program, determined as of the date of any such action. Upon the termination of the Program and without regard to any other provision hereof, the Committee may, in its discretion, elect to cancel all of the outstanding Units by paying each Participant the Unit Value with respect to each canceled Unit.

GOVERNING LAW
The Program shall be governed by and construed in accordance with the laws of the State of Connecticut.

ELECTION TO PARTICIPATE
An Award recipient may elect to participate in this Program by returning one signed copy of the Statement of Award to the Director, Compensation, United Technologies Corporation, MS-504, United Technologies Building, Hartford, CT 06101.

The schedule contains restated summary financial information extracted from the Condensed Consolidated Balance Sheet at September 30, 1994 (Unaudited) and the Condensed Consolidated Statement of Operations for the nine months ended September 30, 1994 (Unaudited) and is qualified in its entirety by reference to such financial statements.

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