

UNITED TECHNOLOGIES CORP /DE/  
Form 10-Q  
October 26, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON D.C. 20549**

**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

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 06103**

**(860) 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No .

At September 30, 2012 there were 916,544,528 shares of Common Stock outstanding.

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**UNITED TECHNOLOGIES CORPORATION**

**AND SUBSIDIARIES**

**CONTENTS OF QUARTERLY REPORT ON FORM 10-Q**

**Quarter Ended September 30, 2012**

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United Technologies Corporation and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or tradenames of United Technologies Corporation and its subsidiaries. Names, abbreviations of names, logos, and products and service designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. As used herein, the terms "we," "us," "our" or "UTC," unless the context otherwise requires, mean United Technologies Corporation and its subsidiaries.

**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements****UNITED TECHNOLOGIES CORPORATION****AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****(Unaudited)**

<b>(Dollars in millions, except per share amounts)</b>	<b>Quarter Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>Net Sales:</b>		
Product sales	\$ 10,839	\$ 9,992
Service sales	4,203	4,243
	15,042	14,235
<b>Costs and Expenses:</b>		
Cost of products sold	8,278	7,519
Cost of services sold	2,725	2,819
Research and development	590	465
Selling, general and administrative	1,619	1,512
	13,212	12,315
Other income, net	211	231
Operating profit	2,041	2,151
Interest expense, net	216	139
Income from continuing operations before income taxes	1,825	2,012
Income tax expense	484	628
Net income from continuing operations	1,341	1,384
<b>Discontinued operations (Note 2):</b>		
Income from operations	91	52
Loss on disposal	(26)	
Income tax benefit (expense)	105	(15)
Net income on discontinued operations	170	37
<b>Net income</b>	<b>1,511</b>	<b>1,421</b>
Less: Noncontrolling interest in subsidiaries earnings	96	97

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<b>Net income attributable to common shareowners</b>	<b>\$ 1,415</b>	<b>\$ 1,324</b>
<b>Comprehensive income</b>	<b>\$ 2,546</b>	<b>\$ 526</b>
Less: Comprehensive income attributable to noncontrolling interests	119	72
<b>Comprehensive income attributable to common shareowners</b>	<b>\$ 2,427</b>	<b>\$ 454</b>
Net income attributable to common shareowners:		
Net income from continuing operations	\$ 1,247	\$ 1,290
Net income from discontinued operations	\$ 168	\$ 34
Earnings Per Share of Common Stock - Basic:		
Net income from continuing operations	\$ 1.39	\$ 1.45
Net income attributable to common shareowners	\$ 1.58	\$ 1.49
Earnings Per Share of Common Stock - Diluted:		
Net income from continuing operations	\$ 1.37	\$ 1.43
Net income attributable to common shareowners	\$ 1.56	\$ 1.47
See accompanying Notes to Condensed Consolidated Financial Statements		

**Table of Contents****UNITED TECHNOLOGIES CORPORATION****AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****(Unaudited)**

<b>(Dollars in millions, except per share amounts)</b>	<b>Nine Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>Net Sales:</b>		
Product sales	\$ 28,843	\$ 28,900
Service sales	12,422	12,477
	41,265	41,377
<b>Costs and Expenses:</b>		
Cost of products sold	21,724	21,650
Cost of services sold	8,143	8,308
Research and development	1,659	1,427
Selling, general and administrative	4,657	4,538
	36,183	35,923
Other income, net	851	547
Operating profit	5,933	6,001
Interest expense, net	513	429
Income from continuing operations before income taxes	5,420	5,572
Income tax expense	1,257	1,731
Net income from continuing operations	4,163	3,841
<b>Discontinued operations (Note 2):</b>		
Income from operations	118	201
Loss on disposal	(1,197)	
Income tax benefit (expense)	256	(90)
Net (loss) income on discontinued operations	(823)	111
<b>Net income</b>	<b>3,340</b>	<b>3,952</b>
Less: Noncontrolling interest in subsidiaries earnings	267	298
<b>Net income attributable to common shareowners</b>	<b>\$ 3,073</b>	<b>\$ 3,654</b>
<b>Comprehensive income</b>	<b>\$ 4,171</b>	<b>\$ 3,968</b>
Less: Comprehensive income attributable to noncontrolling interests	271	311

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<b>Comprehensive income attributable to common shareowners</b>	<b>\$ 3,900</b>	<b>\$ 3,657</b>
Net income (loss) attributable to common shareowners:		
Net income from continuing operations	\$ 3,902	\$ 3,551
Net (loss) income from discontinued operations	\$ (829)	\$ 103
Earnings Per Share of Common Stock - Basic:		
Net income from continuing operations	\$ 4.37	\$ 3.97
Net income attributable to common shareowners	\$ 3.44	\$ 4.09
Earnings Per Share of Common Stock - Diluted:		
Net income from continuing operations	\$ 4.31	\$ 3.91
Net income attributable to common shareowners	\$ 3.39	\$ 4.02

See accompanying Notes to Condensed Consolidated Financial Statements

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**UNITED TECHNOLOGIES CORPORATION**  
**AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**(Unaudited)**

(Dollars in millions)	September 30, 2012	December 31, 2011
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 6,242	\$ 5,960
Accounts receivable, net	10,610	9,546
Inventories and contracts in progress, net	10,467	7,797
Future income tax benefits, current	1,474	1,662
Assets of discontinued operations	1,884	
Other assets, current	1,008	793
<b>Total Current Assets</b>	<b>31,685</b>	<b>25,758</b>
Customer financing assets	1,185	1,035
Future income tax benefits	1,541	2,387
Fixed assets	17,861	15,980
Less: Accumulated depreciation	(9,622)	(9,779)
<b>Fixed assets, net</b>	<b>8,239</b>	<b>6,201</b>
Goodwill	27,630	17,943
Intangible assets, net	15,146	3,918
Other assets	6,520	4,210
<b>Total Assets</b>	<b>\$ 91,946</b>	<b>\$ 61,452</b>
<b><u>Liabilities and Equity</u></b>		
Short-term borrowings	\$ 5,224	\$ 630
Accounts payable	6,156	5,570
Accrued liabilities	14,600	12,287
Liabilities of discontinued operations	405	
Long-term debt currently due	67	129
<b>Total Current Liabilities</b>	<b>26,452</b>	<b>18,616</b>