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 June 30, 1994

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

United Technologies Building, 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 June 30, 1994 there were 126,312,240 shares of Common Stock outstanding.

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AND SUBSIDIARIES

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UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Three Months Ended June 30, 1994	1993
Revenues:		
Product sales	$ 4,278	$ 4,489
Service sales	1,028	1,019
Financing revenues and other income, net	183	62
	5,489	5,570
Costs and expenses:		
Cost of products sold	3,571	3,674
Cost of services sold	631	646
Research and development	261	286
Selling, general and administrative	648	660
Interest	63	64
	5,174	5,330
Income before income taxes and minority interests	315	240
Income taxes	117	87
Minority interests	26	23
Net Income	$ 172	$ 130
Preferred Stock Dividend Requirement	$ 11	$ 10
Earnings Applicable to Common Stock	$ 161	$ 120
Per share of Common Stock:		
Primary earnings	$ 1.25	$ .95
Fully diluted earnings	$ 1.18	$ .89
Dividends	$ .45	$ .45
Average shares outstanding (in thousands):		
Primary	129,312	125,455
Fully diluted	141,887	138,269

See Accompanying Notes

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Six Months Ended June 30, 1994	1993
Revenues:		
Product sales	$ 8,060	$ 8,233
Service sales	1,991	2,000
Financing revenues and other income, net	276	201
	10,327	10,434
Costs and expenses:		
Cost of products sold	6,697	6,803
Cost of services sold	1,240	1,266
Research and development	501	569
Selling, general and administrative	1,251	1,287
Interest	119	132
	9,808	10,057
Income before income taxes and minority interests	519	377
Income taxes	192	143
Minority interests	49	40
Net Income	$ 278	$ 194
Preferred Stock Dividend Requirement	$ 22	$ 21
Earnings Applicable to Common Stock	$ 256	$ 173
Per share of Common Stock:		
Primary earnings	$ 1.98	$ 1.38
Fully diluted earnings	$ 1.89	$ 1.31
Dividends	$ .90	$ .90
Average shares outstanding (in thousands):		
Primary	129,235	125,043
Fully diluted	141,831	137,874

See Accompanying Notes

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

In Millions of Dollars	June 30, 1994	December 31, 1993
Assets		
Cash and short-term cash investments	$ 567	$ 421
Accounts receivable	3,454	2,981
Future income tax benefits	687	794
Inventories and contracts in progress, net	3,276	3,153
Other current assets	243	357
Total Current Assets	8,227	7,706
Fixed assets	9,983	9,796
Less - accumulated depreciation	(5,516)	(5,231)
	4,467	4,565
Other assets	3,152	3,347
Total Assets	$ 15,846	$ 15,618
Liabilities and Shareowners' Equity		
Short-term debt	$ 1,236	$ 1,020
Accounts payable	1,599	1,815
Accrued liabilities	2,876	2,965
Accrued restructuring costs	214	245
Other current liabilities	901	875
Total Current Liabilities	6,826	6,920
Future income taxes payable	198	177
Long-term debt	1,954	1,939
Other long-term liabilities	2,977	2,808
Series A ESOP Convertible Preferred Stock	919	822
ESOP deferred charge and note receivable	(735)	(646)
	184	176
Shareowners' Equity:		
Common Stock	2,128	2,075
Treasury stock	(729)	(677)
Retained earnings	2,609	2,466
Deferred foreign currency translation adjustments	(262)	(227)
Minimum pension liability adjustment	(39)	(39)
	3,707	3,598
Total Liabilities and Shareowners' Equity	$ 15,846	$ 15,618

See Accompanying Notes

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

In Millions of Dollars	Six Months Ended June 30, 1994	1993
Cash flows from operating activities:		
Net income	$ 278	$ 194
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	415	391
Increase in accounts receivable and inventories, net of progress payments	(496)	(76)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(407)	(536)
Future income taxes payable and future income tax benefits	122	117
Advances on sales contracts	55	53
Other, net	171	90
Net Cash Flows from Operating Activities	138	233
Cash flows from investing activities:		
Purchases of fixed assets	(290)	(350)
Acquisitions of business interests	(83)	-
Dispositions of business interests	227	-
(Increase) decrease in customer financings, net	105	(114)
Other, net	10	49
Net Cash Flows from Investing Activities	(31)	(415)
Cash flows from financing activities:		
Issuance of long-term debt	29	15
Repayments of long-term debt	(113)	(543)
Increase in short-term borrowings, net	300	830
Dividends paid on Common and ESOP Preferred Stocks	(135)	(133)
Common Stock repurchase	(52)	-
Other, net	32	(4)
Net Cash Flows from Financing Activities	61	165
Effect of foreign exchange rate changes on cash and short-term cash investments	(22)	(7)
Net Increase (Decrease) in Cash and Short-Term Cash Investments	146	(24)
Cash and Short-Term Cash Investments, Beginning of year	421	354
Cash and Short-Term Cash Investments, End of period	$ 567	$ 330
Supplemental Disclosure of Cash Flow Information:		
Interest paid, net of amounts capitalized	$ 96	$ 126
Income taxes paid, net of refunds	67	25

See Accompanying Notes

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The condensed consolidated financial statements at June 30, 1994 and for the three-month and six-month periods ended June 30, 1994 and 1993 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 1993 amounts have been reclassified to conform with the presentation at June 30, 1994.

In January 1994, the Corporation issued 1.4 million additional Series A Convertible Preferred shares to the ESOP. As required, these shares will be accounted for under the recently issued AICPA Statement of Position (SOP) 93-6, "Employers' Accounting for Employee Stock Ownership Plans," and will be considered outstanding as they are committed to employee accounts. The Corporation is considering adopting SOP 93-6 relative to its previously issued ESOP Convertible Preferred shares which is optional under the SOP.

While there has been no significant change in the Corporation's material contingencies during 1994, the matters previously described in Note 13 of Notes to Financial Statements in the Corporation's Annual Report on Form 10K for calendar year 1993 are summarized below.

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 87 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.

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.

UNITED TECHNOLOGIES CORPORATION
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With respect to the unaudited condensed consolidated financial information of United Technologies Corporation for the three and six-month periods ended June 30, 1994 and 1993, 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 July 20, 1994 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 six-month periods ended June 30, 1994 and 1993, the condensed consolidated statement of cash flows for the six months ended June 30, 1994 and 1993, and the condensed consolidated balance sheet as of June 30, 1994. 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, 1993, 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, 1994, 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, 1993, 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
July 20, 1994

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL POSITION

BUSINESS ENVIRONMENT

The Corporation's major business units serve commercial property and residential housing, government and commercial aerospace, and automotive manufacturing customers. Like many businesses, these operations are increasingly affected by global, as well as regional, economic cycles. While the U.S. economy continues to strengthen, the results of key international economies are mixed and are expected to continue to exert a negative influence on the Corporation's results of operations in the near term.

U.S. residential housing starts continued to increase, up 18% in the first half of 1994 over the same period in 1993, however, commercial construction starts remain weak. U.S. commercial vacancy rates have improved only marginally from the 1992 peak of 18%. Construction activity in Europe and Japan remains weak while activity in China and other Asia-Pacific countries continues to strengthen.

Although several domestic airlines have begun to record operating profits for the first time in several years, the commercial airline industry continues to be adversely affected by and respond to global market weakness. The financial performance of the Corporation's Pratt & Whitney segment and, to a lesser extent, the Flight Systems segment is directly correlated to the commercial aerospace industry. The Pratt & Whitney segment is a major supplier of commercial aircraft engines and spare parts. The Flight Systems segment, through Hamilton Standard, provides fuel and environmental control systems and propellers for commercial aircraft. While the order rates for commercial aircraft engine spare parts have shown modest improvement, new commercial aircraft volumes continue to decrease.

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 over the past few years. This trend has been partially offset by increased foreign military sales.

North American car and light truck production increased 11% (738,000 units) in the first six months of 1994 over the comparable period in 1993. Although slightly improved, the European market continues to be adversely affected by the lingering recession in Europe and is expected to underperform the North American market in the near future.

In the first quarter of 1994, certain revisions were made in the Corporation's segment reporting. The Corporation's USBI and Chemical Systems businesses have been reclassified into the Pratt & Whitney segment from the Flight Systems segment. In addition, the non-UT Automotive portion of the Automotive segment, a small amount representing the remainder of the former Industrial Products segment, and the Other segment have been reclassified to Financing Revenues and Other Income. These segment reporting changes are intended to align external reporting with the manner in which the operating units are managed and measured from an internal profitability perspective. Previously reported segment information has been restated to reflect these changes.

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RESULTS OF OPERATIONS

In Millions of Dollars	Quarter Ended June 30, 1994	Quarter Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Product sales	$ 4,278	$ 4,489	$ 8,060	$ 8,233
Service sales	1,028	1,019	1,991	2,000
Financing revenues and other income, net	183	62	276	201

Consolidated revenues decreased $81 million and $107 million for the three-month and six-month periods ended June 30, 1994, respectively, from the comparable 1993 periods. Increases in sales volumes in the Carrier and Automotive segments were substantially offset by the impact of continuing reductions in commercial aerospace volumes in the Pratt & Whitney segment. The overall stronger U.S. dollar relative to the prior year periods negatively impacted both product and service sales in the quarter and six-month periods ended June 30, 1994. Financing revenues and other income increased in the 1994 second quarter and six-month periods by $121 million and $75 million, respectively, from the corresponding 1993 periods. Other income in the 1994 second quarter includes $87 million realized in the Flight Systems segment on the sale of the equity share holdings in Westland Group plc. in April 1994. The increase in the 1994 second quarter also includes the sale of an additional participation interest in the PW4000 engine program by Pratt & Whitney.

Revenues for the Corporation's principal business segments for the three-month and six-month periods ended June 30, 1994 and 1993 and analysis of the variations for 1994 compared to 1993 follow:

In Millions of Dollars	Quarter Ended June 30, 1994	Quarter Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Pratt & Whitney	$ 1,478	$ 1,768	$ 2,838	$ 3,246
Flight Systems	854	802	1,660	1,636
Carrier	1,346	1,237	2,358	2,175
Otis	1,136	1,141	2,190	2,199
Automotive	695	639	1,308	1,205

Pratt & Whitney segment revenues for the second quarter of 1994 and the six-month period ended June 30, 1994 decreased $290 million (16%) and $408 million (13%), respectively, from the comparable 1993 periods. Also, the 1993 second quarter included revenues resulting from the renegotiation of certain aircraft leases. During the 1994 periods, shipments of commercial engines and sales of government spare parts were lower than the 1993 periods, partially offset by higher commercial spare parts sales and military engine shipments.

Excluding the gain on the sale of the equity share holdings in Westland Group plc., Flight Systems segment revenues decreased $35 million (4%) and $63 million (4%) in the 1994 second quarter and six-month period, respectively, from the same 1993 periods. Helicopter revenues increased in both periods of 1994 over 1993 primarily as a result of higher aircraft volumes. Increased deliveries of Black Hawk helicopters to the U.S. Government during 1994 offset the higher deliveries of aircraft to the Turkish government in 1993. These increases were

more than offset by continuing reductions in commercial aerospace volumes at Hamilton Standard.

Carrier segment revenues increased $109 million (9%) and $183 million (8%) for the three-month and six-month periods ended June 30, 1994, respectively, over the comparable 1993 periods. Revenues were higher in all geographic regions except Europe, where lower volumes and the unfavorable translation impact of the U.S. dollar continue to negatively impact revenues.

Otis segment revenues were substantially unchanged in the 1994 second quarter and six-month period from the same 1993 periods. Increased revenues in the Asia-Pacific region were offset by the $51 million and $89 million negative translation impact of the U.S. dollar in the second quarter and first six months of 1994, respectively.

Revenues from the Automotive segment increased $56 million (9%) and $103 million (9%) in the 1994 second quarter and six-month period, respectively, over comparable 1993 amounts primarily due to higher North American industry volumes and increased European market penetration. North American car and light truck production was up 10% in the second quarter of 1994 from the second quarter of 1993 and has increased approximately 11% in the 1994 six-month period over the corresponding 1993 period. Automotive North American revenues increased at a slightly lower rate than the overall industry due primarily to capacity constraints on some popular vehicle models with significant UT Automotive content.

Margin information on the Corporation's product and service sales for the three-month and six-month periods ended June 30, 1994 and 1993 follows:

In Millions of Dollars	Quarter Ended June 30, 1994	Quarter Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Cost of products sold	$ 3,571	$ 3,674	$ 6,697	$ 6,803
Product margin %	16.5% *	18.2%	16.9% *	17.4%
Cost of services sold	631	646	1,240	1,266
Service margin %	38.6%	36.6%	37.7%	36.7%

* Product margin percentages for the quarter and six months ended June 30, 1994 were 18.5% and 18.0%, respectively, before the impact of charges for downsizing and other actions described below.

Operating profits in the Corporation's principal business segments for the three-month and six-month periods ended June 30, 1994 and 1993 and analysis of the variations for 1994 compared to 1993 are presented below.

In the 1994 second quarter management approved certain volume related downsizing and other actions at Pratt & Whitney and at the Hamilton Standard division of Flight Systems. These included workforce reduction plans at Pratt & Whitney in Canada and at Hamilton Standard, the writedown of property held for sale, the closure and consolidation of certain facilities and, at Hamilton Standard, the disposition of certain lower margin product lines. These actions resulted in charges of $50 million and $35 million, respectively, in the Pratt & Whitney and Flight Systems operating results for the quarter.

In Millions of Dollars	Quarter Ended June 30, 1994 With	1994 Without	1993	Six Months Ended June 30, 1994 With	1994 Without	1993
Pratt & Whitney	$ 53	$ 103	$ 22	$ 137	$ 187	$ 46
Flight Systems	99	47	80	146	94	151
Carrier	107	107	85	125	125	93
Otis	101	101	98	198	198	192
Automotive	56	56	54	100	100	91

Operating profits for 1994 are shown above with and without the effect of the downsizing and other actions described above and of the $87 million gain realized in Flight Systems on the sale of the equity share holdings in Westland Group plc. For analysis and comparison, the discussions below will be based on 1994 operating results without the effect of the downsizing charges and the Westland gain.

Pratt & Whitney segment operating profits increased $81 million and $141 million for the 1994 second quarter and six-month period, respectively, from the comparable 1993 periods. Pratt's operating profit increased due to higher commercial spare parts sales over the depressed level of the prior year, reduced research and development spending, and for the second quarter, the sale of an additional participation interest in the PW4000 engine program. The improvements were partially offset by the impact of higher manufacturing cost estimates on commercial engine contracts, principally related to higher initial production costs on the PW4084 engine.

Flight Systems operating profits decreased $33 million (41%) and $57 million (38%) in the three-month and six-month periods ended June 30, 1994 from the comparable 1993 periods. Improved performance at Sikorsky, primarily from increased helicopter deliveries, was more than offset by lower commercial aerospace volumes and higher engineering and other product development costs at Hamilton Standard. Lower 1994 results at Hamilton Standard are expected to negatively impact full year results for the Flight Systems segment.

Carrier segment operating profits for the second quarter and six-month period ended June 30, 1994 increased $22 million (26%) and $32 million (34%), respectively, over the comparable 1993 periods primarily due to improved results in North America and at Carrier's Transicold business. These increases were partially offset by lower 1994 results in Europe.

Otis 1994 second quarter segment operating profits increased from the comparable 1993 period by $3 million (3%). Operating profits for the 1994 six-month period increased by $6 million (3%) over 1993. Excluding the translation impact of the U.S. dollar, operating profits increased $11 million and $21 million in the second quarter and first half of 1994, respectively. Operating profits excluding the translation impact improved in all regions during the second quarter and first six months of 1994 over 1993 except for North America, where second quarter 1994 results were essentially unchanged from the same period in 1993.

Automotive segment operating profits for the three and six-month periods ended June 30, 1994 increased by $2 million (4%) and $9 million (10%), respectively, over the comparable 1993 periods. The increases are primarily attributable to higher North American volumes and increased market penetration

in Europe. Partially offsetting these improvements were higher launch costs in support of new customers and new business awards in North America.

Research and development expenses decreased $25 million (9%) and $68 million (12%) in the second quarter and first six-months of 1994, respectively, from the comparable 1993 periods. The decreases occurred mainly at Pratt & Whitney where the development phases of the PW4084 and PW4168 commercial engine programs are reaching maturity.

Selling, general and administrative expenses for the second quarter of 1994 decreased $12 million (2%) in comparison with the corresponding 1993 period and decreased $36 million (3%) in the 1994 six-month period from 1993. The decreases resulted principally 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.

Interest expense decreased $1 million (2%) and $13 million (10%) in the second quarter and first six months of 1994, respectively, primarily as a result of the Corporation's cash management and debt reduction programs, partially offset by the effect of slightly higher interest rates.

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, 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	Six Months Ended June 30, 1994	1993
Net Cash Flows from Operating Activities	$ 138	$ 233
Purchases of fixed assets	$ (290)	$ (350)
Acquisitions of business interests	(83)	-
Dispositions of business interests	227	-
Customer financing activities, net	105	(114)
Other investing activities	10	49
Net Cash Flows from Investing Activities	$ (31)	$ (415)
Net Cash Flows from Financing Activities	$ 61	$ 165

Cash inflow from operations was $138 million during the six-month period ended June 30, 1994 versus $233 million in the corresponding period of 1993. During the second quarter 1994, the Corporation paid $150 million to the U.S. Government for a previously reported settlement by Sikorsky Aircraft. The amount of the settlement was accrued in prior years.

During the second quarter 1994, the Corporation received proceeds of approximately $227 million from the sales of the equity share holdings in

Westland Group plc. and the net operating assets (excluding real property) of its Norden subsidiary. Also during the 1994 second quarter, the Corporation invested $83 million for acquisitions, principally to acquire minority shareowners' interests in Otis and Carrier subsidiaries in Europe.

Customer financing was a net source of funds during the first six months of $105 million primarily due to lower customer financing requirements and the sale of certain customer financing assets.

Financing activities include the use of $52 million for the repurchase, commencing in April 1994, of approximately 800,000 shares of the Corporation's common stock under a previously announced program to repurchase shares to counter the dilutive effect of shares issued under employee compensation and benefit programs.

Selected financial data as of June 30, 1994, December 31, 1993 and June 30, 1993 follows:

In Millions of Dollars	June 30, 1994	December 31, 1993	June 30, 1993
Net working capital	$ 1,401	$ 786	$ 827
Current asset ratio	1.2 to 1	1.1 to 1	1.1 to 1
Short-term borrowings and current portion of long-term debt	$ 1,236	$ 1,020	$ 1,418
Long-term debt	1,580	1,560	1,644
Capital lease obligations	374	379	400
Shareowners' equity	3,707	3,598	3,446
Debt to total capitalization	46%	45%	50%

The Corporation's ratio of debt to total capitalization at June 30, 1994 decreased four percentage points from the same date one year earlier as a result of operating results and improved cash flow. Due to seasonal impacts affecting the Corporation's businesses, the June 30, 1994 debt to total capitalization ratio is slightly higher than the ratio at the end of the prior year.

As previously disclosed, the Corporation filed a registration statement with the Securities and Exchange Commission on January 19, 1994 pursuant to its plan to sell to the public a 40 percent equity interest in UT Automotive, the Corporation's Automotive segment. The Corporation has postponed the offering of 17.8 million shares of UT Automotive in light of current market conditions. The company will continue to monitor the market.

For a description of the Corporation's material contingencies, refer to Notes to Condensed Consolidated Financial Statements at pages 5 and 6 of this report and Part I, Item 3 - Legal Proceedings of the Corporation's Annual Report on Form 10K for calendar year 1993.

Part II - Other Information

Item 1. Legal Proceedings

In August of 1994, UT Automotive reached agreement with the Michigan Department of Natural Resources (MDNR) concerning alleged violations of certain provisions of an air permit for its Niles, Michigan facility which MDNR asserted were violations of a Consent Judgment between MDNR and UTA (Consent Judgment No. 92-1811-CET, Berrien County Circuit Court). Costs and penalties associated with the settlement agreement are less than $100,000. The matter which was previously reported in the Corporation's Annual Report on Form 10K for the calendar year 1993 is now concluded.

Other than the matter described above, there has been no material change in legal proceedings during the second quarter of 1994. (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 1993.)

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

(a) The Corporation held its Annual Meeting of Shareowners on April 18, 1994.

(b) The following individuals were nominated and elected to serve as directors:

Howard H. Baker, Jr., Antonia H. Chayes, Robert F. Daniell, George David, Robert F. Dee, Charles W. Duncan, Jr., Pehr G. Gyllenhammar, Gerald D. Hines, Charles R. Lee, Robert H. Malott, and Jacqueline G. Wexler.

(c) The shareowners voted as follows on the following matters:

1. Election of directors. The voting result for each nominee is as follows: Howard H. Baker, Jr. - 121,390,292 votes for, 860,055 votes withheld, Antonia Handler Chayes - 121,434,345 votes for, 816,002 votes withheld, Robert F. Daniell - 121,398,828 votes for, 851,519 votes withheld, George David - 121,387,341 votes for, 863,006 votes withheld, Robert F. Dee - 121,405,615 votes for, 844,732 votes withheld, Charles W. Duncan, Jr. - 121,419,945 votes for, 830,402 votes withheld, Pehr G. Gyllenhammer - 121,413,320 votes for, 837,027 votes withheld, Gerald D. Hines - 121,442,511 votes for, 807,836 votes withheld, Charles R. Lee - 121,469,919 votes for, 780,428 votes withheld, Robert H. Malott - 121,456,298 votes for, 794,049 votes withheld, and Jacqueline G. Wexler -121,350,102 votes for, 900,245 votes withheld.

2. Appointment of auditors. The proposal was approved by a count of 121,296,673 votes for, 418,845 votes against, and 534,829 votes abstaining.

3. A shareowner proposal recommending that the Corporation provide to shareowners a list of all executives contractually entitled to receive a base salary in excess of $100,000 annually. The proposal was rejected by a count of 21,462,220 votes for, 89,243,312 votes against, with 3,369,313 votes abstaining, and 8,175,502 broker non-votes.

4. A shareowner proposal recommending that the Corporation implement or increase activity on each of the nine MacBride Principles. The proposal was rejected by a count of 6,233,144 votes for, 98,278,953 votes against, with 9,562,748 votes abstaining, and 8,175,502 broker non-votes.

5. A shareowner proposal recommending that the Corporation provide a comprehensive report to shareowners regarding foreign military sales. The proposal was rejected by a count of 3,463,443 votes for, 101,269,440 votes against, with 9,341,962 votes abstaining, and 8,175,502 broker non-votes.

6. A shareowner proposal recommending that the Corporation endorse the Code of Conduct for Business Operating in South Africa. The proposal was rejected by a count of 5,551,792 votes for, 97,146,682 votes against, with 11,376,371 votes abstaining, and 8,175,502 broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

(11) Computation of per share earnings
(12) Computation of ratio of earnings to fixed charges
(15) Letter re unaudited interim financial information.

(b) No Reports on Form 8-K were filed during the quarter ended June 30, 1994.

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: August 10, 1994 By: STEPHEN F.
PAGE

Stephen F. Page
Executive Vice President and
Chief Financial Officer

Dated: August 10, 1994 By: GEORGE E.
MINNICH

George E. Minnich
Vice President and Controller

Dated: August 10, 1994 By: WILLIAM H.
TRACHSEL

William H. Trachsel
Vice President and Secretary

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

EXHIBIT INDEX

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 11

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

COMPUTATION OF PER SHARE EARNINGS

In Millions of Dollars (except per share amounts)	Three Months Ended June 30, 1994	1993
Earnings applicable to Common Stock	$ 161	$ 120
Add back of Common Stock dividend upon assumed conversion of ESOP Preferred Stock	6	4
Fully diluted net earnings for period	$ 167	$ 124
Average number of common shares outstanding during period (four month-end average)	129,311,829	125,454,729
Fully diluted average number of common shares outstanding, assuming all outstanding convertible securities had been converted on the dates of issue	141,886,872	138,268,674
Primary earnings per common share	$ 1.25	$ .95
Fully diluted earnings per common share	$ 1.18	$ .89

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Exhibit 11

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

COMPUTATION OF PER SHARE EARNINGS

In Millions of Dollars (except per share amounts)	Six Months Ended June 30, 1994	1993

Earnings applicable to Common Stock	$ 256	$ 173
Add back of Common Stock dividend upon assumed conversion of ESOP Preferred Stock	12	8
Fully diluted net earnings for period	$ 268	$ 181
Average number of common shares outstanding during period (seven month-end average)	129,235,103	125,043,142
Fully diluted average number of common shares outstanding, assuming all outstanding convertible securities had been converted on the dates of issue	141,831,481	137,874,216
Primary earnings per common share	$ 1.98	$ 1.38
Fully diluted earnings per common share	$ 1.89	$ 1.31

Exhibit 12

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

In Millions of Dollars	Six Months Ended June 30, 1994	1993
Fixed Charges:		
Interest on indebtedness	$ 119	$ 132
Interest capitalized	12	15
One-third of rents*	51	58
Total Fixed Charges	$ 182	$ 205
Earnings:		
Income before income taxes and minority interests	$ 519	$ 377
Fixed charges per above	182	205
Less: interest capitalized	(12)	(15)
	170	190
Amortization of interest capitalized	22	21
Total Earnings	$ 711	$ 588
Ratio of Earnings to Fixed Charges	3.91	2.87

* Reasonable approximation of the interest factor.

Exhibit 15

August 10, 1994

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 July 20, 1994 (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, and 33-6452) and Form S-8 (Nos. 33-45440, 33-11255, 33-26580, 33-26627, 33-28974, 33-51385, and 2-87322). We are also aware of our responsibilities under the Securities Act of 1933.

Yours very truly,

Price Waterhouse LLP