

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C.  
20549

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

For the quarterly period ended March 31, 1996

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

(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, and (2) has been subject to such filing requirements for the past 90 days. Yes  . No  .

At March 31, 1996 there were 121,792,164 shares of Common Stock outstanding.



UNITED TECHNOLOGIES CORPORATION  
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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 March 31,	
	1996	1995
Revenues:		
Product sales	\$ 4,260	\$ 4,252
Service sales	1,189	1,066
Financing revenues and other income, net	44	26
	5,493	5,344
Costs and expenses:		
Cost of products sold	3,480	3,528
Cost of services sold	729	655
Research and development	250	218
Selling, general and administrative	683	629
Interest	58	62
	5,200	5,092
Income before income taxes and minority interests	293	252
Income taxes	99	88
Minority interests	30	29
Net Income	\$ 164	\$ 135
Earnings per share of common stock and common stock equivalents		
	\$ 1.24	\$ 1.03
Dividends per share of common stock		
	\$ .55	\$ .50
Average common and equivalent shares outstanding (in thousands)		
	131,298	130,071

See Accompanying Notes



UNITED TECHNOLOGIES CORPORATION  
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CONDENSED CONSOLIDATED BALANCE SHEET

In Millions of Dollars	March 31, 1996 (Unaudited)	December 31, 1995
Assets		
Cash and cash equivalents	\$ 1,088	\$ 900
Accounts receivable, net	3,495	3,682
Inventories and contracts in progress, net	3,259	2,954
Future income tax benefits	908	950
Other current assets	419	466
Total Current Assets	9,169	8,952
Fixed assets	10,403	10,326
Less - accumulated depreciation	(6,063)	(5,906)
	4,340	4,420
Other assets	2,517	2,586
Total Assets	\$ 16,026	\$ 15,958
Liabilities and Shareowners' Equity		
Short-term borrowings	\$ 316	\$ 294
Accounts payable	1,951	2,084
Accrued liabilities	4,231	4,183
Long-term debt currently due	95	98
Total Current Liabilities	6,593	6,659
Long-term debt	1,641	1,649
Future pension and postretirement benefit obligations	1,426	1,399
Other long-term liabilities	1,885	1,832
Series A ESOP Convertible Preferred Stock	888	892
ESOP deferred compensation	(480)	(494)
	408	398
Shareowners' Equity:		
Common Stock	2,272	2,249
Treasury Stock	(1,230)	(1,168)
Retained earnings	3,339	3,252
Currency translation and pension liability adjustments	(308)	(312)
	4,073	4,021
Total Liabilities and Shareowners' Equity	\$ 16,026	\$ 15,958

See Accompanying Notes





UNITED TECHNOLOGIES CORPORATION  
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(Unaudited)

In Millions of Dollars	Three Months Ended March 31,	
	1996	1995
Cash flows from operating activities:		
Net income	\$ 164	\$ 135
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	209	207
Change in:		
Accounts receivable	193	129
Inventories and contracts in progress	(316)	(239)
Accounts payable and accrued liabilities	(89)	(180)
Other, net	172	53
Net Cash Flows from Operating Activities	333	105
Cash flows from investing activities:		
Capital expenditures	(129)	(148)
Acquisitions of business units	(26)	(10)
Dispositions of business units	30	1
Decrease in customer financing assets, net	102	90
Other, net	16	12
Net Cash Flows from Investing Activities	(7)	(55)
Cash flows from financing activities:		
Repayments of long-term debt	(20)	(27)
Increase in short-term borrowings, net	2	116
Dividends paid on Common Stock	(67)	(62)
Common Stock repurchase	(62)	(17)
Other, net	11	10
Net Cash Flows from Financing Activities	(136)	20
Effect of foreign exchange rate changes on cash and cash equivalents	(2)	5
Net Increase in Cash and Cash Equivalents	188	75
Cash and Cash Equivalents, Beginning of year	900	386
Cash and Cash Equivalents, End of period	\$ 1,088	\$ 461

See Accompanying Notes



UNITED TECHNOLOGIES CORPORATION  
AND SUBSIDIARIESNOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

The condensed consolidated financial statements at March 31, 1996 and for the three-month periods ended March 31, 1996 and 1995 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 1995 amounts have been reclassified to conform with the presentation at March 31, 1996.

## Employee Benefit Plans

The aggregate amount set aside under the Annual Executive Incentive Compensation Plan in the Corporate Fund for 1995 was approximately \$10 million.

## Contingent Liabilities

While there has been no significant change in the Corporation's material contingencies during 1996, the matters previously described in Note 15 of Notes to Financial Statements in the Corporation's Annual Report on Form 10-K for calendar year 1995 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.



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The Corporation has had liability and property insurance in force over its history with a number of insurance companies, and the Corporation has commenced litigation seeking indemnity and defense under these insurance policies in relation to its environmental liabilities. Settlements to date, which have not been material, have been recorded upon receipt. While the litigation against the Corporation's historic liability insurers has concluded, it is expected that the case against the Corporation's property insurers 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, product liability, 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-month periods ended March 31, 1996 and 1995, 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 April 23, 1996 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-month periods ended March 31, 1996 and 1995, the condensed consolidated statement of cash flows for the three months ended March 31, 1996 and 1995, and the condensed consolidated balance sheet as of March 31, 1996. 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, 1995, and the related consolidated statements of operations and cash flows for the year then ended (not presented herein), and in our report dated January 24, 1996, 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, 1995, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

Price Waterhouse LLP  
Hartford, Connecticut  
April 23, 1996





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 increased in the first quarter of 1996 over the same period last year, while commercial construction starts in the U.S. are lower than the same period last year. U.S. commercial vacancy rates have made modest improvements from the 1992 peak.

North American car and light truck production was lower in the first quarter of 1996 compared to the first quarter of 1995 while European car sales were higher.

Worldwide airline profits improved during 1995 as a result of increased load factors. However, near term profitability at most U.S. airlines is being used to improve their financial condition and they have yet to achieve the financial condition necessary to make significant investments in new aircraft. For many European airlines, increasing competition, higher cost structures and privatization initiatives will strain financial results and resources in the near term. Strong economic growth in the Asia Pacific region has contributed to an increase in new aircraft orders from that market that began in 1994 and has continued into 1996.

The defense portion of the Corporation's aerospace businesses continues to respond to a changing global political environment. The U.S. defense industry is continuing its downsizing in response to the reductions in the U.S. defense budget. International orders for defense programs have also declined and some important foreign orders have been delayed. As a result, the Corporation has continued to reduce its reliance on U.S. defense contracts.

Cost reduction continues to be a corporate-wide imperative, implemented by each business unit. Manufacturing costs and floor space must continue to be reduced to remain competitive in all of our businesses, but particularly in the aerospace segments where these cost reductions are needed to offset the effects of lower volumes.



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RESULTS OF OPERATIONS

Consolidated revenues and margin percentages were as follows:

In Millions of Dollars	Three Months Ended	
	March 31,	
	1996	1995
Product sales	\$ 4,260	\$ 4,252
Service sales	1,189	1,066
Financing revenues and other income, net	44	26
Product margin %	18.3%	17.0%
Service margin %	38.7%	38.6%

Consolidated revenues in the first quarter of 1996 increased 3% over the comparable period of 1995, with less than one percent related to the favorable effect of foreign exchange translation. Increased revenues at Carrier, Otis and Pratt & Whitney were partially offset by decreases at Flight Systems and Automotive in the first quarter as UTC's commercial segments increased 10% while the aerospace segments decreased 6%.

Financing revenues and other income increased in the first quarter, from the comparable period in the prior year, as a result of higher interest income and gains from miscellaneous asset sales, which were partially offset by lower financing revenues in 1996 on a lower customer financing asset base.

Product margin as a percentage of sales increased 1.3 percentage points compared to last year primarily as a result of improved margin percentages at Pratt & Whitney, and the absence of 1995 charges associated with closing the wafer fabrication facility of Hamilton Standard's Microelectronics Center and charges for a workforce reduction at Sikorsky. Service margins as a percentage of sales were relatively flat compared to a year ago.

Research and development expenses increased \$32 million (15%) in the first quarter of 1996 as compared to 1995. As a percentage of sales, research and development was 4.6% in the first quarter of 1996 compared to 4.1% in the corresponding period last year. The increase occurred in all segments, but principally at Pratt & Whitney's government, general aviation and power generation businesses. Research and development expenses in 1996 are expected to increase from the spending level of 1995, but will remain between 4% and 5% of sales.

Selling, general and administrative expenses in the first quarter of 1996 increased by \$54 million (9%) over the 1995 comparable period. As a percentage of sales, these expenses increased seven-tenths of a percentage point to 12.5% from 11.8% due to higher expenses for incentive based compensation plans, higher expenses at Pratt & Whitney and lower revenues at Flight Systems.

The provisions of Financial Accounting Standards No. 121 (FAS 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" which became effective January 1, 1996, had no effect on the Corporation's first quarter results.



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Revenues and operating profits of the Corporation's principal business segments for the three-month periods ended March 31, 1996 and 1995 are as follows (in millions of dollars):

	Revenues		Operating Profits		Operating Profit Margin	
	1996	1995	1996	1995	1996	1995
Three Months Ended						
March 31,						
Otis	\$ 1,303	\$ 1,185	\$ 117	\$ 110	9.0%	9.3%
Carrier	1,325	1,131	55	29	4.2%	2.6%
Automotive	744	750	50	51	6.7%	6.8%
Pratt & Whitney	1,517	1,491	140	125	9.2%	8.4%
Flight Systems	638	813	49	45	7.7%	5.5%

Otis segment revenues for the first quarter of 1996 were 10% higher than the comparable period of 1995. Excluding the favorable impact of foreign exchange translation effects, 1996 revenues increased approximately 9% over 1995 with all geographic regions showing an increase compared to last year.

Operating profits at Otis increased \$7 million in the first quarter of 1996 compared to 1995, with nominally favorable impact from foreign currency translation. Margins as a percentage of revenues decreased slightly as operating income improvements at Otis were partially dampened by aggressive new equipment pricing in certain international markets.

Carrier first quarter 1996 revenues increased 17% from the first quarter of 1995, with foreign exchange translation effects having little impact in the quarter. Revenues increased in all geographic regions as well as Carrier's Transicold business with particular strength in the North American and Asia Pacific regions.

Operating profits for the first quarter of 1996 at Carrier increased \$26 million compared to 1995, in a seasonally weak quarter, with foreign exchange translation having no effect. All geographic regions except the Latin American region, which had a strong first quarter in 1995, showed improvement as well as Carrier's Transicold business. Results benefited from North American dealer replenishments following a strong 1995, and continued expansion in the Asia Pacific region.

Automotive segment revenues decreased slightly in the first quarter of 1996 compared to the first quarter of 1995. The decrease in revenues was a result of lower European volumes on certain high content vehicles and lower North American volumes as a result of a 17 day strike at General Motors Corporation.

Operating profits and margins as a percentage of revenues at the Automotive segment were relatively flat in the first quarter of 1996 compared to the same quarter in 1995.

Pratt & Whitney revenues during the first quarter of 1996 increased 2% as compared to 1995. The increase in the first quarter is due to increases in commercial spare parts and the general aviation business partially offset by decreased shipments of large commercial engines as a continuing effect of the fourth quarter Boeing Company strike.



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Operating profits for Pratt & Whitney for the first quarter 1996 increased \$15 million over the comparable quarter of 1995. The increase reflects continuing cost reductions and higher general aviation and commercial spare parts sales, more than offsetting planned increases in research and development spending and higher selling, general and administrative expenses.

Flight Systems revenues decreased 22% in the first quarter 1996 compared to 1995. Revenue decreases in the first quarter of 1996 were the result of lower helicopter shipments as compared to 1995.

Operating profits for Flight Systems increased \$4 million in the first quarter 1996 as compared to 1995. Results reflect the absence of first quarter 1995 costs associated with selling the wafer fabrication facility of Hamilton Standard's Microelectronics Center and a workforce reduction at Sikorsky, coupled with lower first quarter 1996 helicopter volume at Sikorsky and continuing operating profit at Hamilton Standard.

Interest expense decreased \$4 million to \$58 million for the first quarter of 1996. This decrease is mainly due to a reduced average borrowing level during the first quarter compared to last year as the Corporation continues to retire or extinguish debt with its improved cash flow.

The effective tax rate for the first quarter of 1996 was 33.8%, compared to an effective tax rate of 35% for the first quarter of 1995. The Corporation has continued to reduce 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	Three Months Ended March 31,	
	1996	1995
Operating Activities		
Net Cash Flows from Operating Activities	\$ 333	\$ 105
Investing Activities		
Capital expenditures	(129)	(148)
Decrease in customer financing assets, net	102	90
Financing Activities		
Common Stock repurchase	(62)	(17)
Increase in total debt	11	106
Increase (decrease) in net debt	(177)	31

/TABLE





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Cash flows from operating activities were \$333 million during the first quarter of 1996 compared to \$105 million for the corresponding period of 1995. The improvement resulted primarily from improved operating performance and working capital management.

Cash flows from investing activities were a use of funds of \$7 million during the first quarter of 1996 compared to a use of \$55 million in the corresponding period of 1995. Capital expenditures in the first quarter of 1996 were \$129 million, a \$19 million decrease over the first quarter of 1995. The Corporation expects 1996 full year capital spending to be comparable to 1995. The decrease in customer financing assets in the first quarter of 1996 includes loan repayments and asset sales. While the Corporation expects that changes in customer financing assets in 1996 will be a net use of funds, actual funding is subject to usage under existing customer financing commitments during the remainder of the year. During the first quarter of 1996 the Corporation entered into commitments to finance or arrange financing of commercial aircraft for \$360 million, bringing the Corporation's total commitments at March 31, 1996 to \$1.35 billion.

The Corporation repurchased \$62 million of common stock, representing 652,400 shares, in the first quarter of 1996 under previously announced stock repurchase programs. In April 1996, the Corporation's Board of Directors authorized management, at its discretion and depending on market conditions, to acquire up to an additional 5.5 million shares of UTC common stock over the next two years. Total common stock repurchases authorized by the Board since the April 1994 inception of the repurchase program now total 15 million shares, of which 7.8 million shares have been repurchased through the end of the first quarter. Share repurchase continues to be a significant use of our strong cash flows and serves to offset the dilutive effect resulting from the issuance of stock under stock-based employee benefit programs.

Other selected financial data is as follows:

In Millions of Dollars	March 31, 1996	December 31, 1995	March 31, 1995
Cash and cash equivalents	\$ 1,088	\$ 900	\$ 461
Total debt	2,052	2,041	2,549
Net debt (total debt less cash)	964	1,141	2,088
Shareowners' equity	4,073	4,021	3,804
Debt-to-total capitalization	33.5%	33.7%	40.1%
Net debt-to-total capitalization	19.1%	22.1%	35.4%

The Corporation manages its worldwide cash requirements with consideration of available funds among the many subsidiaries through which it conducts its business and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of the Corporation's subsidiaries could have adverse tax consequences, however, those balances are generally available without legal restrictions to fund ordinary business operations. The Corporation has and will continue to transfer cash from those subsidiaries to the parent and to other international subsidiaries as it is cost effective to do so.



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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.

This Report on Form 10-Q contains statements which, to the extent they are not historical fact, constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All forward looking statements involve risks and uncertainties. The forward looking statements in this document are intended to be subject to the safe harbor protection provided by Sections 27A and 21E.

For a discussion identifying some important factors such as the economic, political, climatic, currency, regulatory, technological and competitive changes which may affect the Corporation's operations, products, and markets and other factors that could cause actual results to vary materially from those anticipated in the forward looking statements, see the Corporation's Securities and Exchange Commission filings, including, but not limited to, the Corporation's 1995 Annual Report on Form 10-K. See particularly Form 10-K Item I - Business, the sections entitled "Description of Business by Industry Segment" and "Other Matters Relating to the Corporation's Business as a Whole," and Form 10-K Item 7 - Management's Discussion and Analysis of Results of Operations and Financial Position, which also may be found at pages 20 through 27 of the Corporation's 1995 Annual Report to Shareowners.



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## Part II - Other Information

## Item 1. Legal Proceedings

In February, 1996, Ford Motor Company ("Ford"), a principal customer of United Technologies Automotive ("UTA"), informed UTA that several lawsuits had been filed covering purchasers of numerous Ford vehicle lines. Since that time, additional lawsuits have been filed. UTA has been named as a defendant in at least one of these lawsuits. These lawsuits allege that the ignition switch in these North American produced vehicles is defective and that the defect could result in a vehicle fire. UTA disagrees with these allegations. Plaintiffs seek injunctive relief requiring replacement of the ignition switch in all affected vehicles, compensatory and punitive damages, and other relief. UTA supplies the ignition switch in question.

Ford has recalled approximately 8.7 million vehicles to replace the ignition switch. UTA supplies the replacement switches. UTA is cooperating with Ford in the investigation, defense and resolution of this matter. Based on currently available information, UTC management does not believe that this matter will have a material adverse effect on the Corporation.

Other than the matter described above, there has been no material change in legal proceedings during the first quarter of 1996. (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 1995.)

## 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
- (27) Financial data schedule (submitted electronically herewith)

(b) No reports on Form 8-K were filed during the quarter ended March 31, 1996.



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## 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: May 15, 1996

By: /s/ STEPHEN F. PAGE  
Stephen F. Page  
Executive Vice President and  
Chief Financial Officer

Dated: May 15, 1996

By: /s/ GEORGE E. MINNICH  
George E. Minnich  
Vice President and Controller

Dated: May 15, 1996

By: /s/ WILLIAM H. TRACHSEL  
William H. Trachsel  
Vice President and Secretary





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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 27 - Financial data schedule (submitted electronically herewith)



UNITED TECHNOLOGIES CORPORATION  
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COMPUTATION OF PER SHARE EARNINGS

In Millions of Dollars (except per share amounts)	Three Months Ended March 31,	
	1996	1995
Net Income	\$ 164	\$ 135
Preferred Stock Dividend Requirement	7	6
Earnings applicable to Common Stock	157	129
ESOP Convertible Preferred Stock adjustment	6	5
Net earnings for calculation of primary and fully diluted earnings per share	\$ 163	\$ 134
Average number of common shares and common stock equivalents outstanding during period (four month-end average)	131,298,062	130,071,357
Fully diluted average number of common shares and common stock equivalents outstanding during period (four month-end average)	131,782,546	130,506,775
Primary earnings per common share	\$ 1.24	\$ 1.03
Fully diluted earnings per common share (Note1)	\$ 1.23	\$ 1.03

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.

/TABLE



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COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

In Millions of Dollars	Three Months Ended March 31,	
	1996	1995
Fixed Charges:		
Interest on indebtedness	\$ 58	\$ 62
Interest capitalized	5	5
One-third of rents*	22	22
Total Fixed Charges	\$ 85	\$ 89
Earnings:		
Income before income taxes and minority interests	\$ 293	\$ 252
Fixed charges per above	85	89
Less: interest capitalized	(5)	(5)
	80	84
Amortization of interest capitalized	10	10
Total Earnings	\$ 383	\$ 346
Ratio of Earnings to Fixed Charges	4.51	3.89

\* Reasonable approximation of the interest factor.  
/TABLE



May 15, 1996

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 April 23, 1996 (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 in the Registration Statements on 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 March 31, 1996 (Unaudited) and the Condensed Consolidated Statement of Operations for the three months ended March 31, 1996 (Unaudited) and is qualified in its entirety by reference to such financial statements.

1,000,000

3-MOS	
DEC-31-1996	
JAN-01-1996	
MAR-31-1996	
	1,088
	0
	3,869
	374
	3,259
9,169	10,403
	6,063
	16,026
6,593	
	1,641
408	
	0
	2,272
	1,801
16,026	
	4,260
5,493	
	3,480
	4,209
	250
	0
	58
	293
	99
164	
	0
	0
	0
	164
	1.24
	1.24