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, 1997

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 X . No .

At September 30, 1997 there were 232,977,477 shares of Common Stock outstanding.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

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Quarter Ended September 30, 1997

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Quarter Ended September 30, 1997	1996
Revenues:		
Product sales	$ 4,675	$ 4,634
Service sales	1,261	1,274
Financing revenues and other income, net	43	31
	5,979	5,939
Costs and expenses:		
Cost of products sold	3,717	3,685
Cost of services sold	766	791
Research and development	268	270
Selling, general and administrative	690	708
Interest	49	54
	5,490	5,508
Income before income taxes and minority interests	489	431
Income taxes	159	144
Minority interests	30	33
Net Income	$ 300	$ 254
Earnings per share of common stock and common stock equivalents	$ 1.16	$ .97
Dividends per share of common stock	$ .31	$ .275
Average common and equivalent shares outstanding (in thousands)	257,360	260,730

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Nine Months Ended September 30, 1997	1996
Revenues:		
Product sales	$ 14,466	$ 13,566
Service sales	3,788	3,692
Financing revenues and other income, net	142	116
	18,396	17,374
Costs and expenses:		
Cost of products sold	11,558	10,882
Cost of services sold	2,349	2,260
Research and development	855	794
Selling, general and administrative	2,119	2,100
Interest	146	168
	17,027	16,204
Income before income taxes and minority interests	1,369	1,170
Income taxes	445	394
Minority interests	96	99
Net Income	$ 828	$ 677
Earnings per share of common stock and common stock equivalents	$ 3.19	$ 2.57
Dividends per share of common stock	$ .93	$ .825
Average common and equivalent shares outstanding (in thousands)	258,034	261,600

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED TECHNOLOGIES CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

In Millions of Dollars	September 30, 1997 (Unaudited)	December 31, 1996
Assets		
Cash and cash equivalents	$ 1,283	$ 1,127
Accounts receivable, net	3,859	3,717
Inventories and contracts in progress, net	3,346	3,342
Future income tax benefits	1,159	946
Other current assets	235	479
Total Current Assets	9,882	9,611
Fixed assets	10,766	10,661
Less - accumulated depreciation	(6,541)	(6,290)
	4,225	4,371
Other assets	2,814	2,763
Total Assets	$ 16,921	$ 16,745
Liabilities and Shareowners' Equity		
Short-term borrowings	$ 225	$ 251
Accounts payable	1,896	2,186
Accrued liabilities	5,257	4,856
Long-term debt currently due	93	97
Total Current Liabilities	7,471	7,390
Long-term debt	1,363	1,437
Future pension and postretirement benefit obligations	1,252	1,247
Other long-term liabilities	2,093	1,931
Series A ESOP Convertible Preferred Stock	866	880
ESOP deferred compensation	(422)	(446)
	444	434
Shareowners' Equity:		
Common Stock	2,461	2,345
Treasury Stock	(2,163)	(1,626)
Retained earnings	4,398	3,849
Currency translation and pension liability adjustments	(398)	(262)
	4,298	4,306
Total Liabilities and Shareowners' Equity	$ 16,921	$ 16,745

See accompanying Notes to Condensed Consolidated Financial Statements

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

In Millions of Dollars	Nine Months Ended September 30, 1997	1996
Cash flows from operating activities:		
Net income	$ 828	$ 677
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	632	635
Change in:		
Accounts receivable	(65)	(134)
Inventories and contracts in progress	64	(176)
Accounts payable and accrued liabilities	69	289
Other, net	102	258
Net cash flows from operating activities	1,630	1,549
Cash flows from investing activities:		
Capital expenditures	(522)	(474)
Acquisitions of business units	(269)	(193)
Dispositions of business units	37	37
Decrease in customer financing assets, net	18	59
Other, net	142	107
Net cash flows from investing activities	(594)	(464)
Cash flows from financing activities:		
Issuance of long-term debt	10	28
Repayments of long-term debt	(79)	(224)
Decrease in short-term borrowings, net	(49)	(43)
Dividends paid on Common Stock	(219)	(199)
Common Stock repurchase	(539)	(274)
Other, net	25	(8)
Net cash flows from financing activities	(851)	(720)
Effect of foreign exchange rate changes on Cash and cash equivalents	(29)	(6)
Net increase in cash and cash equivalents	156	359
Cash and cash equivalents, beginning of year	1,127	900
Cash and cash equivalents, end of period	$ 1,283	$ 1,259

See accompanying Notes to Condensed Consolidated Financial Statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The Condensed Consolidated Financial Statements at September 30, 1997 and for the quarters and nine-month periods ended September 30, 1997 and 1996 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 reclassifications have been made to prior year amounts to conform to the current year presentation.

Beginning January 1, 1997, international operating subsidiaries which had generally been included in the Condensed Consolidated Financial Statements based on fiscal years ending November 30, are now included based on fiscal years ending December 31. The change, which primarily affected the commercial and industrial businesses, was made to present the results of these operations on a more timely basis. December 1996 results from these international subsidiaries, which were not significant, are included in retained earnings. As a result of this change, the pattern of 1997 quarterly results will differ from the past due in part to seasonality in some business segments. If this change had been made effective January 1, 1996, the estimated impact on quarter ended September 30, 1996 and full year earnings per share would not have been significant.

In February of 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share." The Corporation will adopt this standard, as required, at the end of this year. Had this standard been adopted at the beginning of 1997, the Corporation would have reported basic earnings per share of $1.25 and $3.41 for the third quarter and nine-month period, respectively.

Contingent Liabilities

While there has been no significant change in the Corporation's material contingencies during 1997, the matters previously described in Note 14 of the Notes to Consolidated Financial Statements in the Corporation's Annual Report on Form 10-K for calendar year 1996 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, in accordance with AICPA Statement of Position 96-1, 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 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 quarters and nine-month periods ended September 30, 1997 and 1996, 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 22, 1997 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 ("the Act") 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 Shareowners of
United Technologies Corporation

We have reviewed the accompanying condensed consolidated statement of operations of United Technologies Corporation and consolidated subsidiaries for the quarters and nine months ended September 30, 1997 and 1996, the condensed consolidated statement of cash flows for the nine months ended September 30, 1997 and 1996, and the condensed consolidated balance sheet as of September 30, 1997. 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, 1996, and the related consolidated statements of operations and cash flows for the year then ended (not presented herein), and in our report dated January 23, 1997 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, 1996, 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
October 22, 1997

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 declined in the 1997 third quarter and nine-month period compared to the same periods in 1996, while commercial construction starts in the U.S. improved over the same periods in 1996. U.S. commercial vacancy rates continue to improve.

North American car and light truck production was essentially flat in the 1997 third quarter and nine-month period compared to the same periods in 1996, while European car sales were higher in both the third quarter and nine-month period of 1997.

Worldwide airline profits continue to improve as a result of increased load factors and lower costs. Strong traffic growth continues to drive new aircraft orders from the U.S. and Asia Pacific regions, while European airline financial resources remain constrained in the near term by increasing competition, higher cost structures and privatization.

The defense portion of the Corporation's aerospace businesses continues to respond to a changing global political environment. The U.S. defense industry continues to downsize and consolidate in response to continued pressure on U.S. defense spending. As a result, the Corporation has continued to reduce its reliance on U.S. defense contracts.

The Corporation continues to reduce manufacturing costs and floor space to remain competitive.

RESULTS OF OPERATIONS

Consolidated revenues and margin percentages were as follows:

In Millions of Dollars	Quarter Ended September 30, 1997	Quarter Ended September 30, 1996	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
Product sales	$ 4,675	$ 4,634	$ 14,466	$ 13,566
Service sales	1,261	1,274	3,788	3,692
Financing revenues and other income, net	43	31	142	116
Product margin %	20.5%	20.5%	20.1%	19.8%
Service margin %	39.3%	37.9%	38.0%	38.8%

Consolidated revenues for the third quarter and nine-month period of 1997 were 1% and 6% higher than the respective reported periods of 1996. Foreign currency translation reduced 1997 revenues by 4% and 3% in the third quarter and nine-month period. Excluding the impact of foreign currency translation, the 1997 third quarter increase was primarily driven by Pratt & Whitney and Otis. The increase in the nine-month period of 1997 was primarily driven by Pratt & Whitney, Otis and Flight Systems.

Product margin as a percentage of sales was flat in the third quarter and increased three-tenths of a percentage point in the nine-month period of 1997 compared to the same periods of 1996. Service margin as a percentage of sales increased 1.4 percentage points in the third quarter and decreased eight-tenths of a percentage point in the nine-month period of 1997 compared to the respective reported periods of 1996. The third quarter increase was due to improvements in most segments and the impact of the change in reporting period described in the Notes to Condensed Consolidated Financial Statements.

Research and development expenses decreased $2 million (1%) in the third quarter and increased $61 million (8%) in the nine-month period of 1997 compared to 1996. The third quarter decrease was due to the timing of research and development spending at Pratt & Whitney partially offset by higher expenses in the other segments. The increase in the nine-month period was due to higher expenses in all segments. As a percentage of sales, research and development was 4.5% and 4.7% in the third quarter and nine-month period of 1997 compared to 4.6% in both periods of 1996.

Selling, general and administrative expenses decreased $18 million (3%) in the third quarter and increased $19 million (1%) in the nine-month period of 1997 compared to the same periods of 1996. The decline in third quarter 1997 expenses was the result of reductions at most of the businesses. The increase in the nine-month period of 1997 was due to higher expenses at Carrier, Automotive and Flight Systems. As a percent of sales, these expenses decreased to 11.6% in the third quarter and nine-month period of 1997 from 12.0% and 12.2% in the same periods of 1996, due to decreases at Otis and Pratt & Whitney.

Interest expense decreased $5 million and $22 million in the third quarter and nine-month period of 1997 to $49 million and $146 million, respectively. This decrease is mainly due to a reduced average borrowing level during the first nine months compared to last year.

The effective tax rate for the nine-month period of 1997 was 32.5%, compared to an effective tax rate of 33.7% for the nine-month period of 1996. The Corporation has continued to reduce its effective income tax rate by implementing tax reduction strategies.

Revenues and operating profits of the Corporation's principal business segments for the quarters and nine-month periods ended September 30, 1997 and 1996 are as follows (in millions of dollars):

	Revenues		Operating Profits		Operating Profit Margin	
	1997	1996	1997	1996	1997	1996
Quarter Ended September 30,						
Otis	$ 1,342	$ 1,382	$ 131	$ 132	9.8%	9.6%
Carrier	1,513	1,588	157	159	10.4%	10.0%
Automotive	659	738	42	42	6.4%	5.7%
Pratt & Whitney	1,838	1,582	208	164	11.3%	10.4%
Flight Systems	669	682	70	51	10.5%	7.5%
Nine Months Ended September 30,						
Otis	$ 4,107	$ 4,086	$ 395	$ 378	9.6%	9.3%
Carrier	4,591	4,547	394	369	8.6%	8.1%
Automotive	2,182	2,343	106	143	4.9%	6.1%
Pratt & Whitney	5,501	4,531	600	464	10.9%	10.2%
Flight Systems	2,122	1,966	207	161	9.8%	8.2%

Otis segment revenues decreased 3% in the third quarter and increased 1% in the nine-month period of 1997 compared to the respective reported periods of 1996. Foreign currency translation reduced 1997 revenues by 9% and 7% for the third quarter and nine-month period. Excluding the unfavorable impact of foreign currency translation, the increase in 1997 third quarter revenues was primarily due to increases in the North American, Asia Pacific and European regions. The year to date increase was due to increases in all geographic regions.

Operating profits at Otis decreased $1 million (1%) in the third quarter and increased $17 million (4%) in the nine-month period of 1997 compared to the respective reported periods of 1996. Foreign currency translation reduced 1997 operating profit by 12% and 9% for the third quarter and nine-month period. The unfavorable impact of foreign currency translation was offset by the change in reporting period and improvements in North and South America during the third quarter. The increase in 1997 nine-month results reflects improvements at European, North American and South American operations and the change in the reporting period partially offset by declines in Asia Pacific operations.

Carrier segment revenues decreased 5% in the third quarter and increased 1% in the nine-month period of 1997 compared to the respective reported periods of 1996. Foreign currency translation reduced 1997 revenues by 4% and 3% for the third quarter and nine-month period. The decrease in revenue in the third quarter was due to the change in the reporting period and declines in North America and Europe due to unseasonably cool weather. These decreases were offset by improvement at Carrier Transicold and the impact of acquisitions.

The nine-month period of 1997 reflects declines primarily in North America and Europe due to unseasonably cool weather which are more than offset by improvement at Carrier Transicold and the impact of acquisitions.

Operating profits at Carrier decreased $2 million (1%) in the third quarter and increased $25 million (7%) in the nine-month period of 1997 compared to the respective reported periods of 1996. Foreign currency translation reduced 1997 operating profits by 3% for the third quarter and nine-month period. Excluding the unfavorable impact of foreign currency translation, the third quarter of 1997 reflects improvements at Carrier Transicold and the impact of acquisitions, which offset the impact of the change in the reporting period and the weather related weaknesses discussed above. The year to date 1997 increase was due to the impact of acquisitions, the change in the reporting period and increases at Carrier Transicold operations, partially offset by declines at European operations.

Automotive segment revenues for the third quarter and nine-month period of 1997 decreased 11% and 7% compared to the reported third quarter and nine-month period of 1996. Foreign currency translation reduced 1997 revenues by 4% and 3% for the third quarter and nine-month period. The decrease in 1997 revenues is the result of the sale of the Steering Wheels business in the fourth quarter of 1996 and lower volumes at most businesses.

Reported operating profits at the Automotive segment were flat in the third quarter and decreased $37 million (26%) in the nine-month period of 1997 compared to the respective reported periods of 1996. Foreign currency translation reduced 1997 operating profits by 8% for the third quarter and nine-month period. Excluding the unfavorable impact of foreign currency translation, the third quarter of 1997 reflects improvements in the Interiors business which more than offset the impact of the fourth quarter 1996 sale of the Steering Wheels business. Year to date 1997 was impacted by performance issues, primarily at the Interiors business, lower volumes, domestic administrative workforce reductions, a provision for a European plant closure and the fourth quarter 1996 sale of the Steering Wheels Business.

Pratt & Whitney revenues increased 16% and 21% in the third quarter and nine-month period of 1997 compared to 1996. The 1997 increase reflects higher volumes in both the after-market and new engine businesses.

Operating profits for Pratt & Whitney increased $44 million (27%) and $136 million (29%) in the third quarter and nine-month period of 1997 compared to the respective periods of 1996, reflecting strong after-market results partially offset by higher research and development spending in the nine-month period.

Flight Systems revenues decreased 2% in the third quarter and increased 8% in the nine-month period of 1997 compared to 1996. Revenue increases at Hamilton Standard in the third quarter of 1997 were more than offset by lower volumes at Sikorsky due to the timing of helicopter shipments. Revenues increased at Hamilton Standard and Sikorsky in the nine-month period of 1997.

Operating profits for Flight Systems increased $19 million (37%) and $46 million (29%) in the third quarter and nine-month period of 1997 compared to 1996 as a result of continuing operating performance improvement at Hamilton Standard and Sikorsky partially offset by higher research and development spending.

UNITED TECHNOLOGIES CORPORATION
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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. Significant factors affecting the management of liquidity are cash flows generated from operating activities, capital expenditures, 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, 1997	1996
Operating Activities		
Net Cash Flows from Operating Activities	$ 1,630	$ 1,549
Investing Activities		
Capital expenditures	(522)	(474)
Acquisitions of business units	(269)	(193)
Dispositions of business units	37	37
Decrease in customer financing assets, net	18	59
Financing Activities		
Common Stock repurchase	(539)	(274)
Decrease in total debt	(104)	(198)
Decrease in net debt	(260)	(557)

Cash flows from operating activities were $1,630 million during the first nine months of 1997 compared to $1,549 million for the reported first nine months of 1996. The improvement resulted primarily from improved operating performance.

Cash flows from investing activities were a use of funds of $594 million during the first nine months of 1997 compared to a use of $464 million in the first nine months of 1996. Capital expenditures in the nine-month period of 1997 were $522 million, a $48 million increase from the corresponding period of 1996. The Corporation expects 1997 full year capital spending to be moderately higher than 1996. Cash inflows from customer financing activities were lower in the nine-month period of 1997, compared to 1996. While the Corporation expects that changes in customer financing assets in 1997 will have a minimal net impact on cash flows, actual funding is subject to usage under existing customer financing commitments during the remainder of the year. The Corporation's total commitments to finance or arrange financing of commercial aircraft and related equipment at September 30, 1997 were approximately $1 billion.

The Corporation repurchased $539 million of common stock, representing 7.0 million shares, in the first nine months of 1997 under previously announced stock repurchase programs. Share repurchase continues to be a significant use of the Corporation's strong cash flows and serves, in part, 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	September 30, 1997	December 31, 1996	September 30, 1996
Cash and cash equivalents	$ 1,283	$ 1,127	$ 1,259
Total debt	1,681	1,785	1,843
Net debt (total debt less cash)	398	658	584
Shareowners' equity	4,298	4,306	4,260
Debt-to-total capitalization	28%	29%	30%
Net debt-to-total capitalization	8%	13%	12%

The Corporation manages its worldwide cash requirements considering 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 when it is cost effective to do so.

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.

SAFE HARBOR STATEMENT

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 that could cause actual results to vary materially from those anticipated in the forward looking statements, such as the economic, political, climatic, currency, regulatory, technological and competitive changes which may affect the Corporation's operations, products, and markets, see the Corporation's Securities and Exchange Commission filings, including, but not limited to, the Corporation's 1996 Annual Report on Form 10-K. See particularly Form 10-K Item 1 - 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 incorporates by reference the information found at pages 22 through 27 of the Corporation's 1996 Annual Report to Shareowners.

Part II - Other Information

Item 1 - Legal Proceedings

As previously reported, in June 1992, the Department of Justice filed a civil False Claims Act complaint in the United States District Court for the District of Connecticut, No. 592CV375, against Sikorsky Aircraft alleging that the Government was overcharged by nearly $4 million in connection with the pricing of parts supplied for the reconditioning of the Navy's Sea King helicopter. The Complaint seeks treble damages plus a $10,000 penalty for each false claim submitted. Bench trial in this matter began in July 1997 and concluded in August 1997. Post-trial papers with proposed findings of fact and conclusions of law have been exchanged by the parties. These papers will be submitted to the judge with comments in November 1997.

The Corporation does not believe that resolution of the litigation discussed above will have a material adverse effect upon the Corporation's competitive position, results of operations, cash flows, or financial position.

Except as noted above, there have been no material changes in legal proceedings during the third quarter of 1997. (For a description of previously reported legal proceedings, refer to Part I, Item 3 - Legal Proceedings of the Corporation's Annual Report on Form 10-K for calendar year 1996 and to Part II, Item 1 - Legal Proceedings of the Corporation's Reports on Form 10-Q for the first and second quarters of calendar year 1997.)

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits:

- (11) Statement re computation of per share earnings.
- (12) Statement re 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, 1997.

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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: October 24, 1997

By: /s/ JAY L. HABERLAND
Jay L. Haberland
Vice President and Controller

Dated: October 24, 1997

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

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EXHIBIT INDEX

Exhibit 11 - Statement re computation of per share earnings

Exhibit 12 - Statement re 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

STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

In Millions of Dollars (except per share amounts)	Quarter Ended September 30, 1997	Quarter Ended September 30, 1996
Net Income	$ 300	$ 254
ESOP Convertible Preferred Stock Dividend requirement	(8)	(7)
Earnings applicable to Common Stock	292	247
ESOP Convertible Preferred Stock adjustment	7	5
Net earnings for calculation of primary and fully diluted earnings per share	$ 299	$ 252
Average number of common shares and common stock equivalents outstanding during the period (in thousands)	257,360	260,730
Fully diluted average number of common shares and common stock equivalents outstanding during the period (in thousands)	257,360	261,344
Primary earnings per common share	$ 1.16	$ .97
Fully diluted earnings per common share (Note 1)	$ 1.16	$ .97

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

Exhibit 11

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

In Millions of Dollars (except per share amounts)	Nine Months Ended September 30, 1997	1996
Net Income	$ 828	$ 677
ESOP Convertible Preferred Stock Dividend requirement	(24)	(22)
Earnings applicable to Common Stock	804	655
ESOP Convertible Preferred Stock adjustment	20	17
Net earnings for calculation of primary and fully diluted earnings per share	$ 824	$ 672
Average number of common shares and common stock equivalents outstanding during the period (in thousands)	258,034	261,600
Fully diluted average number of common shares and common stock equivalents outstanding during the period (in thousands)	258,504	262,677
Primary earnings per common share	$ 3.19	$ 2.57
Fully diluted earnings per common share (Note 1)	$ 3.19	$ 2.56

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

Exhibit 12

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

STATEMENT RE COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

In Millions of Dollars	Nine Months Ended September 30, 1997		1996
Fixed Charges:			
Interest on indebtedness	$ 146	$	168
Interest capitalized	8		13
One-third of rents*	65		64
Total Fixed Charges	$ 219	$	245
Earnings:			
Income before income taxes and minority interests	$ 1,369	$	1,170
Fixed charges per above	219		245
Less: interest capitalized	(8)		(13)
	211		232
Amortization of interest capitalized	28		29
Total Earnings	$ 1,608	$	1,431
Ratio of Earnings to Fixed Charges	7.34		5.84

* Reasonable approximation of the interest factor.
/TABLE

Exhibit 15

October 24, 1997

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

Ladies and Gentlemen:

We are aware that United Technologies Corporation has included our report dated October 22, 1997 (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. 333-26331, 33-46916, 33-40163, 33-34320, 33-31514, 33-29687, and 33-6452) and in the Registration Statements on Form S-8 (Nos. 333-21853, 333-18743, 333-21851, 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

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The schedule contains summary financial information extracted from the Condensed Consolidated Balance Sheet at September 30, 1997 (Unaudited) and the Condensed Consolidated Statement of Operations for the nine months ended September 30, 1997 (Unaudited) and is qualified in its entirety by reference to such financial statements.

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9-MOS
DEC-31-1997
JAN-01-1997
SEP-30-1997
1,283
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3,346
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2,461
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16,921
14,466
18,396
11,558
13,907
855
0
146
1,369
445
828
0
0
0
828
3.19
3.19