

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Plan period ended December 31, 1998

Commission File Number 1-812

CARRIER CORPORATION  
REPRESENTED EMPLOYEE SAVINGS PLAN

UNITED TECHNOLOGIES CORPORATION  
One Financial Plaza  
Hartford, Connecticut 06101

FINANCIAL STATEMENTS OF THE CARRIER CORPORATION  
REPRESENTED EMPLOYEE SAVINGS PLAN

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of  
the Carrier Corporation Represented  
Employee Savings Plan

In our opinion, the accompanying statements of net assets available for benefits with fund information and the related statement of changes in net assets available for benefits with fund information present fairly, in all material respects, the net assets available for benefits of the Carrier Corporation Represented Employee Savings Plan at December 31, 1998 and 1997, and the changes in net assets available for benefits for the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The fund information in the statement of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. The fund information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP  
PricewaterhouseCoopers LLP  
Hartford, Connecticut  
June 28, 1999

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Net Assets Available for Benefits With Fund Information  
December 31, 1998  
(Thousands of Dollars, except unit amount)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
<b>Assets:</b>							
Investments, at fair value:							
Beneficial interests in Bankers Trust							
Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ 24,548	\$ -	\$ -	\$ 223	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	264	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	16	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	60	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	181	-	-
Daily International Equity Index Fund	-	-	-	-	220	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	9,727	-
Shares of respective registered investment companies	-	-	-	-	-	-	187
Investments, at contract value or cost:							
Beneficial interests in investment contracts, at contract value							
	42,162	-	-	-	-	-	-
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	49	-
Total Investments	42,162	24,548	264	76	624	9,776	187
Plan receivables	33	-	-	-	-	109	-
Total Assets	42,195	24,548	264	76	624	9,885	187
<b>Liabilities:</b>							
Accrued expenses	-	-	-	-	-	25	-
Loans payable, net	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	25	-
Net Assets Available for Benefits	\$ 42,195	\$ 24,548	\$ 264	\$ 76	\$ 624	\$ 9,860	\$ 187
Units of participation	630,529	907,182	22,151	5,981	217,351	541,169	5,949
Unit value	\$ 66.92	\$ 27.06	\$ 11.93	\$ 12.68	\$ 2.87	\$ 18.22	\$ 31.36

The accompanying notes are an integral part of these financial statements.

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Net Assets Available for Benefits With Fund Information (Continued)  
December 31, 1998  
(Thousands of Dollars, except unit amounts)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportunities Fund	SoGen International Fund, Inc.
<b>Assets:</b>							
Investments, at fair value:							
Beneficial interests in Bankers Trust Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	-	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	-	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	-	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	-	-	-
Daily International Equity Index Fund	-	-	-	-	-	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	2,868	1,066	788	411	797	1,626	78
Investments, at contract value or cost:							
Beneficial interests in investment contracts, at contract value							
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	-	-
Total Investments	2,868	1,066	788	411	797	1,626	78
Plan receivables	-	-	-	-	-	-	-
Total Assets	2,868	1,066	788	411	797	1,626	78
Liabilities:							
Accrued expenses							
Loans payable, net	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Net Assets Available for Benefits	\$ 2,868	\$ 1,066	\$ 788	\$ 411	\$ 797	\$ 1,626	\$ 78
Units of participation	62,567	51,926	13,875	17,983	31,222	27,496	3,405
Unit value	\$ 45.84	\$ 20.52	\$ 56.79	\$ 22.85	\$ 25.54	\$ 59.14	\$ 23.03

The accompanying notes are an integral part of these financial statements.

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Net Assets Available for Benefits With Fund Information (Continued)  
December 31, 1998  
(Thousands of Dollars, except unit amounts)

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Loan Fund	Total
<b>Assets:</b>				
Investments, at fair value:				
Beneficial interests in Bankers Trust				
Company Pyramid:				
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ 24,771
Russell 2000 Equity Index Fund	-	-	-	264
Daily Japanese Equity Index Fund	-	-	-	16
Daily Non Japanese Equity Index Fund	-	-	-	60
Government/Corporate Fixed Income Index Fund	-	-	-	181
Daily International Equity Index Fund	-	-	-	220
United Technologies Corporation Common Stock	-	-	-	9,727
Shares of respective registered investment companies	220	84	-	8,125
Investments, at contract value or cost:				
Beneficial interests in investment contracts, at contract value				
Participant loans, at cost	-	-	2,465	2,465
Temporary investments, at cost plus accrued interest	-	-	-	49
Total Investments	220	84	2,465	88,040
Plan receivables	-	-	-	142
Total Assets	220	84	2,465	88,182
<b>Liabilities:</b>				
Accrued expenses	-	-	-	25
Loans payable, net	-	-	-	-
Total Liabilities	-	-	-	25
Net Assets Available for Benefits	\$ 220	\$ 84	\$ 2,465	\$ 88,157
Units of participation	26,169	8,128	2,465,076	
Unit value	\$ 8.39	\$ 10.30	\$ 1.00	

The accompanying notes are an integral part of these financial statements.

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Net Assets Available for Benefits With Fund Information  
December 31, 1997  
(Thousands of Dollars, except unit amounts)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
<b>Assets:</b>							
Investments, at fair value:							
Beneficial interests in Bankers Trust Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ 18,072	\$ -	\$ -	\$ 182	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	257	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	14	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	40	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	149	-	-
Daily International Equity Index Fund	-	-	-	-	175	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	6,573	-
Shares of respective registered investment companies	-	-	-	-	-	-	71
Investments, at contract value or cost:							
Beneficial interests in investment contracts, at contract value	35,463	-	-	-	-	-	-
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	99	-
Total Investments	35,463	18,072	257	54	506	6,672	71
Plan receivables	48	17	-	-	1	24	-
Total Assets	35,511	18,089	257	54	507	6,696	71
<b>Liabilities:</b>							
Accrued expenses	-	-	-	-	-	42	-
Loans payable, net	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	42	-
Net Assets Available for Benefits	\$ 35,511	\$ 18,089	\$ 257	\$ 54	\$ 507	\$ 6,654	\$ 71
Units of participation	575,543	860,566	21,273	5,160	212,926	550,816	2,439
Unit value	\$ 61.70	\$ 21.02	\$ 12.10	\$ 10.53	\$ 2.38	\$ 12.08	\$ 29.09

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CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Net Assets Available for Benefits With Fund Information (Continued)  
December 31, 1997  
(Thousands of Dollars, except unit amounts)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportunities Fund	SoGen Internation- al Fund, Inc.
<b>Assets:</b>							
Investments, at fair value:							
Beneficial interests in Bankers Trust Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	-	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	-	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	-	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	-	-	-
Daily International Equity Index Fund	-	-	-	-	-	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	1,101	584	418	336	758	798	70
Investments, at contract value or cost:							
Beneficial interests in investment contracts, at contract value							
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	-	-
Total Investments	1,101	584	418	336	758	798	70
Plan receivables	2	1	1	1	2	1	-
Total Assets	1,103	585	419	337	760	799	70
Liabilities:							
Accrued expenses							
Loans payable, net	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Net Assets Available for Benefits	\$ 1,103	\$ 585	\$ 419	\$ 337	\$ 760	\$ 799	\$ 70
Units of participation	28,958	29,895	8,998	13,401	29,931	16,269	2,746
Unit value	\$ 38.10	\$ 19.56	\$ 46.63	\$ 25.13	\$ 25.39	\$ 49.10	\$ 25.45

The accompanying notes are an integral part of these financial statements.

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Net Assets Available for Benefits With Fund Information (Continued)  
December 31, 1997  
(Thousands of Dollars, except unit amounts)

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Loan Fund	Total
<b>Assets:</b>				
Investments, at fair value:				
Beneficial interests in Bankers Trust				
Company Pyramid:				
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ 18,254
Russell 2000 Equity Index Fund	-	-	-	257
Daily Japanese Equity Index Fund	-	-	-	14
Daily Non Japanese Equity Index Fund	-	-	-	40
Government/Corporate Fixed Income Index Fund	-	-	-	149
Daily International Equity Index Fund	-	-	-	175
United Technologies Corporation Common Stock	-	-	-	6,573
Shares of respective registered investment companies	162	65	-	4,363
Investments, at contract value or cost:				
Beneficial interests in investment				
contracts, at contract value	-	-	-	35,463
Participant loans, at cost	-	-	1,628	1,628
Temporary investments, at cost plus accrued interest	-	-	-	99
Total Investments	162	65	1,628	67,015
Plan receivables	-	-	-	98
Total Assets	162	65	1,628	67,113
<b>Liabilities:</b>				
Accrued expenses	-	-	-	42
Loans payable, net	-	-	-	-
Total Liabilities	-	-	-	42
Net Assets Available for Benefits	\$ 162	\$ 65	\$ 1,628	\$ 67,071
Units of participation	16,301	5,001	1,627,581	
Unit value	\$ 9.95	\$ 12.94	\$ 1.00	

The accompanying notes are an integral part of these financial statements.



CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Changes in Net Assets Available for Benefits With Fund Information  
Period Ended December 31, 1998  
(Thousands of Dollars)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
Additions to net assets attributed to:							
Investment Income:							
Net appreciation / (depreciation) in fair value of investments	\$ -	\$ 5,280	\$ (10)	\$ 9	\$ 104	\$ 3,317	\$ 9
Interest	3,119	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	9
Total Investment Income	3,119	5,280	(10)	9	104	3,317	18
Contributions:							
Participants'	4,368	2,162	57	19	110	1,137	65
Employer's	1,469	648	17	6	35	352	17
Total Contributions	5,837	2,810	74	25	145	1,489	82
Repayments on loans	469	267	7	1	7	176	1
Deductions from net assets attributed to:							
Distributions to participants	2,388	854	2	2	17	362	2
Loans to participants	844	524	11	-	12	220	2
Administrative expenses	16	4	-	-	-	2	-
Total Deductions	3,248	1,382	13	2	29	584	4
Net increase / (decrease) prior to transfers	6,177	6,975	58	33	227	4,398	97
Inter-fund transfers	507	(516)	(51)	(11)	(110)	(1,192)	19
Net increase	6,684	6,459	7	22	117	3,206	116
Net Assets Available for Benefits December 31, 1997	35,511	18,089	257	54	507	6,654	71
Net Assets Available for Benefits December 31, 1998	\$ 42,195	\$ 24,548	\$ 264	\$ 76	\$ 624	\$ 9,860	\$ 187

The accompanying notes are an integral part of these financial statements.

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Changes in Net Assets Available for Benefits With Fund Information (Continued)  
Period Ended December 31, 1998  
(Thousands of Dollars)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportunities Fund	SoGen Internation- al Fund, Inc.
Additions to net assets attributed to:							
Investment Income:							
Net appreciation / (depreciation) in fair value of investments	\$ 352	\$ 22	\$ 109	\$ (36)	\$ (5)	\$ 200	\$ (7)
Interest	-	-	-	-	-	-	-
Dividends	136	94	58	34	-	50	7
Total Investment Income	488	116	167	(2)	(5)	250	-
Contributions:							
Participants'	376	157	122	111	154	223	17
Employer's	107	43	35	29	45	60	5
Total Contributions	483	200	157	140	199	283	22
Repayments on loans	26	9	4	5	11	14	1
Deductions from net assets attributed to:							
Distributions to participants	36	13	65	8	24	72	1
Loans to participants	29	9	6	13	20	17	2
Administrative expenses	-	-	-	-	-	-	-
Total Deductions	65	22	71	21	44	89	3
Net increase / (decrease) prior to transfers	932	303	257	122	161	458	20
Inter-fund transfers	833	178	112	(48)	(124)	369	(12)
Net increase	1,765	481	369	74	37	827	8
Net Assets Available for Benefits December 31, 1997	1,103	585	419	337	760	799	70
Net Assets Available for Benefits December 31, 1998	\$ 2,868	\$ 1,066	\$ 788	\$ 411	\$ 797	\$ 1,626	\$ 78

The accompanying notes are an integral part of these financial statements.

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN  
Statement of Changes in Net Assets Available for Benefits With Fund Information (Continued)  
Period Ended December 31, 1998  
(Thousands of Dollars)

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Loan Fund	Total
Additions to net assets attributed to:				
Investment Income:				
Net appreciation / (depreciation) in fair value of investments	\$ (34)	\$ (23)	\$ -	\$ 9,287
Interest	-	-	175	3,294
Dividends	21	2	-	411
Total Investment Income	(13)	(21)	175	12,992
Contributions:				
Participants'	43	15	-	9,136
Employer's	12	4	-	2,884
Total Contributions	55	19	-	12,020
Repayments on loans	1	-	(999)	-
Deductions from net assets attributed to:				
Distributions to participants	6	2	50	3,904
Loans to participants	1	1	(1,711)	-
Administrative expenses	-	-	-	22
Total Deductions	7	3	(1,661)	3,926
Net increase / (decrease) prior to transfers	36	(5)	837	21,086
Inter-fund transfers	22	24	-	-
Net increase	58	19	837	21,086
Net Assets Available for Benefits December 31, 1997	162	65	1,628	67,071
Net Assets Available for Benefits December 31, 1998	\$ 220	\$ 84	\$ 2,465	\$ 88,157

The accompanying notes are an integral part of these financial statements.

CARRIER CORPORATION REPRESENTED EMPLOYEE SAVINGS PLAN

Notes to Financial Statements

NOTE 1 - DESCRIPTION OF THE PLAN

General. The Carrier Corporation Represented Employee Savings Plan (the Plan) is a defined contribution savings plan administered by United Technologies Corporation (UTC). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Union represented employees of Carrier, covered by a collective bargaining agreement that provides for Plan participation, are eligible to participate in the Plan after completing at least one year of service. The following is a brief description of the Plan. For more complete information, participants should refer to the Plan document which is available from UTC.

Contributions and Vesting. All participants may elect, through payroll deductions, to make after-tax contributions of between \$2 per week and a maximum amount as permitted by the relevant collective bargaining agreement. Certain participants, depending on their collective bargaining agreement, may also make tax-deferred contributions. Participant contributions, plus actual earnings thereon, are fully vested at all times under the Plan. The employer will contribute specified amounts to the Plan in accordance with the terms outlined in each collective bargaining agreement. Generally, employer contributions, plus actual earnings thereon, become fully vested after two years of Plan participation.

Participant Accounts. Each participant's account is credited with the participant's contributions and allocations of (a) UTC's contributions based on a percentage of the participant's contribution and (b) Plan earnings based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Forfeited balances of terminated participants' nonvested amounts are used to reduce future employer contributions. For the period ended December 31, 1998, approximately \$19,000 of forfeitures were used to fund employer contributions.

Trustee and Recordkeeper. All of the Plan's assets are held by Bankers Trust Company, the Plan Trustee. Fidelity Institutional Retirement Services Company performs participant account recordkeeping responsibilities.

Investment Options. Participants may elect to allocate their contributions in any whole percentage among the following funds. Participants are permitted to transfer their accounts between investment funds daily in any whole percentage or whole dollar amount. The investment funds are as follows:

- . The Income Fund invests in contracts issued by five insurance companies. See Note 3. In December of 1997, UTC approved a reverse unit split of the units of participation and the unit value of the Income Fund effective as of January 1, 1998. As a result, the units of participation and the unit value was decreased and increased, respectively, by a factor of ten. All units of participation and unit value amounts presented herein have been restated to reflect the reverse unit split.
- . The Equity Fund invests in a portfolio of common stocks replicating the Standard & Poor's Composite Index of 500 stocks (S&P 500).
- . The Small Company Stock Index Fund invests in a portfolio of common stocks replicating the Russell 2000 Index.
- . The International Equity Index Fund invests in the equities of a mix of stock markets outside the U.S.
- . The Global Fund invests in both U.S. and foreign investments to replicate the performance, in approximately equal portions, of three indices: the S&P 500, the EAFE Index (an international stock index of large companies in Europe, Australia and the Far East), and the Lehman Brothers Government/Corporate Index.
- . The UTC Common Stock Fund consists principally of 89,447 and 90,276 shares of UTC Common Stock at December 31, 1998 and 1997, respectively. On April 30, 1999, the Board of Directors of UTC declared a 2 for 1 stock split in the form of a stock dividend payable May 17, 1999 to shareowners of record at the close of business on May 7, 1999. The share amounts reflected herein do not reflect the stock split.
- . The INVESCO Total Return Fund, a registered investment company, principally invests in both equity and fixed or variable income securities to achieve a moderate total return from capital appreciation and current income.
- . The Fidelity Growth & Income Portfolio, a registered investment company, principally invests in U.S. and foreign equity securities that pay current dividends and show potential earnings growth.
- . The Putnam Fund for Growth and Income, a registered investment company, principally invests in equity securities of companies that pay regular dividends to shareowners.
- . The Fidelity Contrafund, a registered investment company, principally invests in equity securities of U.S. and foreign companies believed to be undervalued or out of favor.
- . The Fidelity Low-Priced Stock Fund, a registered investment company, principally invests in equity securities of companies believed to be

undervalued, overlooked or out of favor, which are generally priced at \$35 or less.

. The PBHG Growth Fund, a registered investment company, principally invests in equity securities of companies believed to have an outlook for strong earnings growth.

. The Putnam New Opportunities Fund, a registered investment company, principally invests in equity securities of companies in certain emerging industry groups.

. The SoGen International Fund, Inc., a registered investment company, invests in U.S. and foreign equity, fixed income and gold-related securities and cash.

. The Templeton Foreign Fund A (formerly the Templeton Foreign Fund I), a registered investment company, principally invests in equity securities of companies in developed and developing countries outside the U.S.

. The Templeton Developing Markets Trust A (formerly the Templeton Developing Markets Trust I), a registered investment company, principally invests in equity securities of companies in developing countries.

**Participant Loans.** Certain participants with at least two years of Plan participation are allowed to borrow up to 50 percent of their vested account balances. Loan amounts can range from \$1,000 to \$50,000 and must be repaid within 5 years. The loans are secured by the balance in the participant's account and bear interest at Bankers Trust's prime rate plus one percent. Principal and interest are paid ratably through payroll deductions.

**Payment of Benefits.** Generally, benefits are paid in a lump sum to a terminating participant. A participant terminating due to retirement may elect to receive benefits in installments over two to twenty years. At the participant's election, the portion of a lump sum distribution attributable to the UTC Common Stock Fund may be paid in shares of UTC Common Stock instead of cash. Distributions in UTC Common Stock for the period ended December 31, 1998 were approximately \$11,000.

**Other.** Participants who transfer to a new UTC location with a different savings plan may have the option of transferring their account balances in accordance with the provisions of the new savings plan.

#### NOTE 2 - SUMMARY OF ACCOUNTING PRINCIPLES

**Basis of Accounting.** The financial statements of the Plan are prepared under the accrual method of accounting, except for benefits which are recorded when paid.

**Master Trust.** The Plan's assets are kept in a Master Trust maintained by the Trustee. Under the Master Trust agreement, the assets of certain employee savings plans of UTC and its subsidiaries are combined. Participating Plans purchase units of participation in the investment funds based on their contribution to such funds and the unit value of the applicable investment fund at the end of the trading day in which a transaction occurs. The unit value of each fund is determined at the close of each day by dividing the sum of uninvested cash, accrued income and the current value of investments by the total number of outstanding units in such funds. Income from the funds' investments increases the Plans' unit values. Distributions to participants reduce the number of participation units held by the Plans.

At December 31, 1998, the Plan's interest in the Master Trust comprised 5,038,159 units of the 522,172,913 total units of participation, or 0.96%. At December 31, 1997, the Plan's interest in the Master Trust comprised 4,007,804 units of the total 534,787,672 units of participation, or 0.75%.

**Investment Valuation.** The Income Fund's investment contracts are stated at contract value which represents contributions plus earnings, less Plan withdrawals. All other funds are stated at fair value, as determined by the Trustee, typically by reference to published market data.

**Plan Expenses.** Plan administrative expenses, including Trustee and recordkeeping fees, were paid directly by the employer in 1998. The employer also paid certain investment management fees for the Bankers Trust managed funds. All other administrative and investment expenses were paid out of Plan assets.

**Use of Estimates.** The preparation of financial statements requires UTC to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

#### NOTE 3 - INVESTMENT CONTRACTS

Under these contracts, each insurance company guarantees repayment in full of the principal amount invested plus interest credited at a fixed rate for a specified period. Interest is credited to each contract based on an annual interest rate set each year by the individual insurance companies. This rate, which differs among contracts, takes into account any difference between prior year credited interest and the actual amount of investment earnings allocable to the contract in accordance with the established allocation procedures of the insurance company.

The interest rates earned for 1998 and 1997 were 8.5% and 8.1%, respectively. The following is a summary of the investment contracts held in the Income Fund and the portion allocable to the Plan:

(Thousands of Dollars)

	December 31, 1998	December 31, 1997
CIGNA	\$ 1,590,214	\$ 1,456,404
Aetna	471,765	437,582
Travelers	398,146	367,509
Prudential	252,192	231,133
Metropolitan Life	1,019,272	780,096
	\$ 3,731,589	\$ 3,272,724
Amount of the contracts allocable to the Plan	\$ 42,162	\$ 35,463

NOTE 4 - PLAN TERMINATION

Although it has not expressed any intent to do so, UTC has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 5 - TAX STATUS

The Internal Revenue Service has determined and informed UTC by letter dated September 23, 1996 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letters. However, the Plan administrator and tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

SIGNATURES

The Plan (or other persons who administer the employee benefit plan), pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

CARRIER CORPORATION  
REPRESENTED EMPLOYEE SAVINGS PLAN

Dated: June 28, 1999

By: /s/ Daniel P. O'Connell  
Daniel P. O'Connell  
Corporate Director, Employee Benefits and Human  
Resources Systems  
United Technologies Corporation

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-11255) of United Technologies Corporation of our report dated June 28, 1999 appearing in the Carrier Corporation Represented Employee Savings Plan's Annual Report on Form 11-K for the period ended December 31, 1998.

/s/ PricewaterhouseCoopers LLP  
PricewaterhouseCoopers LLP  
Hartford, Connecticut  
June 28, 1999