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 March 31, 1999

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 March 31, 1999 there were 225,753,606 shares of Common Stock outstanding, which does not reflect a two-for-one stock split of the Registrant's Common Stock announced on April 30, 1999 and payable on May 17, 1999 in the form of a stock dividend to shareowners of record at the close of business on May 7, 1999.

UNITED TECHNOLOGIES CORPORATION
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Quarter Ended March 31, 1999

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Quarter Ended March 31, 1999	1998
Revenues:		
Product sales	$ 3,980	$ 3,931
Service sales	1,402	1,289
Financing revenues and other income, net	60	88
	5,442	5,308
Costs and expenses:		
Cost of products sold	3,110	3,145
Cost of services sold	867	816
Research and development	274	277
Selling, general and administrative	701	661
Interest	55	47
	5,007	4,946
Income from continuing operations before income taxes and minority interests	435	362
Income taxes	136	114
Minority interests	21	19
Income from continuing operations	278	229
Discontinued operation:		
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provisions of $15 in 1999 and 1998)	30	31
Net Income	$ 308	$ 260
Earnings per share of common stock*:		
Continuing Operations:		
Basic	$ .60	$ .48
Diluted	$ .57	$ .46
Discontinued Operation:		
Basic	$ .07	$ .07
Diluted	$ .06	$ .06
Net earnings per share:		
Basic	$ .67	$ .55
Diluted	$ .63	$ .52
Dividends per share of common stock*	$ .180	$ .155
Average number of shares outstanding (in millions)*		
Basic	451	459
Diluted	492	498

See accompanying Notes to Condensed Consolidated Financial Statements

*Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements.

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED BALANCE SHEET

In Millions of Dollars	March 31, 1999 (Unaudited)	December 31, 1998
Assets		
Cash and cash equivalents	$ 657	$ 550
Accounts receivable, net	3,418	3,417
Inventories and contracts in progress, net	3,302	3,191
Future income tax benefits	1,198	1,222
Other current assets	228	161
Net investment in discontinued operation	1,255	1,287
Total Current Assets	10,058	9,828
Fixed assets	9,495	9,549
Less - accumulated depreciation	(6,034)	(5,994)
	3,461	3,555
Goodwill	1,404	1,417
Other assets	2,989	2,968
Total Assets	$ 17,912	$ 17,768
Liabilities and Shareowners' Equity		
Long-term debt currently due	$ 100	$ 99
Short-term borrowings	541	504
Accounts payable	1,648	1,860
Accrued liabilities	5,092	4,719
Total Current Liabilities	7,381	7,182
Long-term debt	1,553	1,570
Future pension and postretirement benefit obligations	1,679	1,682
Other long-term liabilities	2,346	2,500
Series A ESOP Convertible Preferred Stock	827	836
ESOP deferred compensation	(373)	(380)
	454	456
Shareowners' Equity:		
Common Stock	2,818	2,708
Treasury Stock	(3,212)	(3,117)
Retained earnings	5,595	5,411
Accumulated other non-shareowner changes in equity	(702)	(624)
	4,499	4,378
Total Liabilities and Shareowners' Equity	$ 17,912	$ 17,768

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	Quarter Ended March 31, 1999	1998
Operating activities:		
Income from continuing operations	$ 278	$ 229
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	183	181
Deferred income tax provision (benefit)	50	(81)
Change in:		
Accounts receivable	(108)	(257)
Inventories and contracts in progress	(138)	(85)
Accounts payable and accrued liabilities	201	382
Other current assets	(71)	77
Other, net	(19)	70
Net cash flows provided by operating activities	376	516
Investing activities:		
Capital expenditures	(129)	(106)
Acquisitions of business units	(95)	(235)
Disposition of business unit	43	-
Increase in customer financing assets, net	(11)	(84)
Other, net	6	33
Net cash flows used in investing activities	(186)	(392)
Financing activities:		
Issuance of long-term debt	-	-
Repayments of long-term debt	(14)	(63)
Increase (decrease) in short-term borrowings, net	53	(15)
Dividends paid on Common Stock	(81)	(71)
Common Stock repurchase	(97)	(89)
Other, net	55	53
Net cash flows used in financing activities	(84)	(185)
Net cash flows provided by discontinued operation	30	31
Effect of foreign exchange rate changes on Cash and cash equivalents	(29)	(6)
Net increase (decrease) in Cash and cash equivalents	107	(36)
Cash and cash equivalents, beginning of year	550	655
Cash and cash equivalents, end of period	$ 657	$ 619

See accompanying Notes to Condensed Consolidated Financial Statements

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The Condensed Consolidated Financial Statements at March 31, 1999 and for the quarters ended March 31, 1999 and 1998 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 period. Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Total non-shareowner changes in equity includes all changes in equity during a period except those resulting from investments by and distributions to shareowners. The specific components include: net income, deferred gains and losses resulting from foreign currency translation and minimum pension liability adjustments. Total non-shareowner changes in equity were $230 million in the first quarter of 1999, compared to $263 million in the same period of 1998.

Recent Developments

Disposition of UT Automotive

On May 4, 1999, the Corporation sold its UT Automotive unit to Lear Corporation (Lear) for $2.3 billion. Net cash proceeds from the sale will be approximately $2.1 billion after payment of taxes. An after-tax gain of approximately $600 million will be recognized in the second quarter of 1999 along with approximately one month of UT Automotive earnings. UT Automotive net assets appear in these Consolidated Financial Statements as a net investment in a discontinued operation and related results as income from operations of the discontinued UT Automotive subsidiary.

Pending Acquisition

On February 22, 1999, the Corporation announced an agreement to acquire Sundstrand Corporation, for consideration of cash and stock, in a merger valued at approximately $4.3 billion, including assumed debt.

The merger is subject to customary conditions including approvals by Sundstrand shareowners and approval by U.S. and foreign regulatory agencies. The merger will be accounted for using the purchase method and is expected to close in mid-June.

In 1998, Sundstrand had $2.0 billion in revenues and $226 million in net income.

The Corporation plans to finance the cash portion of the purchase price with the after-tax cash proceeds from the sale of its UT Automotive unit discussed above and through the issuance of long-term and medium-term debt. These financings will result in higher interest expense in future periods and higher levels of debt to capital.

Shelf Registration Statement

In April, the Corporation filed a registration statement with the Securities and Exchange Commission concerning the issuance of up to $529 million in debt securities. The registration statement became effective on April 16, 1999. The total amount of medium-term and long-term debt that could be issued by the Corporation under this and a previous registration statement is $1.0 billion.

The proceeds from the potential issuance of debt securities would be used for general corporate purposes, acquisitions and repurchases of the Corporation's common stock.

Stock Split

On April 30, 1999, the Corporation announced a two-for-one stock split payable on May 17, 1999 in the form of a stock dividend to shareowners of record at the close of business on May 7, 1999. All share and per share information in the Condensed Consolidated Financial Statements reflect the stock split.

Cost Reduction Efforts

During 1998, the Corporation recorded pre-tax charges totaling $320 million related to ongoing efforts to reduce costs of its continuing operations in response to an increasingly competitive business environment. Charges were recorded in each of the Corporation's operating segments with the majority relating to the Pratt & Whitney, Otis and Carrier operations. The amounts were primarily recorded in cost of sales and relate to workforce reductions of approximately 7,500 employees, plant closings and charges associated with asset impairments. Approximately 4,800 employees were terminated as of March 31, 1999. The remaining terminations and plant closings are planned to be completed by December of this year.

The following table summarizes the costs associated with these actions.

In Millions of Dollars	Severance and Related Costs	Other Exit Costs	Asset Write-Downs	Total
1998 Charges	$ 266	$ 5	$ 49	$ 320
Utilized through 3/31/99	176	2	49	227
Remaining	$ 90	$ 3	$ -	$ 93

The Corporation expects to record additional cost reduction charges throughout the remainder of 1999 across all operating segments in order to further reduce costs and streamline the operations.

Contingent Liabilities

There has been no significant change in the Corporation's material contingencies during 1999, however, the matters previously described in Note 14 of the Notes to Consolidated Financial Statements in the Corporation's Annual Report, incorporated by reference in the Corporation's Annual Report on Form 10-K for calendar year 1998, 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.

Environmental investigatory, remediation, operating and maintenance costs are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts with respect to each individual site, including existing technology, current laws and regulations and prior remediation experience. Where no amount within a range of estimates is more likely, the minimum is accrued. For sites with multiple responsible parties, the Corporation considers its likely proportionate share of the anticipated remediation costs and the ability of the other parties to fulfill their obligations in establishing a provision for those costs. Liabilities with fixed or reliably determinable future cash payments are discounted.

The Corporation maintains property insurance with a number of insurance companies. Litigation is continuing against one of the Corporation's historical property insurers seeking coverage for environmental costs incurred at certain facilities. The litigation is expected to last several years. Environmental liabilities are not reduced by potential insurance reimbursements.

As discussed above, the Corporation has accrued for the costs of environmental remediation activities and periodically reassesses these amounts. Management believes that losses materially in excess of amounts accrued are not reasonably possible.

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 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 for environmental investigatory, remediation, operating and maintenance costs, performance guarantees 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 impact on the Corporation's financial position, results of operations or cash flows.

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Earnings Per Share

In Millions of Dollars	Quarter Ended March 31, 1999	1998
Income from continuing operations	$ 278	$ 229
Less: ESOP Stock dividends	(8)	(8)
Basic Earnings from continuing operations	270	221
ESOP Stock adjustment	7	6
Diluted earnings from continuing operations	$ 277	$ 227
Income from discontinued operation, net of tax	$ 30	$ 31
Net Income	$ 308	$ 260
Less: ESOP Stock dividends	(8)	(8)
Basic earnings	300	252
ESOP Stock adjustment	7	6
Diluted earnings	$ 307	$ 258
Average shares (in millions)*:		
Basic	451	459
Stock awards	14	12
ESOP Stock	27	27
Diluted	492	498
Earnings per share of common stock*:		
Continuing operations:		
Basic	$ .60	$ .48
Diluted	$ .57	$ .46
Discontinued operations:		
Basic	$ .07	$ .07
Diluted	$ .06	$ .06
Net earnings per share:		
Basic	$ .67	$ .55
Diluted	$ .63	$ .52

*Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements.

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With respect to the unaudited condensed consolidated financial information of United Technologies Corporation for the quarters ended March 31, 1999 and 1998, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated April 20, 1999 appearing below, states that they did not audit and they do not express an opinion on that unaudited condensed consolidated financial information. PricewaterhouseCoopers 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. PricewaterhouseCoopers 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 PricewaterhouseCoopers 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 ended March 31, 1999 and 1998, the condensed consolidated statement of cash flows for the quarters ended March 31, 1999 and 1998, and the condensed consolidated balance sheet as of March 31, 1999. 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, 1998, and the related consolidated statements of operations, of changes in shareowners' equity and of cash flows for the year then ended (not presented herein), and in our report dated January 21, 1999 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, 1998, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP
Hartford, Connecticut
April 20, 1999

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

BUSINESS ENVIRONMENT

The Corporation's operations are classified into five principal operating segments. Carrier and Otis serve customers in the commercial property and residential housing industries. Pratt & Whitney and the Flight Systems segment, which includes Sikorsky Aircraft and Hamilton Standard, serve commercial and government customers in the aerospace industry. UT Automotive serves customers in the automotive industry. Refer to Notes to Condensed Consolidated Financial Statements for discussion of the sale of UT Automotive to Lear Corporation which occurred on May 4, 1999. As worldwide businesses, the Corporation's operations are affected by global and regional economic factors. However, the diversity of the Corporation's businesses and global market presence has helped limit the impact of any one industry or the economy of any single country on the consolidated results.

The Asian economic crisis has significantly slowed growth in the region since the latter part of 1997. Tightening of credit in Asia has restricted available financing for new construction and slowed the completion of projects currently underway, resulting in less activity compared to pre-crisis years. While recognizing that the Asian economic downturn will likely continue during 1999, management believes the long-term economic growth prospects of the region remain intact. Therefore, the Corporation's Asian investment strategy continues to focus on the long-term infrastructure requirements of the region.

During the first quarter of 1999, the Brazilian Real devalued significantly, triggering a destabilizing effect throughout Latin America. The impact of this devaluation could result in slower near-term growth in the region.

Worldwide airline profits, traffic growth and load factors have been reliable indicators for new aircraft and after-market orders. U.S. and European airlines are experiencing continued profitability driven primarily by low fuel prices and the effect of cost reduction programs. Airlines in the Asia Pacific and Latin American regions have suffered declines in operating results reflecting weaker local economies. This erosion in earnings has resulted in a decrease in new orders for aerospace products and cancelations or deferrals of existing orders throughout the industry. The impact of the Asian and Latin American economic downturn or a slowdown in the aviation industry, as a whole, will likely result in lower manufacturing volumes in the near term.

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.

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RESULTS OF CONTINUING OPERATIONS

Consolidated revenues and margin percentages were as follows:

In Millions of Dollars	Quarter Ended March 31, 1999	1998
Sales	$ 5,382	$ 5,220
Financing revenues and other income, net	60	88
Revenues	$ 5,442	$ 5,308
Gross margin %	26.1%	24.1%

Consolidated revenues for the first quarter of 1999 were 3% higher than the first quarter of 1998, primarily driven by growth at Pratt & Whitney and Otis partly offset by a Sikorsky driven decline at Flight Systems.

Financing revenues and other income, net, decreased $28 million in the first quarter of 1999 compared to the first quarter of 1998. The first quarter 1998 results reflect the settlement of a contract dispute with the U.S. Government.

Gross margin as a percentage of sales increased two percentage points in the first quarter of 1999 compared to the same period of 1998 due to improvements at all business units, but primarily at Carrier and Otis.

Research and development spending decreased $3 million (1%) in the first quarter of 1999 compared to 1998. As a percentage of sales, research and development was 5.1% in the first quarter of 1999 compared to 5.3% in the same period of 1998. Research and development spending in 1999 is expected to remain at approximately 5% of sales.

Selling, general and administrative expenses increased $40 million (6%) in the first quarter of 1999 compared to 1998 due to increases in most segments. As a percent of sales, these expenses increased to 13.0% in the first quarter of 1999 from 12.7% in the same period of 1998, due to increases at Flight Systems, Carrier and Pratt & Whitney.

The effective income tax rate for the first quarter of 1999 was 31.3% compared to 31.5% for the first quarter of 1998. The Corporation has continued to lower its effective income tax rate by implementing tax reduction strategies.

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Revenues and operating profits of the Corporation's principal operating segments for the quarters ended March 31, 1999 and 1998 are as follows (in millions of dollars):

Quarter Ended March 31,	Revenues 1999	Revenues 1998	Operating Profits 1999	Operating Profits 1998	Operating Profit Margin 1999	Operating Profit Margin 1998
Otis	$ 1,363	$ 1,322	$ 155	$ 98	11.4%	7.4%
Carrier	1,510	1,498	91	18	6.0%	1.2%
Pratt & Whitney	2,019	1,916	280	293	13.9%	15.3%
Flight Systems	606	676	40	65	6.6%	9.6%
UT Automotive	810	729	47	49	5.8%	6.7%
Total segment	6,308	6,141	613	523	9.7%	8.5%
Eliminations and Other	(56)	(104)	(11)	(10)		
General corporate expenses	-	-	(65)	(55)		
Discontinued operation	(810)	(729)	(47)	(49)		
Consolidated	$ 5,442	$ 5,308	490	409		
Interest expense			(55)	(47)		
Consolidated income from continuing operations before income taxes and minority interests			$ 435	$ 362		

Otis revenues increased 3% in the first quarter of 1999 compared to the first quarter of 1998. The increase in revenues was due to increases in Europe and North America partially offset by declines in the Asia Pacific and Latin American operations.

Otis operating profits increased $57 million in the first quarter of 1999 compared to the first quarter of 1998. 1998 results include charges related to salaried workforce reductions and the consolidation of manufacturing and engineering facilities. Operating profits improved in all operations except Latin America compared to the first quarter of 1998.

Carrier revenues increased 1% in the first quarter of 1999 compared to the first quarter of 1998. The increase in revenues was due to the impact of acquisitions, increases in Refrigeration Operations and in Europe, offset by declines in Latin American and the Asia Pacific operations.

Carrier operating profits increased $73 million in the first quarter of 1999 compared to the first quarter of 1998. Results in 1998 include charges related to workforce reductions, plant closures and implementation of a new manufacturing strategy in the rotary chiller business. In addition, operating profits improved in all operations compared to the first quarter of 1998.

Pratt & Whitney revenues increased 5% in the first quarter of 1999 compared to the first quarter of 1998. The 1999 increase reflects higher after-market revenues, primarily from the 1998 investment in an overhaul and repair joint venture in Singapore, as well as increased military sales and commercial engine

shipments. Revenues in 1998 benefited from the settlement of a contract dispute with the U.S. Government.

Pratt & Whitney operating profits decreased $13 million (4%) in the first quarter of 1999 compared to the first quarter of 1998. The quarter-over-quarter comparison includes the impact of the settlement of a contract dispute with the U.S. Government in the first quarter of 1998. In addition, the 1999 results reflect improvement in the military engine and overhaul and repair businesses.

Flight Systems revenues decreased 10% in the first quarter of 1999 compared to the first quarter of 1998. Revenue increases at Hamilton Standard, resulting primarily from the 1998 acquisition of a French aerospace components manufacturer, were more than offset by lower revenues at Sikorsky due to the timing of helicopter deliveries.

Flight Systems operating profits decreased $25 million (38%) in the first quarter of 1999 compared to the first quarter of 1998 as improvements at Hamilton Standard, resulting primarily from the 1998 acquisition of a French aerospace components manufacturer, were more than offset by declines at Sikorsky due to lower revenues.

UT Automotive revenues increased 11% in the first quarter of 1999 compared to the first quarter of 1998, due to volume increases in all businesses.

UT Automotive operating profits decreased $2 million (4%) in the first quarter of 1999 compared to the first quarter of 1998 primarily due to declines in both the electrical and interiors businesses as a result of continued operational issues and OEM pricing pressures.

Refer to Notes to Condensed Consolidated Financial Statements for discussion of the sale of UT Automotive to Lear Corporation which occurred on May 4, 1999.

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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, acquisitions, customer financing requirements, common stock repurchases, adequate bank lines of credit and financial flexibility to attract long-term capital with satisfactory terms.

Set forth below is selected key cash flow data:

In Millions of Dollars	Quarter Ended March 31, 1999	Quarter Ended March 31, 1998
Operating Activities		
Net cash flows provided by operating activities	$ 376	$ 516
Investing Activities		
Capital expenditures	(129)	(106)
Acquisitions of business units	(95)	(235)
Disposition of business unit	43	-
Increase in customer financing assets, net	(11)	(84)
Financing Activities		
Common Stock repurchase	(97)	(89)
Increase (Decrease) in total debt	21	(55)
Decrease in net debt	(86)	(19)

Cash flows provided by operating activities were $376 million during the first quarter of 1999 compared to $516 million for the first quarter of 1998. The decrease resulted from lower working capital performance partly offset by improved operating performance.

Cash flows used in investing activities were a use of funds of $186 million during the first quarter of 1999 compared to a use of $392 million in the first quarter of 1998. Capital expenditures in the first quarter of 1999 were $129 million, a $23 million increase from the corresponding period of 1998. The Corporation invested $95 million in the acquisition of businesses, including Carrier's investment in a joint venture in Japan. Current year proceeds from the disposition of business unit represents Hamilton Standard's sale of a microelectronic controls business. Customer financing activity was a net use of cash of $11 million in the first quarter of 1999, compared to an $84 million net use of cash in the first quarter of 1998, primarily as a result of first quarter 1998 funding for an airline customer. While the Corporation expects 1999 customer financing activity will be a net use of funds, 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 March 31, 1999 were approximately $1.3 billion.

As described in Notes to the Condensed Consolidated Financial Statements the Corporation filed a registration statement with the Securities and Exchange

Commission in April concerning the issuance of up to $529 million in debt securities. The registration statement became effective on April 16, 1999. The total amount of medium-term and long-term debt that could be issued by the Corporation under this and a previous registration statement is $1.0 billion. The proceeds from the potential issuance of debt securities would be used for general corporate purposes, including financing a portion of the pending acquisition of Sundstrand Corporation, other acquisitions and repurchases of the Corporation's common stock.

The Corporation repurchased $97 million of Common Stock, representing 1.55 million shares, in the first quarter of 1999 under previously announced share repurchase programs. The share repurchase program continues to be a use of the Corporation's cash flows and has more than 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, 1999	December 31, 1998	March 31, 1998
Cash and cash equivalents	$ 657	$ 550	$ 619
Total debt	2,194	2,173	1,512
Net debt (total debt less cash)	1,537	1,623	893
Shareowners' equity	4,499	4,378	4,236
Debt-to-total capitalization	33%	33%	26%
Net debt-to-total capitalization	25%	27%	17%

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. Management anticipates the level of debt-to-capital will increase during the remainder of the year in order to satisfy its various cash flow requirements, including acquisition spending and continued share repurchases.

Year 2000

The Corporation has developed a project plan to address the impact of the Year 2000 on its internal systems, products and facilities, as well as its key suppliers and customers. The project has strong executive sponsorship and has been reviewed by an independent third party. The project consists of the following phases: awareness, assessment, remediation, testing and contingency planning.

The Corporation has completed the awareness phase and has substantially completed the assessment phase, with respect to its internal systems, products and facilities. The Corporation is in the process of carrying out the remediation and testing phases, which are expected to be substantially completed by September 1999.

The Corporation has been assessing its Year 2000 risks related to significant relationships with third parties via ongoing communication with its critical suppliers and customers. As part of the process, the Corporation has requested written assurances from these suppliers and customers that they have Year 2000 readiness programs in place, as well as an affirmation that they will be compliant when necessary. Responses to these inquiries are currently being gathered and reviewed. Further analysis, including site visits, will be conducted as necessary. Activities related to third parties are scheduled to be completed by September 1999. Despite these efforts, the Corporation can provide no assurance that supplier and customer Year 2000 compliance plans will be successfully completed in a timely manner.

The Corporation is taking steps to prevent major interruptions in the business due to Year 2000 problems using both internal and external resources to identify and correct problems and to test for readiness. The estimated external costs of the project, including equipment costs and consultant and software licensing fees, are expected to be approximately $140 million. Internal costs, which are primarily payroll related, are expected to be approximately $55 million. These costs are being funded through operating cash flows with amounts that would normally be budgeted for the Corporation's information systems and production and facilities equipment. As of March 31, 1999, total costs of external and internal resources incurred amounted to approximately $100 million and relate primarily to internal systems, products and facilities. Although the Corporation has been working on its Year 2000 readiness efforts for several years, costs incurred prior to 1997 have not been separately tracked and are generally not included in the estimate of total costs.

The schedule for completion and the estimated associated costs are based on management's estimates, which include assumptions of future events. There can be no assurance that the Corporation, its suppliers and customers will be fully Year 2000 compliant by January 1, 2000. The Corporation, therefore, could be adversely impacted by such things as loss of revenue, production delays, product failures, lack of third party readiness and other business interruptions. Accordingly, the Corporation has begun developing contingency plans to address potential issues which include, among other actions, development of backup procedures and identification of alternate suppliers. Contingency planning is expected to be substantially completed by September 1999. The ultimate effects on the Corporation or its suppliers or customers of not being fully Year 2000 compliant are not reasonably estimable. However, the Corporation believes its Year 2000 remediation efforts, together with the diverse nature of its businesses, help reduce the potential impact of non-compliance to levels which will not have a material adverse impact on its financial position, results of operations or cash flows.

CAUTIONARY NOTE CONCERNING FACTORS THAT MAY AFFECT FUTURE RESULTS

This report on Form 10-Q contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. These forward-looking statements are intended to provide Management's current expectations or plans for the future operating and financial performance of the Corporation, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe", "expect", "plans", "strategy", "prospects", "estimate", "project", "anticipate" and other words of similar meaning in connection with a discussion of future operating or financial performance. These include, among others, statements relating to:

- the effect of economic downturns or growth in particular regions
- the effect of changes in the level of activity in particular industries or markets
- the anticipated uses of cash
- the scope or nature of acquisition activity
- prospective product developments
- cost reduction efforts
- the outcome of contingencies
- the impact of Year 2000 conversion efforts

From time to time, oral or written forward-looking statements may also be included in other materials released to the public.

All forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For additional information identifying factors that may cause actual results to vary materially from those stated in the forward-looking statements, see the Corporation's reports on forms 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission from time to time. The Corporation's Annual Report on Form 10-K for 1998 includes important information as to risk factors in the "Business" section under the headings "Description of Business by Operating Segment" and "Other Matters Relating to the Corporation's Business as a Whole". Additional important information as to risk factors is included in this report in the section titled "Management's Discussion and Analysis of Results of Operations and Financial Position" under the headings "Business Environment" and "Year 2000".

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

Part II - Other Information

Item 1 - Legal Proceedings

In March, 1999, the Department of Justice filed a civil False Claims Act complaint against the Corporation in the United States District Court for the Southern District of Ohio (Western Division), No. C-3-99-093. This lawsuit, previously reported as a proceeding contemplated by the government, is related to the "Fighter Engine Competition" between Pratt & Whitney's F100 engine and GE's F110 engine, for contracts awarded by the U.S. Air Force between Fiscal Years 1985 and 1990, inclusive. The government alleges that Pratt & Whitney inflated its estimated costs for purchased parts and withheld data that would have revealed the overstatements. The government seeks damages of at least $75 million (some portion of which would be trebled) plus penalties of up to $10,000 per claim submitted.

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 flow or financial position.

Except as noted above, there have been no material developments in legal proceedings during the first quarter of 1999. 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 1998.

Item 5 - Other Information

On May 4, 1999, the Corporation completed the sale of its UT Automotive operations to Lear Corporation for $2.3 billion in cash, subject to a post-closing adjustment based on working capital and cash. The financial terms of the sale were determined by negotiations between the Corporation and Lear. The UT Automotive unit was a supplier of automotive electrical distribution systems and related components in the Americas and Europe and a supplier in North America of modular headliners, instrument panels, door trim assemblies, vehicle remote entry systems, and fractional horsepower DC electric motors used in commercial and industrial applications. The UT Automotive unit also produced other products such as interior trim, mirrors, thermal and acoustical barriers, airbag covers, electronic controls and modules, engine cooling modules, interior lighting systems, windshield wiper systems, and electrical starters for commercial applications. The foregoing description of the sale is qualified in its entirety by reference to the Stock Purchase Agreement between a wholly owned subsidiary of the Corporation and Lear, dated as of March 16, 1999, which is included as an exhibit to this Form 10-Q and incorporated herein by reference.

The following Unaudited Pro Forma Condensed Balance Sheet has been adjusted to reflect the sale of UT Automotive as though it had occurred on March 31, 1999. This adjustment reflects net cash proceeds of approximately $2.1 billion after payment of taxes and the estimated gain on the sale after the accrual of other transaction related expenses. The following Unaudited Pro Forma Condensed Statements of Operations reflect UT Automotive as a discontinued operation for the years ended December 31, 1998, 1997 and 1996 and do not reflect the effects of the gain or proceeds.

The Consolidated Condensed Statement of Operations for the quarters ended March 31, 1999 and 1998, which reflects UT Automotive as a discontinued operation and the Consolidated Condensed Balance Sheet as of March 31, 1999 and December 31, 1998, which reflects UT Automotive as a net investment in a discontinued operation, can be found under Item 1, pages 1 and 2, of this Form 10-Q.

The Pro Forma Condensed Financial Statements should be read in conjunction with the Corporation's historical financial statements. The pro forma information presented is for informational purposes only and it is not necessarily indicative of future earnings or financial position or of what the earnings or financial position would have been had the sale of UT Automotive been completed on March 31, 1999. Historical financial statements can be found in the Corporation's 1998 Form 10-K filed on February 16, 1999.

On April 30, 1999, the Corporation announced a two-for-one stock split payable in the form of a stock dividend on May 17, 1999 to shareowners of record at the close of business on May 7, 1999. All common share and per share amounts presented in the Pro Forma Condensed Statements of Operations reflect the stock split.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED BALANCE SHEET
AS OF MARCH 31, 1999

In Millions of Dollars	Reported United Technologies Corporation	UT Automotive Adjustment	Pro Forma United Technologies Corporation
Assets			
Cash and cash equivalents	$ 657	$ 2,100	$ 2,757
Accounts receivable, net	3,418	-	3,418
Inventories and contracts in progress, net	3,302	-	3,302
Future income tax benefits	1,198	-	1,198
Other current assets	228	-	228
Net investment in discontinued operation	1,255	(1,255)	-
Total Current Assets	10,058	845	10,903
Fixed Assets	9,495	-	9,495
Less - accumulated depreciation	(6,034)	-	(6,034)
	3,461	-	3,461
Goodwill	1,404	-	1,404
Other Assets	2,989	-	2,989
Total Assets	$ 17,912	$ 845	$ 18,757
Liabilities and Shareowners' Equity			
Long-term debt currently due	$ 100	$ -	$ 100
Short-term borrowings	541	-	541
Accounts payable	1,648	-	1,648
Accrued liabilities	5,092	245	5,337
Total Current Liabilities	7,381	245	7,626
Long-term debt	1,553	-	1,553
Future pension and postretirement benefit obligations	1,679	-	1,679
Other long-term liabilities	2,346	-	2,346
Series A ESOP Convertible Preferred Stock	827	-	827
ESOP deferred compensation	(373)	-	(373)
	454	-	454
Shareowners' Equity:			
Common Stock	2,818	-	2,818
Treasury Stock	(3,212)	-	(3,212)
Retained Earnings	5,595	600	6,195
Accumulated other non-shareowner changes in equity	(702)	-	(702)
	4,499	600	5,099
Total Liabilities and Shareowners' Equity	$ 17,912	$ 845	$ 18,757

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1998

In Millions of dollars (except per share amounts)	Reported United Technologies Corporation	UT Automotive Adjustment	Pro Forma United Technologies Corporation
Product sales	$ 20,248	$ (2,900)	$ 17,348
Service sales	5,439	-	5,439
Financing revenues and other income, net	28	(6)	22
	25,715	(2,906)	22,809
Cost of products sold	15,815	(2,379)	13,436
Cost of services sold	3,461	-	3,461
Research and development	1,315	(147)	1,168
Selling, general and administrative	2,957	(220)	2,737
Interest	204	(7)	197
	23,752	(2,753)	20,999
Income from continuing operations before income taxes and minority interests	1,963	(153)	1,810
Income taxes	623	(55)	568
Minority interests	85	-	85
Income from continuing operations	$ 1,255	$ (98)	$ 1,157
Discontinued Operation:			
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provision of $55 million)	-	98	98
Net Income	$ 1,255	$ -	$ 1,255

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Reported United Technologies Corporation	UT Automotive Adjustment	Pro Forma United Technologies Corporation
Earnings Per Share of Common Stock*:			
Continuing Operations:			
Basic:			
Average shares (millions)	456		456
Earnings per share	$ 2.68		$ 2.47
Diluted:			
Average shares (millions)	495		495
Earnings per share	$ 2.53		$ 2.33
Discontinued Operation:			
Basic:			
Average shares (millions)	456		456
Earnings per share	$ -		$ 0.21
Diluted:			
Average shares (millions)	495		495
Earnings per share	$ -		$ 0.20
Net Earnings Per Share:			
Basic:			
Average shares (millions)	456		456
Earnings per share	$ 2.68		$ 2.68
Diluted:			
Average shares (millions)	495		495
Earnings per share	$ 2.53		$ 2.53

*Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements which can be found in Item 1.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1997

In Millions of dollars (except per share amounts)	Reported United Technologies Corporation	UT Automotive Adjustment	Pro Forma United Technologies Corporation
Product sales	$ 18,873	$ (2,927)	$ 15,946
Service sales	5,116	-	5,116
Financing revenues and other income, net	233	(7)	226
	24,222	(2,934)	21,288
Cost of products sold	15,080	(2,442)	12,638
Cost of services sold	3,208	-	3,208
Research and development	1,187	(118)	1,069
Selling, general and administrative	2,820	(209)	2,611
Interest	191	(3)	188
	22,486	(2,772)	19,714
Income from continuing operations before income taxes and minority interests	1,736	(162)	1,574
Income taxes	565	(51)	514
Minority interests	99	(1)	98
Income from continuing operations	$ 1,072	$ (110)	$ 962
Discontinued Operation:			
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provision of $51 million)	-	110	110
Net Income	$ 1,072	$ -	$ 1,072

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1997

	Reported United Technologies Corporation	UT Automotive Adjustment	Pro Forma United Technologies Corporation
Earnings Per Share of Common Stock*:			
Continuing Operations:			
Basic:			
Average shares (millions)	469		469
Earnings per share	$ 2.22		$ 1.99
Diluted:			
Average shares (millions)	507		507
Earnings per share	$ 2.11		$ 1.89
Discontinued Operation:			
Basic:			
Average shares (millions)	469		469
Earnings per share	$ -		$ 0.23
Diluted:			
Average shares (millions)	507		507
Earnings per share	$ -		$ 0.22
Net Earnings Per Share:			
Basic:			
Average shares (millions)	469		469
Earnings per share	$ 2.22		$ 2.22
Diluted:			
Average shares (millions)	507		507
Earnings per share	$ 2.11		$ 2.11

*Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements which can be found in Item 1.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1996

In Millions of dollars (except per share amounts)	Reported United Technologies Corporation	UT Automotive Adjustment	Pro Forma United Technologies Corporation
Product sales	$ 17,799	$ (3,086)	$ 14,713
Service sales	4,989	-	4,989
Financing revenues and other income, net	263	(93)	170
	23,051	(3,179)	19,872
Cost of products sold	14,327	(2,674)	11,653
Cost of services sold	3,088	-	3,088
Research and development	1,122	(108)	1,014
Selling, general and administrative	2,796	(209)	2,587
Interest	217	(4)	213
	21,550	(2,995)	18,555
Income from continuing operations before income taxes and minority interests	1,501	(184)	1,317
Income taxes	494	(64)	430
Minority interests	101	(2)	99
Income from continuing operations	$ 906	$ (118)	$ 788
Discontinued Operation:			
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provision of $64 million)	-	118	118
Net Income	$ 906	$ -	$ 906

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1996

	Reported United Technologies Corporation	UT Automotive Adjustment	Pro Forma United Technologies Corporation
Earnings Per Share of Common Stock*:			
Continuing Operations:			
Basic:			
Average shares (millions)	483		483
Earnings per share	$ 1.82		$ 1.57
Diluted:			
Average shares (millions)	517		517
Earnings per share	$ 1.74		$ 1.51
Discontinued Operation:			
Basic:			
Average shares (millions)	483		483
Earnings per share	$ -		$ 0.25
Diluted:			
Average shares (millions)	517		517
Earnings per share	$ -		$ 0.23
Net Earnings Per Share:			
Basic:			
Average shares (millions)	483		483
Earnings per share	$ 1.82		$ 1.82
Diluted:			
Average shares (millions)	517		517
Earnings per share	$ 1.74		$ 1.74

*Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements which can be found in Item 1.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

(10.1) Agreement, dated as of February 21, 1999, among United Technologies Corporation, HSSail Inc. and Sundstrand Corporation, incorporated by reference to United Technologies Corporation Report on Form 8-K (Commission file number 1-812) dated February 21, 1999.

(10.2) Stock Purchase Agreement, dated as of March 16, 1999, by and between Nevada Bond Investment Corp. II and Lear Corporation, incorporated by reference to United Technologies Corporation Report on Form 8-K (Commission file number 1-812) dated March 16,1999.

(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) Reports on Form 8-K

A Report on Form 8-K dated February 21, 1999 was filed with the Commission on February 23, 1999. The Report includes information under Item 5 concerning the announcement of a Merger Agreement dated February 21, 1999 among United Technologies Corporation, HSSail Inc. and Sundstrand Corporation. The report also includes exhibits under Item 7 containing the Merger Agreement and the related press release.

A Report on Form 8-K dated March 16, 1999 was filed with the Commission on March 19, 1999. The Report includes information under Item 5 concerning the announcement of a Stock Purchase Agreement dated March 16, 1999 pursuant to which the Corporation has agreed to sell its UT Automotive unit to Lear Corporation. The report also includes exhibits under Item 7 containing the Stock Purchase Agreement and the related press release.

A Report on Form 8-K dated April 14, 1999 was filed with the Commission on April 14, 1999. The Report includes information under Item 5 concerning the previously announced sale of the Corporation's UT Automotive unit and the Corporation's acquisition of Sundstrand Corporation. The pro forma financial information reflecting the impact of these transactions is included under Item 7.

A Report on Form 8-K dated April 30, 1999 was filed with the Commission on May 4, 1999. The Report includes information under Item 5 concerning the Corporation's announcement of a two-for-one stock spilt in the form of a stock dividend.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION

Dated: May 14, 1999	By: /s/ David J. FitzPatrick David J. FitzPatrick Senior Vice President and Chief Financial Officer
Dated: May 14, 1999	By: /s/ Jay L. Haberland Jay L. Haberland Vice President and Controller
Dated: May 14, 1999	By: /s/ William H. Trachsel William H. Trachsel Senior Vice President, General Counsel and Secretary

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

EXHIBIT INDEX

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)

PAGE

Exhibit 12

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

STATEMENT RE COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

In Millions of Dollars	Quarter Ended March 31, 1999	Quarter Ended March 31, 1998
Fixed Charges:		
Interest expense	$ 55	$ 47
Interest capitalized	4	3
One-third of rents*	20	19
Total Fixed Charges	$ 79	$ 69
Earnings:		
Income from continuing operations before income taxes and minority interests	$ 435	$ 362
Fixed charges per above	79	69
Less: interest capitalized	(4)	(3)
	75	66
Amortization of interest capitalized	7	7
Total Earnings	$ 517	$ 435
Ratio of Earnings to Fixed Charges	6.54	6.30

* Reasonable approximation of the interest factor.
/TABLE

Exhibit 15

May 14, 1999

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 April 22, 1998 (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), in the Registration Statement on Form S-4 (No. 333-77991) 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,

PricewaterhouseCoopers LLP

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This schedule contains summary financial information extracted from the Condensed Consolidated Balance Sheet at March 31, 1999 (Unaudited) and the Condensed Consolidated Statement of Operations for the three months ended March 31, 1999 (Unaudited) and is qualified in its entirety by reference to such financial statements.

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3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
657
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3,731
313
3,302
10,058
9,495
6,034
17,912
7,381
1,553
454
0
2,818
1,681
17,912
3,980
5,442
3,110
3,977
274
0
55
435
136
278
30
0
0
308
.67
.63

The [EPS-PRIMARY] amount represents BASIC earnings per share and the [EPS-DILUTED] amount represents DILUTED earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share.