

UNITED TECHNOLOGIES CORP /DE/  
Form 10-Q  
October 24, 2014  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

---

FORM 10-Q

---

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended September 30, 2014  
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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes . No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes . No .

At September 30, 2014 there were 911,658,325 shares of Common Stock outstanding.



Table of Contents

UNITED TECHNOLOGIES CORPORATION  
AND SUBSIDIARIES  
CONTENTS OF QUARTERLY REPORT ON FORM 10-Q  
Quarter Ended September 30, 2014

	Page
<u>PART I – FINANCIAL INFORMATION</u>	<u>3</u>
<u>Item 1. Financial Statements:</u>	<u>3</u>
<u>Condensed Consolidated Statement of Operations for the quarters ended September 30, 2014 and 2013</u>	<u>3</u>
<u>Condensed Consolidated Statement of Operations for the nine months ended September 30, 2014 and 2013</u>	<u>4</u>
<u>Condensed Consolidated Statement of Comprehensive Income for the quarters and nine months ended September 30, 2014 and 2013</u>	<u>5</u>
<u>Condensed Consolidated Balance Sheet at September 30, 2014 and December 31, 2013</u>	<u>6</u>
<u>Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2014 and 2013</u>	<u>7</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
<u>Report of Independent Registered Public Accounting Firm</u>	<u>26</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>27</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>44</u>
<u>Item 4. Controls and Procedures</u>	<u>45</u>
<u>PART II – OTHER INFORMATION</u>	<u>47</u>
<u>Item 1. Legal Proceedings</u>	<u>47</u>
<u>Item 1A. Risk Factors</u>	<u>48</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>48</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>48</u>
<u>Item 5. Other Information</u>	<u>48</u>
<u>Item 6. Exhibits</u>	<u>49</u>
<u>SIGNATURES</u>	<u>50</u>
<u>EXHIBIT INDEX</u>	<u>51</u>

United Technologies Corporation and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or tradenames of United Technologies Corporation and its subsidiaries. Names, abbreviations of names, logos, and products and service designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. As used herein, the terms "we," "us," "our," "the Company," or "UTC," unless the context otherwise requires, mean United Technologies Corporation and its subsidiaries. References to internet web sites in this Form 10-Q are provided for convenience only. Information available through these web sites is not incorporated by reference into this Form 10-Q.

Table of Contents

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

UNITED TECHNOLOGIES CORPORATION  
AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
(Unaudited)

(Dollars in millions, except per share amounts)	Quarter Ended September 30,	
	2014	2013
Net Sales:		
Product sales	\$11,507	\$11,243
Service sales	4,661	4,219
	16,168	15,462
Costs and Expenses:		
Cost of products sold	8,444	8,316
Cost of services sold	3,022	2,704
Research and development	677	630
Selling, general and administrative	1,580	1,633
	13,723	13,283
Other income, net	301	187
Operating profit	2,746	2,366
Interest expense, net	186	226
Income from continuing operations before income taxes	2,560	2,140
Income tax expense	608	614
Net income from continuing operations	1,952	1,526
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	98	111
Income from continuing operations attributable to common shareowners	1,854	1,415
Discontinued operations (Note 2):		
Gain on disposal	—	10
Income tax benefit	—	7
Income from discontinued operations attributable to common shareowners	—	17
Net income attributable to common shareowners	\$1,854	\$1,432
Earnings Per Share of Common Stock - Basic:		
Income from continuing operations attributable to common shareowners	\$2.07	\$1.57
Net income attributable to common shareowners	\$2.07	\$1.59
Earnings Per Share of Common Stock - Diluted:		
Income from continuing operations attributable to common shareowners	\$2.04	\$1.55
Net income attributable to common shareowners	\$2.04	\$1.57
See accompanying Notes to Condensed Consolidated Financial Statements		

Table of Contents

UNITED TECHNOLOGIES CORPORATION  
AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
(Unaudited)

(Dollars in millions, except per share amounts)	Nine Months Ended		
	September 30, 2014	2013	
Net Sales:			
Product sales	\$35,216	\$33,159	
Service sales	12,888	12,708	
	48,104	45,867	
Costs and Expenses:			
Cost of products sold	26,707	24,876	
Cost of services sold	8,380	8,161	
Research and development	1,967	1,871	
Selling, general and administrative	4,799	4,997	
	41,853	39,905	
Other income, net	948	917	
Operating profit	7,199	6,879	
Interest expense, net	617	679	
Income from continuing operations before income taxes	6,582	6,200	
Income tax expense	1,534	1,677	
Net income from continuing operations	5,048	4,523	
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	301	286	
Income from continuing operations attributable to common shareowners	4,747	4,237	
Discontinued operations (Note 2):			
Income from operations	—	63	
Loss on disposal	—	(30	)
Income tax expense	—	(12	)
Income from discontinued operations attributable to common shareowners	—	21	
Net income attributable to common shareowners	\$4,747	\$4,258	
Earnings Per Share of Common Stock - Basic:			
Income from continuing operations attributable to common shareowners	\$5.28	\$4.70	
Net income attributable to common shareowners	\$5.28	\$4.73	
Earnings Per Share of Common Stock - Diluted:			