



▲ The Otis Gen2 compact gearless elevator has transformed the industry, replacing conventional steel ropes with flexible coated steel belts to minimize noise, vibration and energy consumption.

Otis

Employees: 65,954

Adjusted Net Sales: \$12.0 billion*

Adjusted Operating Profit: \$2.4 billion*

Otis is the world's leading manufacturer, installer and maintainer of elevators, escalators and moving walkways. Otis companies offer products and services in more than 200 countries and territories, and maintain more than 1.9 million elevators and escalators worldwide.

Every day Otis moves more than 2 billion people through today's urban landscapes — a world of ever-taller buildings, busy airports and mass transportation systems. Otis is committed to making its passengers feel safe, comfortable and secure in the knowledge that they will reach their destinations seamlessly every time.

Otis plans to increase its engineering investment by 25 percent in 2016,

compared with the previous year, marking a new era that will be defined by a commitment to game-changing innovation, operational excellence and strategic growth.

Otis was selected for many of the world's largest and most iconic projects in 2015.

In China, the world's largest elevator market, Otis China grew its position despite a slowing economy. It won contracts in some of the country's fastest-growing cities, including Changsha, Guiyang, Shanghai, Shenyang and Suzhou.

In the United States Otis will participate in New York City's landmark Hudson Yards project. In Saudi Arabia, Otis is supplying 370 elevators and 104 escalators for the Abraj Kudai hotel in Mecca. It will be the world's largest hotel when it opens in 2017 with 10,000 rooms.

Otis continues to increase capacity to meet growing demand. Otis India completed the expansion of its factory in Bengaluru, where it has doubled its manufacturing capacity over the past 15 years.

Unique service capabilities remain a hallmark of Otis' leadership. The business recently introduced the next-generation of eService, an industry-leading platform that provides maintenance information in real time via computer, tablet or smart phone.

*Adjusted net sales and adjusted operating profit are non-GAAP financial measures. For the corresponding measures calculated in accordance with generally accepted accounting principles (GAAP) and a reconciliation of the differences between the non-GAAP and GAAP measures, please refer to page 73 in this Annual Report.

UTC Climate, Controls & Security

Employees: 55,058

Adjusted Net Sales: \$16.7 billion*

Adjusted Operating Profit: \$2.9 billion*

UTC Climate, Controls & Security promotes safer, smarter and sustainable buildings with state-of-the-art fire safety, security, building automation, heating, ventilating, air-conditioning and refrigeration systems.

UTC Climate, Controls & Security is well positioned with a strong portfolio, a heightened focus on operational excellence and continued investment to accelerate innovation in technologies that improve energy efficiency and reduce lifecycle costs of buildings.

Few companies understand the green building movement better than UTC Climate, Controls & Security. To demonstrate its state-of-the-art sustainable products, this business plans to build the UTC Center for Intelligent Buildings, a world-class intelligent-building

showcase and customer experience center, in Palm Beach Gardens, Florida.

UTC Climate, Controls & Security secured a number of milestone projects in 2015. Its Carrier AquaForce chillers with next-generation PUREtec refrigerant were chosen for the innovative Plan-les-Ouates district heating project in Geneva. Carrier will provide building solutions for the prestigious Sheikh Jaber Al Ahmad Cultural Centre, a first of its kind in Kuwait. Autronica's AutoSafe Integrated Fire and Gas Detection System was selected by Statoil, the Norwegian State Oil Company, to help protect the giant Johan Sverdrup oil field, one of Norway's most important industrial developments.

The HVAC business gained momentum with product launches, including the Carrier AquaEdge chiller with refrigeration capacity up to 3,000 tons for large commercial projects and the intelligent SystemVu controller to enhance efficiency for rooftop systems.

For homeowners, Carrier introduced the Côt smart-home automation system, which connects heating and cooling, and safety and security systems. Carrier's refrigeration business continues to set the standard for natural refrigerant technology that surpasses current alternatives in terms of reducing environmental impact.

New products also were launched in the fire and security segment. These included Interlogix's award-winning ZeroWire security and smart-home hub, Onity's DirectKey mobile access solution for the hospitality industry, and Lenel's newest version of the Prism Enterprise Video Management system.

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▲ Soaring above Abu Dhabi, capital of the United Arab Emirates, are the towers of the World Trade Center Abu Dhabi, a mixed-use development that includes state-of-the-art products from Carrier and Lenel, both part of UTC Climate, Controls & Security. The development, which includes the city's tallest building, also is equipped with elevators and escalators from Otis.



▲ The F-35 Lightning II, powered by Pratt & Whitney's F135 engine, is the most technologically advanced fighter jet in history.

Pratt & Whitney

Employees: 33,401

Adjusted Net Sales: \$14.2 billion*

Adjusted Operating Profit: \$1.9 billion*

Pratt & Whitney is a world leader in the design, manufacture and service of aircraft engines and auxiliary power units.

Pratt & Whitney is entering a period of major growth driven by demand for its PurePower Geared Turbofan engine family and the F135 engine that powers the F-35 Lightning II, which will be operated by the U.S. military and 11 additional countries. Pratt & Whitney expects to produce about 1,400 large commercial and military engines per year by 2020, up from approximately 700 in 2015. Over that five-year period Pratt & Whitney Canada is expected to produce a total of about 18,000 civil aircraft engines for the business jet, regional turboprop, general aviation and helicopter markets.

In 2015 Pratt & Whitney expanded its data analytics capabilities by developing new modeling and predictive tools to grow its maintenance service offerings and increase customer value. These advancements, combined with innovative maintenance practices, will enable the company to reduce unplanned engine removals and optimize engine time on-wing. This will benefit customers through improved operational availability and benefit Pratt & Whitney with a more than 5 percent cost reduction across the life of its fleet-management agreements.

To support the utility and agricultural industries, Pratt & Whitney Canada introduced the new PT6A-140A and PT6A-140AG turboprop engines in 2015. Both deliver 15 percent more power and 5 percent better fuel consumption than other engines in their class. The PT6A-140AG will power Air Tractor's new AT502XP aircraft.

During the year Airbus awarded the V2500 engine program its 2014 Best Industrial Performer in its engines and nacelles supplier category. The V2500 engine offers the most advanced technologies in the 22,000- to 33,000-pound thrust range with the lowest overall emissions in its class. Pratt & Whitney owns the majority program interest in IAE International Aero Engines AG, which offers the V2500 engine.

The Federal Aviation Administration has selected Pratt & Whitney and UTC Aerospace Systems to participate in its CLEEN II initiative — Continuous Lower Energy, Emissions and Noise. Pratt & Whitney will develop and mature advanced core-engine technologies to reduce fuel consumption and emissions.

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UTC Aerospace Systems

Employees: 41,131
Adjusted Net Sales: \$14.3 billion*
Adjusted Operating Profit: \$2.4 billion*

UTC Aerospace Systems is one of the world's largest suppliers of advanced aerospace products for commercial, military and space customers.

UTC Aerospace Systems is helping shape the future of aviation. During the year its systems enabled the first flights of the next-generation Boeing KC-46A, Embraer KC-390, Gulfstream G500 and Mitsubishi Regional Jet, as well as Sikorsky's CH-53K heavy-lift military helicopter.

This business has significant content on a number of new commercial aircraft, including Boeing's 737 MAX, 777X and 787-10, as well as the Airbus A350-1000 and A330neo development programs.

UTC Aerospace Systems achieved a number of product wins during the year.

One of the largest was for the Boeing 777X. The business will supply a broad suite of products for the large twin-engine jet, including an all-new electric power generation system that provides 25 percent more power than the current 777 system. The business also was chosen to provide wheels and carbon brakes for easyJet, IndiGo and Qatar Airways.

In 2015 UTC Aerospace Systems businesses signed maintenance contracts with Beijing Airlines, Emirates, Japan Airlines and Tianjin Airlines. Recognized for its customer service, UTC Aerospace Systems received two distinguished supplier awards from Embraer: one for aftermarket technical support on electric systems and a second for outstanding performance for wheels and carbon brakes on the E2 development platform.

UTC Aerospace Systems also signed six agreements with airlines for Aircraft Data Management, a connected aircraft

ecosystem that provides real-time data for real-time decision making. This business continues to provide customers with sensors and computer systems that gather critical in-flight information that can be shared with flight crews and ground-based teams for improved operational efficiency.

The Federal Aviation Administration selected UTC Aerospace Systems to develop new enabling nacelle technologies to reduce engine fuel burn and noise as part of the FAA's CLEEN II initiative. The company will test new technologies on Pratt & Whitney's PurePower Geared Turbofan engine.

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^ UTC Aerospace Systems has significant content on Boeing's 787-10 Dreamliner, including composite nacelle systems. The 787-10 is the longest aircraft in the Dreamliner family.