

## Reconciliation of Non-GAAP Measures to Corresponding GAAP Measures

### RECONCILIATION OF NET SALES TO ADJUSTED NET SALES

(DOLLARS IN MILLIONS)	2015	2014	2013	2012	2011
Net sales	\$ 56,098	\$ 57,900	\$ 56,600	\$ 51,101	\$ 48,526
Adjustments to net sales:					
Pratt & Whitney—charge resulting from customer contract negotiations	142	–	–	–	–
UTC Aerospace Systems—charge resulting from customer contract negotiations	210	–	–	–	–
Adjusted net sales	\$ 56,450	\$ 57,900	\$ 56,600	\$ 51,101	\$ 48,526

### RECONCILIATION OF ADJUSTED NET INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS AND ADJUSTED DILUTED EARNINGS PER SHARE TO CORRESPONDING GAAP MEASURES

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	2015	2014	2013	2012	2011
Net income from continuing operations attributable to common shareowners	\$ 3,996	\$ 6,066	\$ 5,265	\$ 4,337	\$ 4,265
Adjustments to net income from continuing operations attributable to common shareowners:					
Restructuring costs	396	354	431	537	262
Significant non-recurring and non-operational charges (gains)	1,446	(240)	(271)	(221)	(128)
Income tax expense (benefit) on restructuring costs and significant non-recurring and non-operational items	(617)	(7)	(38)	(105)	(24)
Significant non-recurring and non-operational charges (gains) recorded within income tax expense	342	(284)	(154)	(237)	(80)
Total adjustments to net income from continuing operations attributable to common shareowners	1,567	(177)	(32)	(26)	30
Adjusted net income from continuing operations attributable to common shareowners	\$ 5,563	\$ 5,889	\$ 5,233	\$ 4,311	\$ 4,295
Weighted average diluted shares outstanding	883	912	915	907	907
Diluted earnings per share—Net income from continuing operations attributable to common shareowners	\$ 4.53	\$ 6.65	\$ 5.75	\$ 4.78	\$ 4.70
Impact of non-recurring and non-operational charges (gain) on diluted earnings per share	1.77	(0.19)	(0.03)	(0.03)	0.04
Adjusted diluted earnings per share—Net income from continuing operations attributable to common shareowners	\$ 6.30	\$ 6.46	\$ 5.72	\$ 4.75	\$ 4.74

### RECONCILIATION OF SEGMENT RESULTS TO ADJUSTED SEGMENT RESULTS

(DOLLARS IN MILLIONS)	Otis	UTC Climate, Controls & Security	Pratt & Whitney	UTC Aerospace Systems
<b>2015 Segment sales</b>	\$ 11,980	\$ 16,707	\$ 14,082	\$ 14,094
Adjustments to segment sales:				
Charges resulting from customer contract negotiations	–	–	142	210
<b>Adjusted 2015 segment sales</b>	\$ 11,980	\$ 16,707	\$ 14,224	\$ 14,304
<b>2015 Segment operating profit</b>	\$ 2,338	\$ 2,936	\$ 861	\$ 1,888
Adjustments to segment operating profit:				
Restructuring costs	51	108	105	111
Gain on fair value adjustment on acquisition of controlling interest in a joint venture	–	(126)	–	–
Acquisition and integration costs related to current period acquisitions	–	5	–	–
Charge related to a research and development support agreement with Canadian government agencies	–	–	867	–
Charges resulting from customer contract negotiations	–	–	80	295
Charge for impairment of assets held for sale	–	–	–	61
<b>Adjusted 2015 segment operating profit</b>	\$ 2,389	\$ 2,923	\$ 1,913	\$ 2,355

UTC reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). However, management believes that certain non-GAAP financial measures provide users with additional meaningful financial information that should be considered when assessing our ongoing performance. Adjusted Net Sales, Adjusted Net Income, Adjusted Diluted EPS, Adjusted Segment Sales and Adjusted Segment Operating Profit should not be considered in isolation or as substitutes for analysis of UTC's results as reported in accordance in GAAP. Other companies may calculate Adjusted Net Sales, Adjusted Net Income, Adjusted Diluted EPS, Adjusted Segment Sales and Adjusted Segment Operating Profit differently than UTC does, limiting the usefulness of those measures for comparisons with other companies. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, UTC's reported results prepared in accordance with GAAP. Our non-GAAP financial information does not represent a comprehensive basis of accounting.