



Gregory J. Hayes
President and
Chief Executive Officer

Dear Shareowner

Every day at United Technologies, our 200,000 people across the globe help move the world forward. We rise to challenges, we innovate for the future, and we deliver smart, sustainable products and services the world needs.

2015 was a pivotal year for our company. We delivered adjusted earnings per share of \$6.30,* which was at the high end of the expectations we set in the latter half of the year. We returned approximately \$12 billion to our shareowners in dividends and share buyback, including a \$6 billion accelerated share repurchase program launched in November. And we reached milestones on major projects, most notably the certification and delivery of our revolutionary PurePower Geared Turbofan engine for the Airbus A320neo.

We also took decisive actions to position United Technologies for long-term growth and shareowner value creation. Our board of directors and management continually review our strategic direction. Last year, following a comprehensive analysis, we divested Sikorsky and simplified our organizational structure to allow for better focus on our four global franchises: Otis, Pratt & Whitney, UTC Aerospace Systems and UTC Climate, Controls & Security. Additionally, we initiated a \$1.5 billion multiyear restructuring plan to improve our competitiveness in the global market.

*Adjusted earnings per share is a non-GAAP financial measure. For additional information on the nearest corresponding measure calculated according to generally accepted accounting principles (GAAP) and a reconciliation of the differences between the non-GAAP measure and the corresponding GAAP measure, please refer to page 73 in this Annual Report.

› Products from Otis, Carrier, Edwards, Kidde and Automated Logic have been chosen for New York City's landmark Hudson Yards project, the largest private real estate development in U.S. history.

We are well-positioned to benefit from three megatrends that are shaping the world – urbanization, an expanding middle class and extraordinary growth in commercial aviation.

We have set a clear path for the future. Our talented and dedicated workforce, our relentless focus on execution, our commitment to innovation and our disciplined approach to capital allocation will allow us to provide the solutions our customers need to deliver the returns our investors expect, today and for decades to come.

MOVING URBANIZATION AND AVIATION FORWARD

Meeting Megatrends with Solutions

We are well-positioned to benefit from three megatrends that are shaping the world – urbanization, an expanding middle class and extraordinary growth in commercial aviation.

Every day 180,000 people move to urban areas. By 2050 cities will be home to 2.5 billion more people than today, generating a need for more apartment buildings, airports and mass-transit systems – all of which will be equipped with elevators and escalators, climate systems, and fire and security systems.

Along with urbanization will come a dramatic rise in the global middle class, nearly two-thirds of which will occur in Asia. This will generate demand for sustainable building solutions that enhance quality of life.

These same megatrends create enormous growth opportunities for Otis and UTC Climate, Controls & Security, both of which are firmly established in China, India and the Middle East, where development is occurring most rapidly.



^ UTC's leadership team at Pratt & Whitney's Middletown Engine Center in Connecticut, one of the assembly sites for the PurePower Geared Turbofan engine and other products. From left to right are: Charles D. Gill Jr., executive vice president and general counsel; J. Michael McQuade, senior vice president, science and technology; Elizabeth B. Amato, executive vice president and chief human resources officer; Robert J. McDonough, president, UTC Climate, Controls & Security; Timothy J. McBride, senior vice president, government relations; Robert F. Leduc, president, Pratt & Whitney; Gregory J. Hayes, president and chief executive officer; Akhil Johri, executive vice president and chief financial officer; Nancy M. Davis, senior vice president and chief information officer; David P. Hess, executive vice president and chief customer officer, aerospace; Philippe Delpech, president, Otis Elevator; David L. Gitlin, president, UTC Aerospace Systems; Nancy T. Lintner, senior vice president, communications; Peter F. Longo, senior vice president, operations; and Michael R. Dumais, senior vice president, strategic planning.

We also are seeing dramatic growth in commercial air travel. At the end of 2015, there were approximately 22,000 commercial airplanes in service; by 2030 there will be about 40,000. Pratt & Whitney and UTC Aerospace Systems will provide significant content on these aircraft and will service them for decades to come.

MOVING INNOVATION FORWARD Breakthrough Research & Development

Innovation continues to be one of our strongest competitive advantages. For example Pratt & Whitney's PurePower Geared Turbofan engine has transformed the commercial aviation industry. More than 20 years in development, it revolutionizes modern flight with the most sustainable engine on the market — one that reduces fuel burn by 16 percent, environmental emissions by 50 percent and noise

footprint by 75 percent. The GTF engine will power next-generation aircraft for more than 70 customers worldwide and will usher in a new era of growth for Pratt & Whitney.

Advanced technologies from UTC Aerospace Systems are found on virtually every aircraft in the world. Boeing's 737 MAX, 777X and 787-10, as well as the Airbus A350-1000 and A330neo development programs, all have significant UTC Aerospace Systems content.

Pratt & Whitney's new PurePower Geared Turbofan engine has transformed the commercial aviation industry.

Innovation is advancing the success of our building systems businesses as well. During this past year, UTC Climate, Controls & Security continued to invest in technology to expand its leadership position and launched important new products, including the Carrier AquaEdge chiller for large commercial projects as well as the intelligent SystemVu controller to enhance efficiency for rooftop systems. The business also supported growing demand for smart-home technologies through the launch of Carrier's Côt automation system.

Otis is the leader in the global elevator industry, and its presence in some of the world's most iconic buildings continues to expand. In fact, eight out of 10 buildings to hold the title of "world's tallest" over the past century are equipped with Otis elevators. In 2015 Otis proved once again why it is synonymous with landmark buildings when it was chosen to provide products for the Hudson Yards project in New York City, the largest private real estate development in U.S. history.

MOVING SUSTAINABILITY FORWARD **Industry-Leading Leadership**

Our company has been a leading voice in sustainability for nearly three decades, when we first began tracking our own impact on the environment. We have achieved remarkable reductions in greenhouse gas and chemical emissions, energy and water consumption, and industrial waste in our operations. Now we are setting the bar even higher with our 2020 Sustainability Goals.

During the year we were recognized by the Climate Disclosure Project as a global leader for our response to climate change, and we were one of more than 150 U.S. companies to join the White House in signing the American Business Act on Climate Pledge.

MOVING THE WORLD FORWARD **Our Pillars of Success**

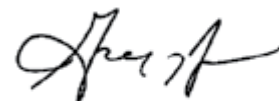
There are three pillars that underpin our success — performance, innovation and people.

We offer our customers high-performance products and services and encourage a high-performance culture with an unrelenting focus on continuous improvement and an unwavering commitment to the highest ethical standards.

We are a company founded by people who invented technologies, turned them into businesses and went on to lead entire industries. Innovation continues to be a core value, as is our commitment to sustainability.

Our geographic diversity, along with the balance between our aerospace and commercial businesses, makes it possible for us to withstand market and economic uncertainties. We are optimistic about our future and our ability to deliver long-term value to shareowners, customers and employees.

I want to thank our leadership team and our employees for their support and dedication. The talent, commitment and integrity of our people are true differentiators for us, and a constant reminder of why I am proud to lead this great company. Together we will continue to do the big things that others cannot — and keep moving the world forward.



Gregory J. Hayes
President and
Chief Executive Officer