

BUSINESS UNIT HIGHLIGHTS

OTIS



Otis' NCE escalator is the first to offer as standard a complete, all-in-one package of green features.

EMPLOYEES
60,847

NET SALES
**\$12.4
BILLION**

OPERATING
PROFIT
**\$2.8
BILLION**

OTIS

Design, manufacture, installation, service and upgrade of elevators, escalators and moving walkways for all buildings, including commercial, residential, multipurpose malls, educational institutions and urban transportation systems.

UTC CLIMATE, CONTROLS & SECURITY



Carrier's breakthrough NaturalLINE container refrigeration system design delivers best-in-class efficiency.

EMPLOYEES
27,676

NET SALES
**\$12.0
BILLION**

OPERATING
PROFIT
**\$1.5
BILLION**



Heating, ventilating, air-conditioning and refrigeration (HVACR) systems, controls, services and sustainable solutions for residential, commercial, industrial, food service and transportation applications.



In Italy, 50 high-speed trains operated by Trenitalia are being equipped with Marioff's innovative HI-FOG water mist technology, an advanced fire suppression system that protects passengers and equipment.

EMPLOYEES
38,065

NET SALES
**\$6.9
BILLION**

OPERATING
PROFIT
**\$692
MILLION**



Fire detection, alarm and suppression systems; specialty detection products and combustion controls; fire safety services; security software and hardware systems; design, manufacturing, integration, installation and servicing of access control, intruder alarm, video surveillance and fire systems; security monitoring and response.

Otis is involved in some of the largest and most ambitious building projects in the world. During the year, the company won a contract to supply and install 30 elevators and 16 escalators for the Lotte World Tower in Seoul, South Korea. Standing at approximately 1,820 feet, it will be the second highest building in the world and the tallest one in Asia.

In India, Otis will supply 47 elevators and 16 escalators to Kohinoor Square, a new LEED Platinum office complex under construction in Mumbai. Kohinoor Square will be equipped with Otis' Compass destination management system, which improves a building's traffic flow, and EMS Panorama, a Web-based application that

enables building staff to monitor, control, report on and manage a full range of elevator functions.

During the year, the company unveiled its enhanced NCE escalator. It is the first escalator that is equipped with a standard package of green features, including a regenerative drive, power standby features, LED lighting and high-efficiency lubrication.

Much of the demand for Otis elevators comes from its clean, energy-efficient technology. Its Gen2 elevators are up to 50 percent more energy efficient than conventional systems. When combined with ReGen drives, they are up to

75 percent more energy efficient than conventional systems without regenerative drives. At the end of 2011, more than 255,000 Gen2 elevators had been sold worldwide.

Otis plans to open a number of new factories in 2012 to meet growing demand for its products. They include a 215,000-square-foot facility in São Bernardo do Campo, Brazil; the expansion of the Bangalore factory in India; and a factory in Chongqing, China. The company also is opening a 423,000-square-foot facility in Florence, S.C., which will become the manufacturing center for its U.S. and Canadian operations.

Carrier continues to benefit from the transformation it began in 2008 to simplify its businesses and focus on core growth platforms. As the leading HVACR company in the world, Carrier's strategic growth drivers include a strong presence in fast-growing markets, such as India and China, where major construction projects are underway; the anticipated recovery in the U.S. commercial and residential real estate markets; and continued investment in technology, which is delivering advanced, sustainable solutions to customers.

During the year, the company introduced its breakthrough NaturaLINE container refrigeration system design.

The new NaturaLINE design has been engineered to deliver best-in-class efficiency by using carbon dioxide, a natural refrigerant, instead of conventional synthetic refrigerants, which have higher global warming potential.

Two Carrier factories—in Monterrey, Mexico, and Huntington, Ind.—were certified LEED Gold in 2011. The Monterrey factory is the world's first heating, ventilation and air-conditioning factory to receive LEED Gold certification.

Since 2000, more than 100 million metric tons of greenhouse gas emissions have been avoided as a result of customers installing high-efficiency Carrier systems. The savings, as measured by the

company's CO₂NSERVATION Meter, are equivalent to removing approximately 19 million cars off the road for one year.

Carrier won a number of major contracts in 2011. Dalian Wanda Group awarded an annual purchasing agreement to Carrier China for the second consecutive year, expanding the agreement to include airside products in addition to chillers. Transcold won multiple contracts for its ThinLINE and PrimeLINE container refrigeration units. Automated Logic will provide a building management system for 3 World Trade Center. And NORESKO, Carrier's energy services company, won a major contract from the Hawaii Department of Public Safety.

UTC Fire & Security reached a number of milestones during the year, including the introduction of 90 new products. Among them were two Edwards fire panels that are designed to enhance building safety, as well as a modular detector that combines smoke, heat and carbon monoxide sensing technologies.

Det-Tronics introduced its new smoke and heat module, which seamlessly integrates hazardous and nonhazardous areas, such as living quarters and control rooms, with a single life safety system. The module supports multiple devices, including smoke detectors, heat detectors,

carbon monoxide detectors and manual call stations.

To support growth in the Middle East, our fire and security business also inaugurated a state-of-the-art training center in Bahrain, which provides world-class fire and security product training for employees, business partners, end users and consultants.

Italy's major train manufacturer, Ansaldo Breda, is equipping 50 of its high-speed trains with Marioff's fire protection system. The project marks a significant fire suppression installation within the rail industry and is Marioff's first major

rail project in Italy since the introduction of legislation requiring fixed fire suppression systems for trains.

In the United Kingdom, Chubb Systems installed a groundbreaking, integrated network to monitor and manage traffic on the nation's highway system. It has led not only to improved efficiency and safety, but also to reductions in fuel emissions from idling vehicles.

BUSINESS UNIT HIGHLIGHTS

SIKORSKY



EMPLOYEES
17,780

NET SALES
\$7.4
BILLION

OPERATING
PROFIT
\$840
MILLION



Military and commercial helicopters; fixed-wing aircraft; spare parts and maintenance, repair and overhaul services for helicopters and fixed-wing aircraft; civil helicopter operations.

UTC PROPULSION & AEROSPACE SYSTEMS



EMPLOYEES
17,158

NET SALES
\$6.2
BILLION

OPERATING
PROFIT
\$1.1
BILLION



Electrical power generation and distribution systems; engine accessories and control systems; flight control systems and pilot controls; propulsion systems; environmental control systems; auxiliary power units; aircraft lighting; fire protection products for aircraft and military ground vehicles; NASA's space suit/life support system; industrial products, including portable and stationary air compressors, high-pressure pumps, gas compressors, and metering pumps and systems.



EMPLOYEES
35,872

NET SALES
\$13.4
BILLION

OPERATING
PROFIT
\$2.0
BILLION



Turbofan engines for large commercial, business and military aircraft; turboprop engines for regional airline, business, utility and military aircraft; turboshaft engines for commercial and military helicopters; land-based gas turbine, biomass, solar thermal and geothermal power solutions for the industrial and utility markets; maintenance, repair and overhaul services, including the sale of spare parts as well as fleet management services; liquid space propulsion systems for military and commercial applications.

During the year, Sikorsky's revolutionary X2 Technology demonstrator took its final flight, proving once again that it could travel comfortably at approximately twice the speed of conventional helicopters. Two prototype light-tactical helicopters are now under development based on the X2 Technology demonstrator. Sikorsky has received a number of prestigious awards for its breakthrough X2 Technology, including the Robert J. Collier Trophy in 2011.

Initial models of the CH-148 CYCLONE helicopter were provided to Canadian Forces in 2011. The CH-148 incorporates significant technological innovations to enable a full range of maritime missions.

The company also delivered the MH-60S SEAHAWK helicopter to the Royal Thai Navy, marking the first international delivery of the aircraft. The Royal Australian Navy has contracted with the U.S. government for 24 Sikorsky MH-60R SEAHAWK helicopters, the most advanced antisubmarine and antisurface warfare helicopter currently in operation.

Sikorsky is modernizing and reselling 50-year-old S-61 helicopters, a long-time mainstay for naval and commercial operations, and modernizing 30-year-old BLACK HAWK helicopters for the U.S. Army.

Sikorsky won a number of significant competitions during the year.

The government of Turkey selected the company for a program involving 109 coproduced derivative BLACK HAWK helicopters. Some components will be built and assembled at the company's 50-percent-owned manufacturing facility in Turkey. Sweden is the first European country to procure the Sikorsky UH-60M BLACK HAWK helicopter, a highly sophisticated aircraft for transport, search and rescue, and other missions. The company also signed a multiyear contract to provide 16 S-92 helicopters to Bond Aviation Group for offshore crude oil and natural gas support.

Two Boeing aircraft — the 787 Dreamliner and 747-8 airliner — entered service in 2011 equipped with key systems provided by Hamilton Sundstrand. The company was instrumental in the design and testing of the Dreamliner and provided nine of its major systems.

Hamilton Sundstrand has been selected to supply systems on the Bombardier Global 7000 and Global 8000 business jets. It also is providing the lighting and electrical systems for Bombardier's CSeries aircraft. During the year, Bombardier recognized Hamilton Sundstrand with its annual In-Service STAR (Supplier Top Achievement

Recognition) award for its support of Bombardier's Q400 aircraft program.

The company continues to grow its presence in the China market. During the year, construction began on a facility in Xi'an to manufacture the electric power generation and distribution system for the C919 aircraft being developed by the Commercial Aircraft Corporation of China Ltd. The facility is part of a joint-venture arrangement with AVIC Electromechanical Systems Co. Ltd. Hamilton Sundstrand also will provide the C919's emergency power system, pilot controls, and fire and overheat protection system. Additionally, the company is partnering with AVIC on

ventures to develop components for auxiliary power units and vapor cycle machines for commercial aircraft for China and international markets.

In July, Hamilton Sundstrand supported the launch of NASA's final space shuttle mission. The company will remain the lead contractor on NASA's space suit and continue to support the International Space Station, which will be in orbit through 2020.

Hamilton Sundstrand's industrial businesses — Milton Roy, Sullair and Sundyne — are recognized as global leaders in critical pump technologies and compressed air solutions.

The PurePower PW1500G engine took to the skies for its first flight in 2011, launching the flight-test program for the next-generation Geared Turbofan engine. It flew its maiden flight on the company's 747SP flying test bed at the new Mirabel Aerospace Centre in Canada. The PW1500G engine test program will run a total of eight test engines with certification scheduled for 2012 and entry into service in 2013. Orders have been placed for more than 2,000 PurePower engines, including options.

During the year, Pratt & Whitney celebrated the opening of its state-of-the-art manufacturing and testing facility in Canada. The facility will assemble and test the PurePower PW1500G engine series for the Bombardier CSeries aircraft and the advanced PurePower PW800 family of engines for the next generation of large business jets.

The F135 engine continues to demonstrate excellent reliability and performance while powering nearly 1,000 flights for the F-35 Lightning II. In 2011, Pratt & Whitney was awarded more than \$4 billion in F135 orders for

all phases of the program. The company also demonstrated the capability to double the output of production F135 engines, bringing total deliveries to nearly 40.

Pratt & Whitney PW4062 engines were chosen to power the U.S. Air Force's KC-46 tanker, an aerial refueling aircraft.

Pratt & Whitney Rocketdyne has begun testing the J-2X upper-stage engine, which will power NASA's next era of human spaceflight. The J-2X is based on a proven design that could provide a safe and reliable solution for NASA's future heavy-lift launch vehicles.