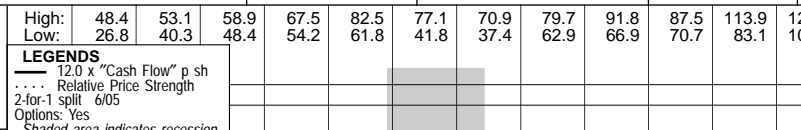


UNITED TECH. NYSE-UTX

RECENT PRICE **114.07** P/E RATIO **16.7** (Trailing: 18.4 Median: 16.0) RELATIVE P/E RATIO **0.89** DIV'D YLD **2.1%** VALUE LINE

TIMELINESS 4 Lowered 11/29/13
SAFETY 1 Raised 5/9/97
TECHNICAL 3 Raised 6/13/14
BETA 1.05 (1.00 = Market)



Target Price	Range
2017	2018
2019	

2017-19 PROJECTIONS

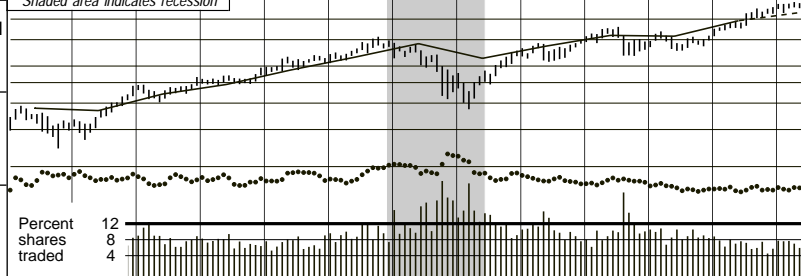
Price	Gain	Ann'l Total Return
High 155	(+35%)	10%
Low 130	(+15%)	6%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	2	1	0	3	0	4	4	1	0
to Sell	2	1	0	3	0	4	5	2	0

Institutional Decisions

	3Q2013	4Q2013	1Q2014
to Buy	538	602	549
to Sell	610	593	666
Hlds(000)	756689	756174	754511



1 yr.	3 yr.	5 yr.
26.8	40.1	52.6
150.0	168.7	

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
28.57	25.42	28.24	29.54	30.04	30.19	36.63	41.70	48.04	55.79	62.27	56.49	58.97	64.14	62.80	68.32	71.65	75.80	Revenues per sh	90.05
2.34	1.78	2.80	2.98	3.15	3.07	3.68	4.09	4.79	5.50	6.38	5.43	6.22	6.97	6.93	8.19	9.00	9.90	"Cash Flow" per sh	11.95
1.26	.83	1.78	1.92	2.21	2.35	2.73	3.05	3.64	4.27	4.90	4.12	4.74	5.49	5.34	6.21	6.85	7.60	Earnings per sh ^A	9.45
.35	.38	.41	.45	.49	.57	.70	.88	1.02	1.17	1.35	1.54	1.70	1.87	2.03	2.20	2.36	2.58	Div'ds Decl'd per sh ^B	3.15
.96	.80	1.00	.84	.62	.52	.78	.92	.96	1.17	1.29	.88	.94	1.08	1.51	1.84	1.90	1.95	Cap'l Spending per sh	2.20
4.44	7.12	7.78	8.53	8.90	11.39	13.70	16.76	17.37	21.76	16.89	21.42	23.21	24.12	28.20	34.76	38.45	43.10	Book Value per sh ^C	59.75
900.21	949.09	941.37	944.32	939.24	1028.1	1022.2	1013.9	995.70	981.52	942.29	936.74	921.27	907.22	918.85	916.69	910.00	905.00	Common Shs Outst'g ^D	895.00
17.9	38.2	17.4	18.1	14.8	15.6	16.9	17.0	16.9	16.8	13.1	13.4	15.0	14.6	14.7	16.0	16.0	16.0	Avg Ann'l P/E Ratio	15.0
.93	2.18	1.13	.93	.81	.89	.89	.91	.91	.89	.79	.89	.95	.92	.94	.90	.94	.90	Relative P/E Ratio	.94
1.5%	1.2%	1.3%	1.3%	1.5%	1.6%	1.5%	1.7%	1.6%	1.6%	2.1%	2.8%	2.4%	2.3%	2.6%	2.2%	2.2%	2.2%	Avg Ann'l Div'd Yield	2.2%

CAPITAL STRUCTURE as of 3/31/14
 Total Debt \$20.0 bill. Due in 5 Yrs \$4.5 bill.
 LT Debt \$19.7 bill. LT Interest \$850 mill.
 (38% of Cap'l)
 Annual Rentals Leases, uncapped \$6.6 bill.
 Pension Assets-12/13 \$31.4 bill. Oblig. \$33.0 bill.
 Preferred Stock None
 Common Stock 916,731,329 shares
 MARKET CAP: \$105 billion (Large Cap)

37445	42275	47829	54759	58681	52920	54326	58190	57708	62626	65200	68600	Revenues (\$mill)	80600
14.5%	13.5%	14.9%	15.0%	15.2%	14.6%	15.6%	15.2%	14.3%	15.8%	16.8%	17.6%	Operating Margin	19.0%
978.0	984.0	1033.0	1173.0	1321.0	1258.0	1356.0	1347.0	1524	1821	1925	2025	Depreciation (\$mill)	2200
2788.0	3164.0	3732.0	4224.0	4689.0	3829.0	4373.0	4979.0	4840	5686	6250	6925	Net Profit (\$mill)	8475
26.4%	26.8%	27.2%	28.8%	27.1%	27.4%	27.9%	29.3%	24.8%	26.9%	30.0%	30.0%	Income Tax Rate	32.0%
7.4%	7.5%	7.8%	7.7%	8.0%	7.2%	8.0%	8.6%	8.4%	9.1%	9.6%	10.1%	Net Profit Margin	10.5%
2575.0	1861.0	3636.0	4602.0	4665.0	5281.0	5778.0	7142.0	5824	6642	7175	7550	Working Cap'l (\$mill)	8900
4231.0	5935.0	7037.0	8015.0	9337.0	8257.0	10010	9501.0	21597	19741	18800	18600	Long-Term Debt (\$mill)	17500
14008	16991	17297	21355	15917	20066	21385	21880	25914	31866	34975	39000	Shr. Equity (\$mill)	53475
15.9%	14.5%	16.2%	15.4%	19.8%	14.6%	14.9%	16.6%	11.1%	11.9%	12.5%	12.5%	Return on Total Cap'l	12.5%
19.9%	18.6%	21.6%	19.8%	29.5%	19.1%	20.4%	22.8%	18.7%	17.8%	18.0%	18.0%	Return on Shr. Equity	16.0%
15.2%	13.7%	16.1%	14.7%	21.9%	12.3%	13.5%	15.4%	11.9%	11.9%	12.0%	12.0%	Retained to Com Eq	10.5%
24%	26%	25%	26%	26%	35%	34%	32%	36%	34%	34%	34%	All Div'ds to Net Prof	33%

CURRENT POSITION (SMILL.)

	2012	2013	3/31/14
Cash Assets	4819	4619	4477
Receivables	11099	11458	11537
Inventory (Avg Cst)	9537	10330	10992
Other	4155	3035	2814
Current Assets	29610	29442	29820
Accts Payable	6431	6965	6949
Debt Due	1624	500	304
Other	15731	15335	15678
Current Liab.	23786	22800	22931

BUSINESS: United Technologies Corp. operates in five business segments: *Pratt & Whitney* (revenues of \$14.5 billion in '13) makes and services commercial and military aircraft engines; *Otis* (\$12.5 billion) the world's largest manufacturer and servicer of elevators and escalators; *UTC Climate* (\$16.8 billion) makes heating, ventilating, and air-conditioning (HVAC) equipment; *Sikorsky* (\$6.2 billion)

makes helicopters; *UTC Aerospace* (\$13.3 billion) produces aerospace and industrial products. Acquired Goodrich 7/12. Dirs. & offs. own less than 1% of common; State Street, 11.5%; Black-Rock, 6.7% (3/14 proxy). Employs about 212,000. Chairman & CEO: Louis R. Chenevert, Inc.: DE. Address: One Financial Plaza, Hartford, CT 06103. Tel.: 860-728-7000. Internet: www.utc.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-19
change (per sh)	8.0%	3.5%	5.5%
Revenues	9.0%	6.0%	8.5%
"Cash Flow"	10.0%	6.0%	9.0%
Earnings	15.0%	11.5%	7.5%
Dividends	11.5%	9.0%	13.0%

United Technologies started the year on a fairly decent note, but things should pick up as 2014 wears on. Sales increased 2% in the March quarter, and share earnings slipped 5%. Much of the bottom-line decline was due to restructuring costs and net divestitures. That said, we still expect share net to advance more than 10% this year, to the high end of management's guidance range (\$6.65-\$6.85). All five of UTX's segments are performing well, and we think margins will expand handsomely yet again this year, offsetting the aforementioned restructuring charges and a likely higher tax rate.

\$850 million and a charge of \$440 million in the second quarter. Management said the charge will be offset by other one-time gains that will occur over the course of the year, so UTX's bottom-line guidance remained unchanged. **This stock does not really stand out from its Dow-30 counterparts.** Recent share-price momentum has not been great, and the March-quarter EPS comparison was lackluster, so UTX is ranked Below Average for Timeliness. Looking long term, the bottom line is expected to continue advancing at a swift pace between now and the end of the decade, but we think much of that growth is already reflected in the stock price. Moreover, the dividend yield is only about average, and the \$0.055 increase to the quarterly payout we are expecting to be announced in February, 2015 will not alter the yield much. The stock does get high marks for Price Stability and Earnings Predictability, which affords it our Highest Safety rank, but there are other similarly high-quality issues out there that investors would be better served looking at, for now.

QUARTERLY REVENUES (\$mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	13344	15076	14804	14966	58190
2012	12416	13807	15042	16443	57708
2013	14399	16006	15462	16759	62626
2014	14745	16630	16325	17500	65200
2015	15500	17500	17200	18400	68600

Cash flow generation remains robust. UTX is spinning off lots of cash these days, despite an increased capital spending budget. The company bought back \$335 million worth of stock in the opening quarter, and continues to anticipate share repurchases, acquisitions, and debt reductions of \$1 billion each in 2014.

The company's Sikorsky Aircraft arm announced a new agreement with the Canadian Maritime Helicopter Program. As a result of the amended contract, Sikorsky will record sales of about

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	1.11	1.45	1.47	1.47	5.49
2012	1.31	1.62	1.37	1.04	5.34
2013	1.39	1.71	1.57	1.60	6.21
2014	1.32	1.85	1.80	1.88	6.85
2015	1.60	2.00	1.95	2.05	7.60

The company's Sikorsky Aircraft arm announced a new agreement with the Canadian Maritime Helicopter Program. As a result of the amended contract, Sikorsky will record sales of about

Erik M. Manning
 July 18, 2014

(A) Diluted EPS. Excludes discontinued operations: '99, 68¢, '04, 15¢, '05, 6¢, '12, 32¢, '13, 4¢. Quarterly figures may not sum due to rounding and/or changes in share count. Next earnings report due late July.

(B) Dividends historically paid in early March, June, September, and December. ■ Dividend reinvestment plan available.

(C) Includes intangibles. In 2013: \$43.7 billion, \$47.67 a share.
 (D) In millions, adjusted for stock split.

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	95
Earnings Predictability	95