



United Technologies

TAKING CHEMICAL MANAGEMENT GLOBAL



CMS FORUM
SAN FRANCISCO, CA
OCTOBER 2006

AGENDA

Introduction to United Technologies

Global view of UTC

ACE & UT500

Challenges

Metrics & Measurement

Summary

UNITED TECHNOLOGIES



Aircraft engines, gas turbines & space propulsion systems



Industrial & aerospace systems



Helicopters



Heating, ventilating, cooling & refrigeration systems



Clean power, cooling / heating solutions



Elevators, escalators, moving walkways, people movers & horizontal transportation systems



Security & fire protection services

UTC OVERVIEW

2005

(US \$ billions @AFX)

 **United Technologies**
A United Technologies Company

Revenue: \$42.7

 **Carrier**
A United Technologies Company

Revenue: \$12.5



 **Otis**
A United Technologies Company

Revenue: \$9.6



 **Pratt & Whitney**
A United Technologies Company

Revenue: \$9.3



 **Sikorsky**
A United Technologies Company

 **Hamilton Sundstrand**
A United Technologies Company

Revenue: \$7.2



 **UTC Fire & Security**
A United Technologies Company

Revenue: \$4.2



UTC OVERVIEW

Products around the world

UTC companies help keep the world running.....

Hamilton Sundstrand Control some function of every commercial aircraft

Sikorsky Helicopter's rescue people in trouble all around the world

Carrier Air Conditioning cools everything from the Sistine Chapel to the Rock and Roll Hall of Fame

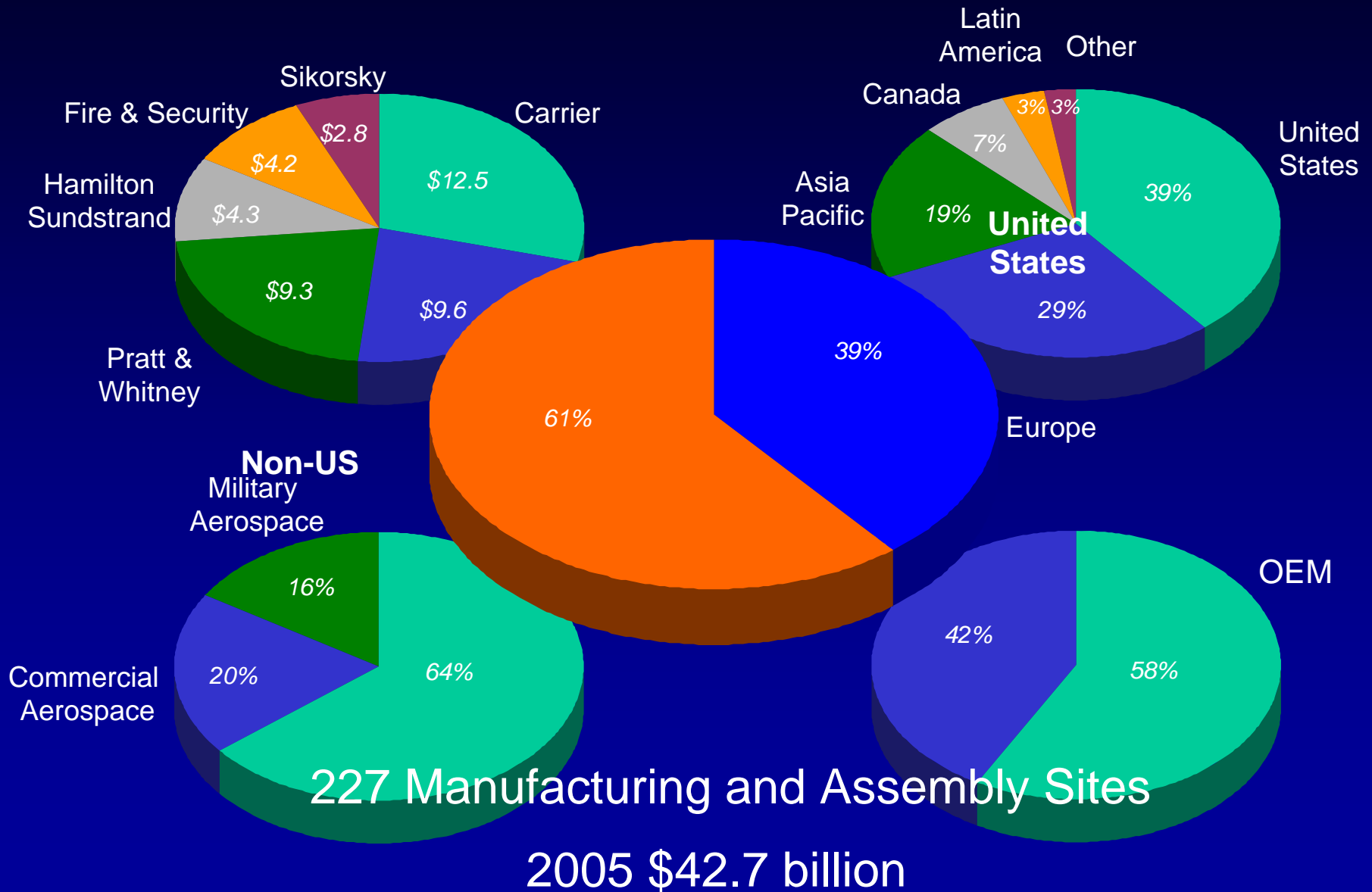
Otis Elevators will take you to the top of buildings in virtually every major city in the world

Pratt & Whitney Engines power over 50% of the worlds commercial aircraft and fly millions of people safely to their destinations

UTC Fire and Security products are used to protect people and property throughout the world

UTC Power Fuel Cells provide 100% of the Power to the Space Shuttle

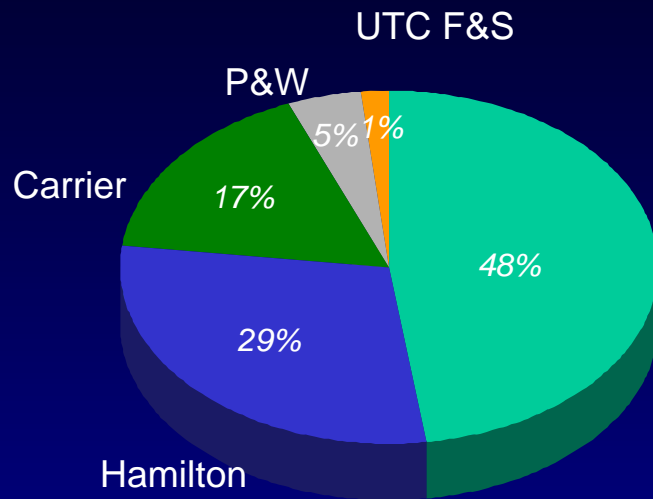
REVENUE DIVERSIFICATION



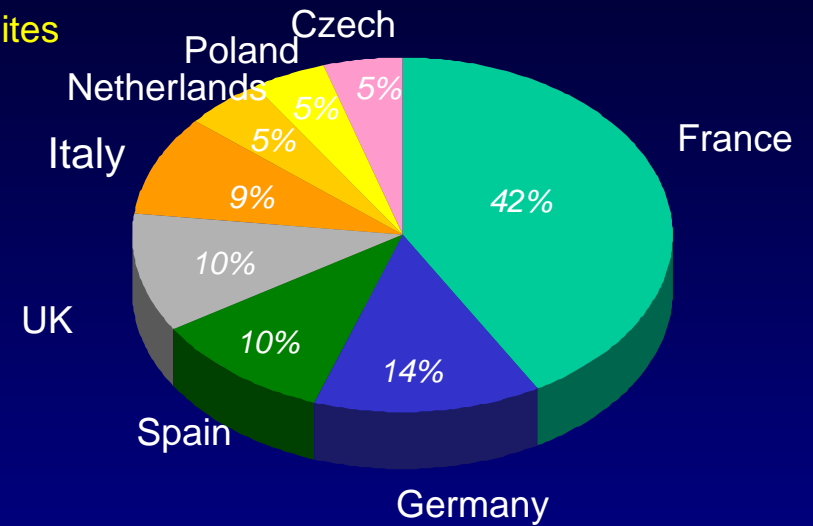
GLOBAL FOOTPRINT

Europe

65 Operating Sites

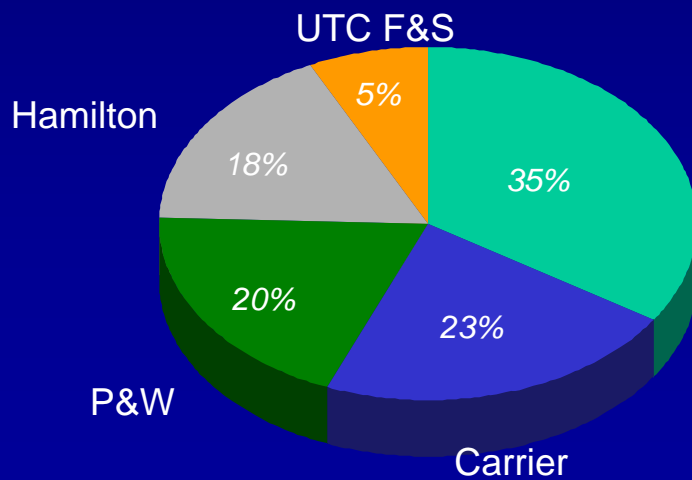


Otis

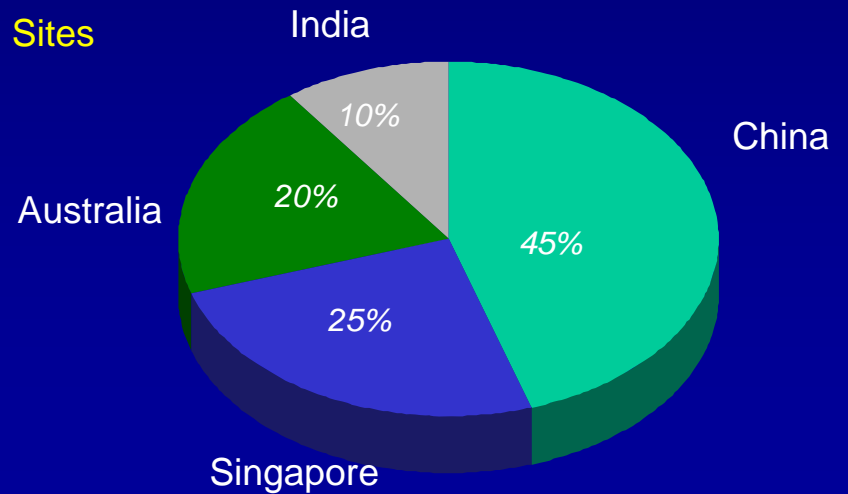


Asia

41 Operating Sites

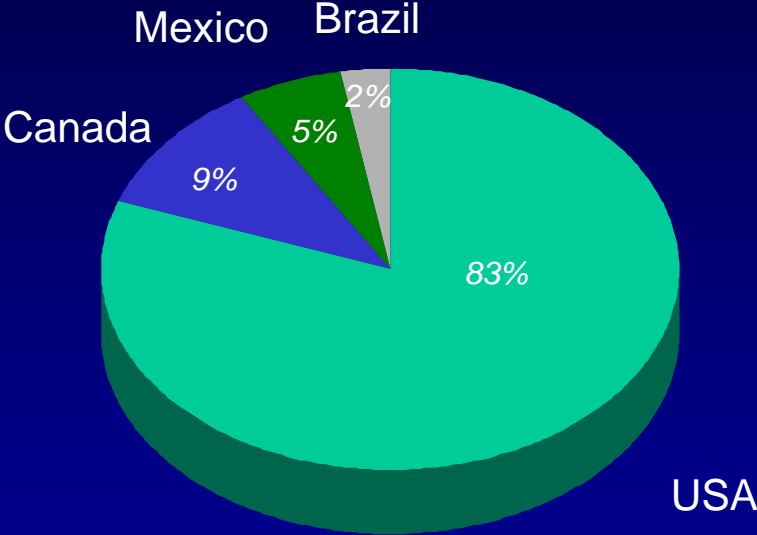
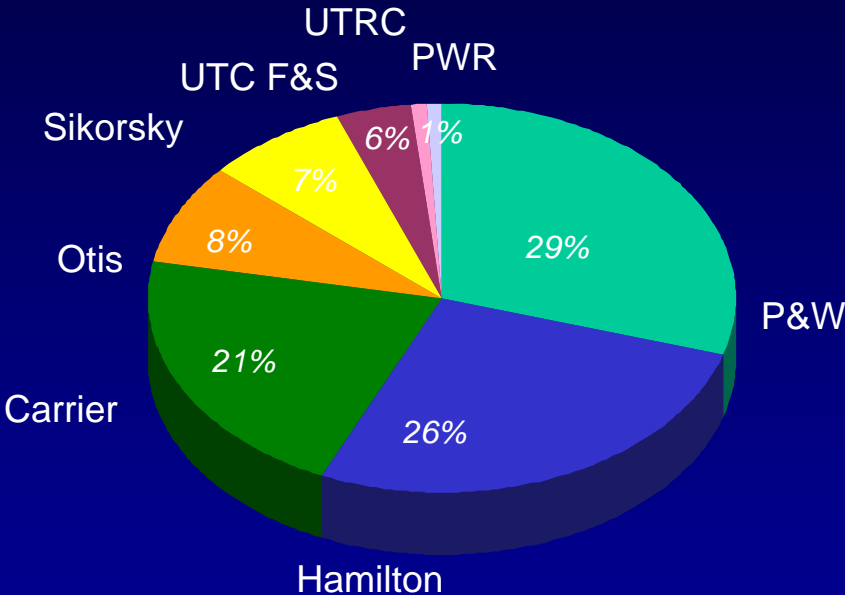


Otis



GLOBAL FOOTPRINT

North and South America



121 Operating Sites

ACHIEVING COMPETITIVE EXCELLENCE

ACE

Purposes:

Delight the customers, employees, and shareholders

Optimize the value we create and deliver

Key principles:

Customer focused

Process oriented

Data driven decision making



ACE IS OUR OPERATING SYSTEM

<u>Culture/Philosophy</u>	<u>Tools</u>	<u>Metrics</u>	<u>Competencies</u>
<ul style="list-style-type: none">• Mindset of continuous process improvement• Commitment from the entire organization to increase value to our customers and shareholders	<ul style="list-style-type: none">• Provides the means to improve processes, problem solving and decision making	<ul style="list-style-type: none">• Metrics aligned with customer needs and expectations• These metrics become an organizations roadmap for improvement	<ul style="list-style-type: none">• Our organization is only as effective as our people; and their competency is instrumental to the cultural advancement of ACE

UTC Operations

Operations Transformation: This is Momentum

Strategies

- *Design for Manufacturing*
- *Strategic Sourcing*
- *Lean*
- *Talent Development*

Results

- *Create & Deliver Customer Value*
- *Accelerate Operating Performance*
- *Double Inventory Turns*
- *World-class Talent*



Achieving Competitive Excellence

The United Technologies Operating System



Ops Transformation is our Strategy

Unmatched EHS Performance – Safety 1st

One Team, One Company, One Voice

INFRASTRUCTURE

ACE

Presid

UT 500!

Supply Management Council

UT500

Launched 2001

Focus on cross process, policy and sourcing

Commodity teams

Executive Steering Committee

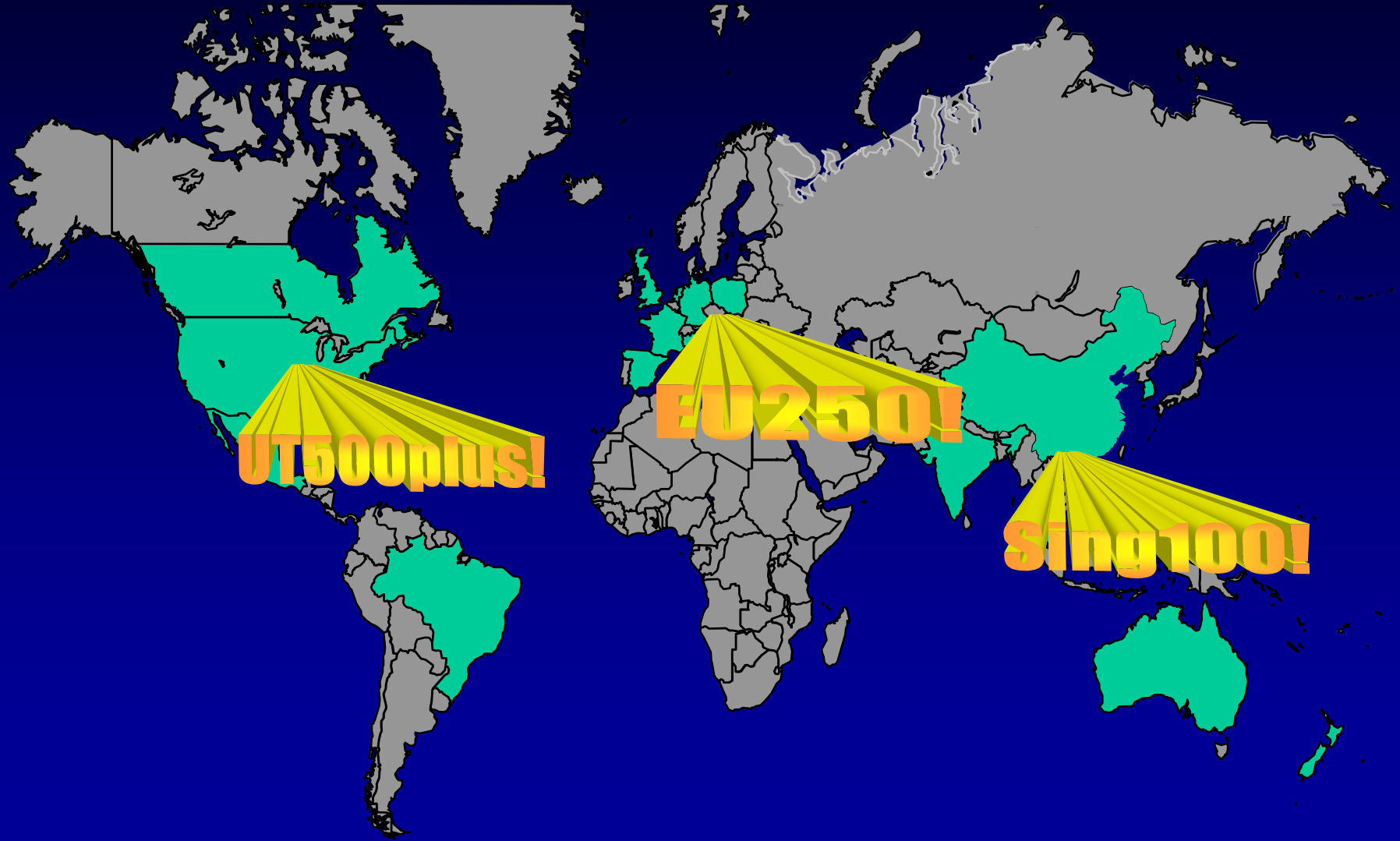
Advisory Council for sub-teams

Drive cross divisional collaboration

Saved \$1.5B since 2001

UT500

International Expansion - 2005



CHALLENGES

Decentralized operations

Cultural differences

Supply market infrastructure

Regulatory governance (REACH)

Plant Size & Logistics

Divisional and site ownership

MEASURING FOR SUCCESS

Divisional ownership & scorecard

		Executive Council													
		UTC VP Operations													
		Supply Mgmt	Line Executive				Finance Executives								
		Exec Country(2006/2007)	Sub-Team	CAR	HS	HS - Indust	Otis	PW	PW - GSP	PWR	PWC	SIK	UTCFS	UTC Power	UTRC
Div Reps:	UTPWR	England	EU250												
	Sikorsky	Czech Republic	EU250												
	Fire & Security	Germany	EU250												
GGPS:		France	EU250												
		Italy	EU250												
		Netherlands	EU250												
		Poland	EU250												
		Spain	EU250												
		Australia	Sing100												
Teams: *Champions : Leaders: Sub-teams:	Team 1 Dir. Pratt Whit	China	Sing100												
		India	Sing100												
		Singapore	Sing101												
		-Sub Team 1													
		-Sub Team 2													
	-Sub Team 3														
	-Sub Team 4														

Responsibilities
Establish overall savings target and strategic direction

No Activity

Project being Reviewed

Project Working/Completed

Not Applicable

RECOGNIZE AND REWARD

Continuous improvement becomes contagious when employees feel empowered and engaged and are recognized for their commitment and hard work...



SUMMARY

Growth and opportunity for UTC lies offshore

ACE provides strong foundation for C.I.

UT500 worldwide brand for leveraging the power of ONE

Top down/bottom up accountability and engagement

Proper measurement tools

Recognize and reward efforts



**United
Technologies**