United Technologies

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Note: All results and expectations in this presentation reflect continuing operations unless otherwise noted.

Cautionary Statement:

This document contains statements which, to the extent they are not statements of historical or present fact, constitute “forward-looking statements” under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “anticipate,” “will,” “should,” “see,” “guidance,” “confident” and other words of similar meaning in connection with a discussion of future operating or financial performance. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases and other measures of financial performance or potential future plans, strategies or transactions of United Technologies or the combined company following United Technologies’ proposed acquisition of Rockwell Collins, the anticipated benefits of the proposed acquisition, including estimated synergies, the expected timing of completion of the transaction and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of economic conditions in the industries and markets in which United Technologies and Rockwell Collins operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction and in both the commercial and defense segments of the aerospace industry, levels of air travel, financial condition of commercial airlines, the impact of weather conditions and natural disasters and the financial condition of our customers and suppliers; (2) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; (3) future levels of indebtedness and capital spending and research and development spending; (4) future availability of credit and factors that may affect such availability, including credit market conditions and our capital structure; (5) the timing and scope of future repurchases of United Technologies’ common stock, which may be suspended at any time due to market conditions and the level of other investing activities and uses of cash, including in connection with the proposed acquisition; (6) delays and disruption in delivery of materials and services from suppliers; (7) company and customer-directed cost reduction efforts and restructuring costs and savings and other consequences thereof; (8) the scope, nature, impact or timing of acquisition and divestiture activity, including among other things integration of acquired businesses, including Rockwell Collins, into United Technologies’ existing businesses and realization of synergies and opportunities for growth and innovation; (9) new business or investment opportunities; (10) our ability to realize the intended benefits of organizational changes; (11) the anticipated benefits of diversification and balance of operations across product lines, regions and industries; (12) the outcome of legal proceedings, investigations and other contingencies; (13) pension plan assumptions and future contributions; (14) the impact of the negotiation of collective bargaining agreements and labor disputes; (15) the effect of changes in political conditions in the U.S. and other countries in which United Technologies and Rockwell Collins operate, including the effect of changes in U.S. trade policies or the U.K.’s pending withdrawal from the EU, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (16) the effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which United Technologies and Rockwell Collins operate; (17) the ability of the parties to receive the required regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction) and approval of Rockwell Collins’ shareowners and to satisfy the other conditions to the closing of the transaction on a timely basis or at all; (18) the occurrence of events that may give rise to a right of one or both of the parties to terminate the merger agreement; (19) negative effects of the announcement or the consummation of the transaction on the market price of United Technologies’ and/or Rockwell Collins’ common stock and/or on their respective financial performance; (20) risks relating to the value of the United Technologies’ shares to be issued in the transaction, significant transaction costs and/or unknown liabilities; (21) the possibility that the anticipated benefits from the proposed transaction cannot be realized in full or at all or may take longer to realize than expected, including risks associated with third party contracts containing consent and/or other provisions that may be triggered by the proposed transaction; (22) risks associated with transaction-related litigation; (23) the possibility that costs or difficulties related to the integration of Rockwell Collins’ operations with those of United Technologies will be greater than expected; and (24) the ability of the combined company to retain and hire key personnel. There can be no assurance that the proposed acquisition or any other transaction described above will in fact be consummated in the manner described or at all. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the reports of United Technologies and Rockwell Collins on Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC from time to time. Any forward-looking statement speaks only as of the date on which it is made, and United Technologies and Rockwell Collins assume no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Rockwell Collins Acquisition

Strategic Rationale

Rockwell Collins

+

UTC Aerospace Systems

Establishes premier aerospace systems supplier

Broader and more capable field support network

Enables comprehensive digital service offerings

Cost synergies of $500+ million expected by year 4

Strategic option flexibility following de-leveraging

Key Deal Metrics

Overview

Transaction value: $30B

Equity Value: $23B

Debt assumed: $7B

13.9x 2018E EBITDA*

Closing by Q3 2018

Accretive to CY 2019 adjusted EPS

IRR above 8% cost of capital

Funding

COL shareowners receive:

- 67% Cash
- 33% UTC stock
- *(subject to 7.5% collar)*

Sources of cash:

- ~$14B of new debt
- *(<4% cost of debt)*
- ~$1B of repatriation

Impact to credit ratings:

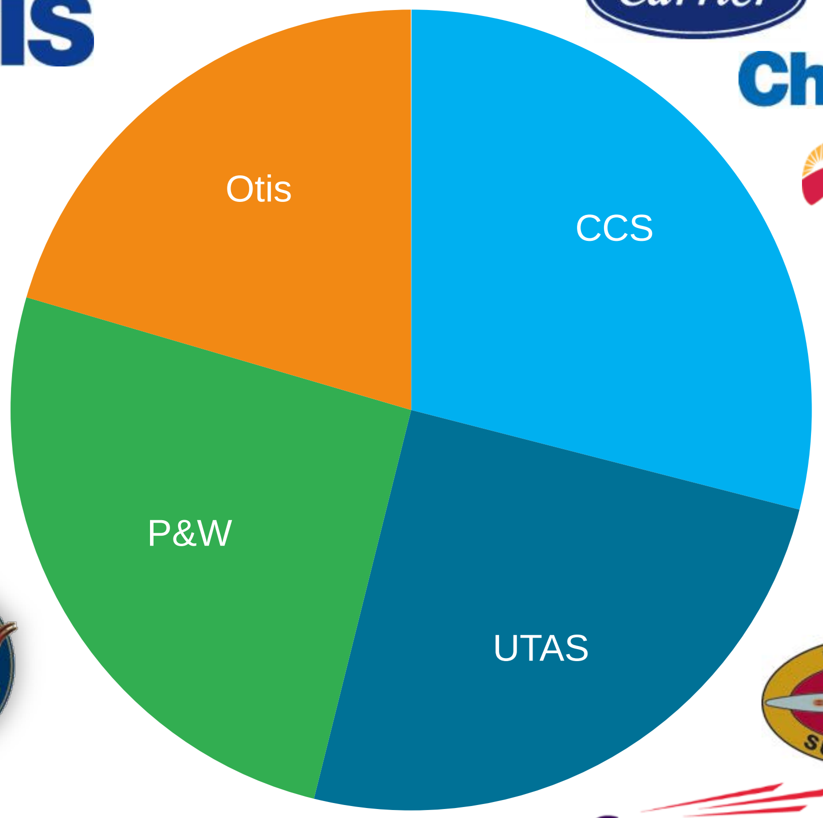
- Expect no more than one notch downgrade

Accretive to CY 2019 adjusted EPS, net of amortization and suspended share buyback

*Based on Thompson Reuters consensus estimates for Rockwell Collins.

Industry Leading, Global Franchises

Segment



2016 Sales: $57.2B

2017 Outlook

Adjusted EPS*	$6.45 – $6.60
Sales	$58.5B – $59.5B
Organic Sales*	3 – 4%
Free Cash Flow*	$3.0B – $3.5B

<u>Free Cash Flow changes to December 2016 outlook</u>

Free Cash Flow* *(Dec '16 outlook)*	$4.4B – $4.9B *(90 -100% of Net Income)*
<u>Changes since December</u>	
Watsco taxes/other	*(0.2B)*
Incremental pension contribution (net of taxes)	*(1.2B)*

Focused on the core – commercial buildings and aerospace systems and technologies

Consolidated UTC sales for 2016 of $57.2B includes eliminations
*See appendix for additional information regarding these non-GAAP financial measures.

2018 Headwinds/Tailwinds

Positives

Pension

US/Europe commercial

Aero aftermarket

Cost reduction

FX

Monitoring

Commodities/Pricing

Geopolitical environment

Challenges

Negative engine margin (Pratt & Whitney)

Interest expense

China/strategic investments (Otis)

Accounting standards change

Accounting Standards Change

($M's, except EPS)

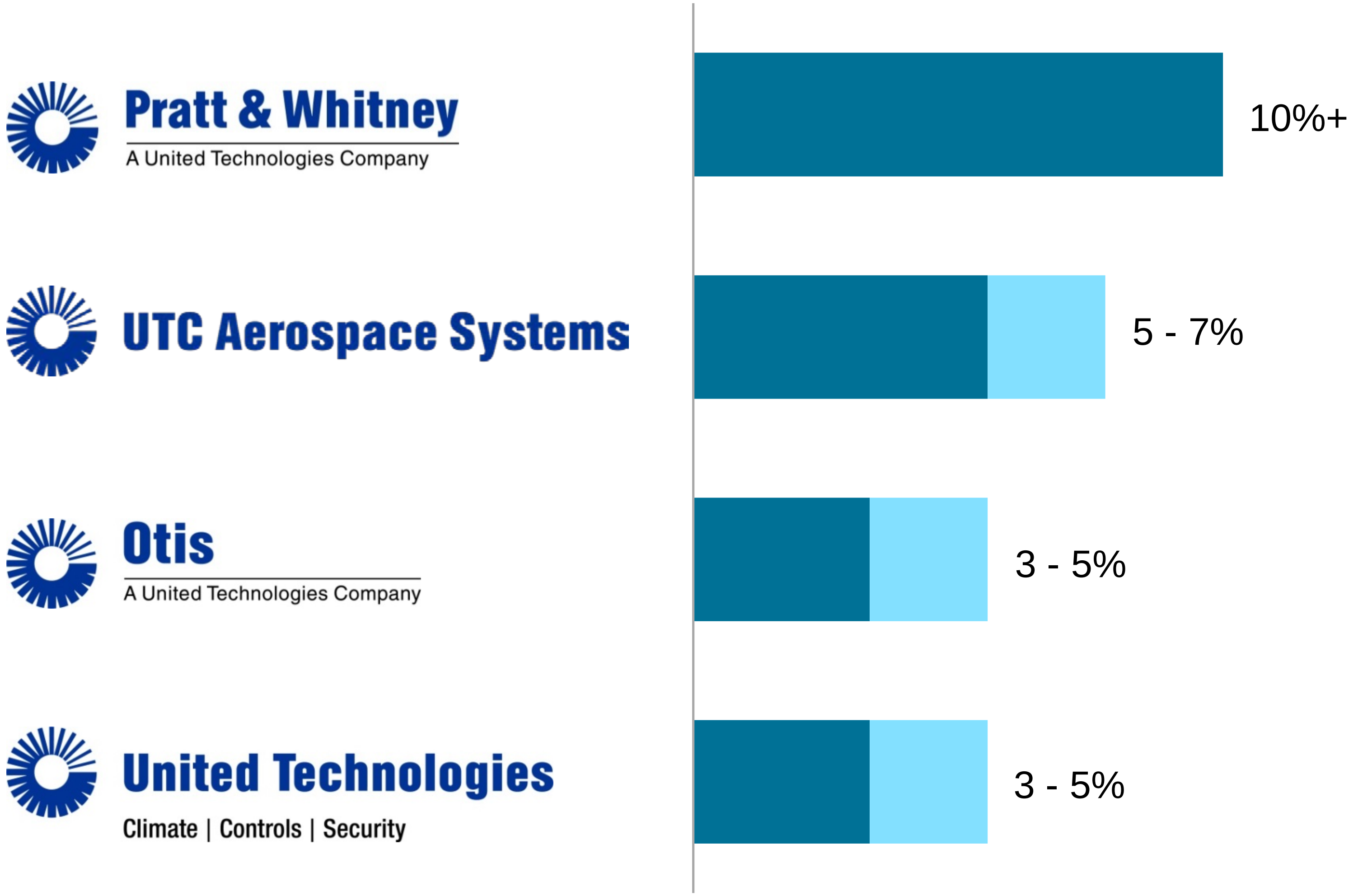
	Operating Profit Impact	
	2018	2020
Revenue recognition changes - *Contract accounting* - *Percentage of completion* - *Engineering and development costs*	(50) – 25	100 – 150
Mark-to-market changes	(75)	(75)
EPS impact	($0.12) – ($0.05)	$0.03 – $0.08

UTC expects to grow adjusted EPS* in 2018 after the impact of accounting standards change

*See appendix for additional information regarding this non-GAAP financial measure.

Medium Term Outlook

Organic* Sales Outlook
(2016 - 2020E CAGR)



Shareowner Value Creation

Focused portfolio of global franchises

Innovative products and services

Resilient business model

Strong performance culture

Disciplined capital allocation

No change to 2020 outlook for segment revenue and earnings

*See appendix for additional information regarding this non-GAAP financial measure.

Appendix

Use and Definitions of Non-GAAP Financial Measures

United Technologies Corporation reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Adjusted net sales, organic sales, adjusted operating profit, adjusted net income and adjusted diluted earnings per share (“EPS”) are non-GAAP financial measures. Adjusted net sales represents consolidated net sales from continuing operations (a GAAP measure), excluding significant items of a non-recurring and/or nonoperational nature (hereinafter referred to as “other significant items”). Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and other significant items. Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted diluted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. For the business segments, when applicable, adjustments of net sales, operating profit and margins similarly reflect continuing operations, excluding restructuring and other significant items. Management believes that the non-GAAP measures just mentioned are useful in providing period-to-period comparisons of the results of the Company’s ongoing operational performance.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing UTC's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of UTC's common stock and distribution of earnings to shareholders.

A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

When we provide our expectation for adjusted EPS, organic sales and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected diluted EPS from continuing operations, sales and expected cash flow from operations) generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

Important Information about Proposed Rockwell Collins Transaction

Segment Data – GAAP

UNITED TECHNOLOGIES CORPORATION
SEGMENT DATA - Reported

($ Millions except per share amounts)	2017 1st Qtr.	2017 2nd Qtr.	2017 Total YTD	2016 1st Qtr.	2016 2nd Qtr.	2016 3rd Qtr.	2016 4th Qtr.	2016 Total
Otis								
Net Sales	2,804	3,131	5,935	2,715	3,097	3,018	3,063	11,893
Operating Profit **(a)**	452	544	996	466	581	584	516	2,147
Operating Profit %	16.1%	17.4%	16.8%	17.2%	18.8%	19.4%	16.8%	18.1%
UTC Climate, Controls & Security								
Net Sales	3,892	4,712	8,604	3,728	4,459	4,415	4,249	16,851
Operating Profit **(a), (b), (c), (g), (m)**	963	873	1,836	606	872	801	677	2,956
Operating Profit %	24.7%	18.5%	21.3%	16.3%	19.6%	18.1%	15.9%	17.5%
Pratt & Whitney								
Net Sales **(d)**	3,758	4,070	7,828	3,588	3,813	3,501	3,992	14,894
Operating Profit **(a), (d)**	393	402	795	410	386	340	409	1,545
Operating Profit %	10.5%	9.9%	10.2%	11.4%	10.1%	9.7%	10.2%	10.4%
UTC Aerospace Systems								
Net Sales	3,611	3,640	7,251	3,505	3,716	3,646	3,598	14,465
Operating Profit **(a)**	576	579	1,155	538	582	600	578	2,298
Operating Profit %	16.0%	15.9%	15.9%	15.3%	15.7%	16.5%	16.1%	15.9%
Total Segments								
Net Sales	14,065	15,553	29,618	13,536	15,085	14,580	14,902	58,103
Operating Profit	2,384	2,398	4,782	2,020	2,421	2,325	2,180	8,946
Operating Profit %	16.9%	15.4%	16.1%	14.9%	16.0%	15.9%	14.6%	15.4%
Corporate, Eliminations, and Other								
Net Sales:								
Other	(250)	(273)	(523)	(179)	(211)	(226)	(243)	(859)
Operating Profit:								
General corporate expenses **(a)**	(104)	(106)	(210)	(91)	(97)	(92)	(126)	(406)
Task/(Contingency)	-	-	-	-	-	-	-	-
Eliminations and other **(a), (h), (n)**	(13)	(2)	(15)	16	13	18	(415)	(368)
Consolidated								
Net Sales	13,815	15,280	29,095	13,357	14,874	14,354	14,659	57,244
Operating Profit	2,267	2,290	4,557	1,945	2,337	2,251	1,639	8,172
Operating Profit %	16.4%	15.0%	15.7%	14.6%	15.7%	15.7%	11.2%	14.3%
Interest expense, net **(e), (i), (j)**	(213)	(226)	(439)	(223)	(225)	(225)	(366)	(1,039)
Income from continuing operations before income taxes	2,054	2,064	4,118	1,722	2,112	2,026	1,273	7,133
Income tax expense **(f), (k), (l)**	(586)	(532)	(1,118)	(469)	(587)	(492)	(149)	(1,697)
Income from continuing operations	1,468	1,532	3,000	1,253	1,525	1,534	1,124	5,436
Income (loss) from discontinued operations	-	-	-	11	(47)	37	(11)	(10)
Net income	1,468	1,532	3,000	1,264	1,478	1,571	1,113	5,426
Less: Noncontrolling interest in subsidiaries' earnings	(82)	(93)	(175)	(81)	(99)	(91)	(100)	(371)
Net income attributable to common shareowners	**1,386**	**1,439**	**2,825**	**1,183**	**1,379**	**1,480**	**1,013**	**5,055**
Net income attributable to common shareowners:								
Income from continuing operations	1,386	1,439	2,825	1,172	1,426	1,443	1,024	5,065
Income (loss) from discontinued operations	-	-	-	11	(47)	37	(11)	(10)
	1st Qtr.	**2nd Qtr.**	**2017 Total YTD**	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**2016 Total YTD**
Continuing Operations								
Earnings per share - basic	1.75	1.83	3.57	1.42	1.73	1.76	1.28	6.19
Earnings per share - diluted	1.73	1.80	3.53	1.41	1.71	1.74	1.26	6.13
Discontinued Operations								
Earnings (loss) per share - basic	-	-	-	0.01	(0.06)	0.04	(0.01)	(0.01)
Earnings (loss) per share - diluted	-	-	-	0.01	(0.06)	0.04	(0.01)	(0.01)
Total EPS attributable to common shareowners								
Total basic earnings per share	1.75	1.82	3.57	1.43	1.67	1.80	1.26	6.18
Total diluted earnings per share	1.73	1.80	3.53	1.42	1.65	1.78	1.25	6.12
Weighted average number of shares outstanding (millions)								
Basic shares	793.5	788.7	791.1	825.0	825.3	822.4	802.0	818.2
Diluted shares	802.3	798.2	800.4	831.3	833.6	831.2	810.3	826.1
	Q1	**Q2**	**Total YTD**	**Q1**	**Q2**	**Q3**	**Q4**	**Total YTD**
Effective Tax Rate - continuing ops	28.5%	25.8%	27.1%	27.2%	27.8%	24.3%	11.7%	23.8%

Segment Data – Notes

The earnings release and conference-call discussion adjust 2017 and 2016 segment results for restructuring costs as well as certain significant non-recurring and/or non-operational items.

The following restructuring costs and significant non-recurring and/or non-operational items are included in current and prior year GAAP results and have been excluded from the adjusted results (non-GAAP measures) presented in the earnings release and conference-call discussion.

(a) Restructuring costs as included in 2017 and 2016 results:

	2017			2016				
	Restructuring Costs			Restructuring Costs				
	Q1	Q2	Total YTD	Q1	Q2	Q3	Q4	Total YTD
Operating Profit:								
Otis	(5)	(12)	(17)	(15)	(16)	(10)	(18)	(59)
UTC Climate, Controls & Security	(23)	(18)	(41)	(28)	(25)	(18)	6	(65)
Pratt & Whitney	-	(6)	(6)	(5)	(66)	21	(61)	(111)
UTC Aerospace Systems	(23)	(24)	(47)	(13)	(8)	(11)	(17)	(49)
Total Segments	(51)	(60)	(111)	(61)	(115)	(18)	(90)	(284)
General corporate expenses	(1)	-	(1)	-	-	(1)	-	(1)
Eliminations and other	-	-	-	(1)	(1)	(4)	1	(5)
Total within continuing operations	(52)	(60)	(112)	(62)	(116)	(23)	(89)	(290)
Total within discontinued operations	-	-	-	-	-	-	-	-
Total UTC	(52)	(60)	(112)	(62)	(116)	(23)	(89)	(290)

(b) Q2 2016: Approximately $12 million of acquisition and integration costs related to UTC Climate, Controls & Security.
(c) Q3 2016: Approximately $11 million of acquisition and integration costs related to UTC Climate, Controls & Security.
(d) Q3 2016: Approximately $184 million to record in sales and $95 million in losses from Pratt & Whitney on-going customer contract negotiations.
(e) Q3 2016: Approximately $2 million of favorable pre-tax interest adjustments related to the IRS conclusion of Goodrich Corporation's 2011-2012 tax years.
(f) Q3 2016: Approximately $56 million of favorable income tax adjustments related to the IRS conclusion of Goodrich Corporation's 2011-2012 tax years.
(g) Q4 2016: Approximately $9 million of acquisition and integration costs related to UTC Climate, Controls & Security.
(h) Q4 2016: Approximately $423 million of pension settlement charges resulting from defined benefit plan derisking actions.
(i) Q4 2016: Approximately $164 million of net extinguishment loss from early redemption of debt.
(j) Q4 2016: Approximately $22 million of favorable pre-tax interest adjustments related to the IRS conclusion of 2011-2012 tax years.
(k) Q4 2016: Approximately $150 million of favorable income tax adjustments related to the IRS conclusion of 2011-2012 tax years.
(l) Q4 2016: Approximately $25 million of favorable income tax adjustments related to changes in French tax laws.
(m) Q1 2017: Approximately $379 million of pre-tax gains related to sale of available-for-sales securities at UTC Climate, Controls & Security.
(n) Q1 2017: Approximately $1 million of pre-tax gains related to sale of available-for-sales securities.

Segment Data – Adjusted

UNITED TECHNOLOGIES CORPORATION
SEGMENT DATA - (Unaudited)

($ Millions except per share amounts)	2017 Ex Rest & Significant non-recurring and non-operational items 1st Qtr.	2nd Qtr.	Total YTD	2016 Ex Rest & Significant non-recurring and non-operational items 1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2016 Total
Otis								
Net Sales	2,804	3,131	5,935	2,715	3,097	3,018	3,063	11,893
Operating Profit (a)	457	556	1,013	481	597	594	534	2,206
Operating Profit %	16.3%	17.8%	17.1%	17.7%	19.3%	19.7%	17.4%	18.5%
UTC Climate, Controls & Security								
Net Sales	3,892	4,712	8,604	3,728	4,459	4,415	4,249	16,851
Operating Profit (a), (b), (c), (g), (m)	607	891	1,498	634	909	830	680	3,053
Operating Profit %	15.6%	18.9%	17.4%	17.0%	20.4%	18.8%	16.0%	18.1%
Pratt & Whitney								
Net Sales (d)	3,758	4,070	7,828	3,588	3,813	3,685	3,992	15,078
Operating Profit (a), (d)	393	408	801	415	452	414	470	1,751
Operating Profit %	10.5%	10.0%	10.2%	11.6%	11.9%	11.2%	11.8%	11.6%
UTC Aerospace Systems								
Net Sales	3,611	3,640	7,251	3,505	3,716	3,646	3,598	14,465
Operating Profit (a)	599	603	1,202	551	590	611	595	2,347
Operating Profit %	16.6%	16.6%	16.6%	15.7%	15.9%	16.8%	16.5%	16.2%
Total Segments								
Net Sales	14,065	15,553	29,618	13,536	15,085	14,764	14,902	58,287
Operating Profit	2,056	2,458	4,514	2,081	2,548	2,449	2,279	9,357
Operating Profit %	14.6%	15.8%	15.2%	15.4%	16.9%	16.6%	15.3%	16.1%
Corporate, Eliminations, and Other								
Net Sales:								
Other	(250)	(273)	(523)	(179)	(211)	(226)	(243)	(859)
Operating Profit:								
General corporate expenses (a)	(103)	(106)	(209)	(91)	(97)	(91)	(126)	(405)
Eliminations and other (a), (h), (n)	(14)	(2)	(16)	17	14	22	7	60
Task/(Contingency)	-	-	-	-	-	-	-	-
Consolidated								
Net Sales	13,815	15,280	29,095	13,357	14,874	14,538	14,659	57,428
Operating Profit	1,939	2,350	4,289	2,007	2,465	2,380	2,160	9,012
Operating Profit %	14.0%	15.4%	14.7%	15.0%	16.6%	16.4%	14.7%	15.7%
Interest expense, net (e), (i), (j)	(213)	(226)	(439)	(223)	(225)	(227)	(224)	(899)
Income from continuing operations before income taxes	1,726	2,124	3,850	1,784	2,240	2,153	1,936	8,113
Income tax expense (f), (k), (l)	(462)	(552)	(1,014)	(489)	(627)	(600)	(566)	(2,282)
Income from continuing operations	1,264	1,572	2,836	1,295	1,613	1,553	1,370	5,831
Income (loss) from discontinued operations	-	-	-	11	(47)	37	(11)	(10)
Net income	1,264	1,572	2,836	1,306	1,566	1,590	1,359	5,821
Less: Noncontrolling interest in subsidiaries' earnings	(82)	(93)	(175)	(81)	(99)	(91)	(100)	(371)
Net income attributable to common shareowners	1,182	1,479	2,661	1,225	1,467	1,499	1,259	5,450
Net income attributable to common shareowners:								
From continuing operations	1,182	1,479	2,661	1,214	1,514	1,462	1,270	5,460
From discontinued operations	-	-	-	11	(47)	37	(11)	(10)

EPS Reconciliation

Reconciliation of Diluted Earnings per Share to Adjusted Diluted Earnings per Share

(dollars in millions except per share amounts)

	2017			2016				
	Q1	Q2	Total YTD	Q1	Q2	Q3	Q4	FY
Diluted earnings per share attributable to common shareowners	$ 1.73	$ 1.80	$ 3.53	$ 1.42	$ 1.65	$ 1.78	$ 1.25	$ 6.12
Less: diluted earnings (loss) per share from discontinued operations attributable to common shareowners	-	-	-	0.01	(0.06)	0.04	(0.01)	(0.01)
Diluted earnings per share - Net income from continuing operations attributable to common shareowners (GAAP)	$ 1.73	$ 1.80	$ 3.53	$ 1.41	$ 1.71	$ 1.74	$ 1.26	$ 6.13
Net income attributable to common shareowners	$ 1,386	$ 1,439	$ 2,825	$ 1,183	$ 1,379	$ 1,480	$ 1,013	$ 5,055
Less: Income (loss) from discontinued operations attributable to common shareowners	-	-	-	11	(47)	37	(11)	(10)
Net income from continuing operations attributable to common shareowners	1,386	1,439	2,825	1,172	1,426	1,443	1,024	5,065
Adjustments to net income from continuing operations attributable to common shareowners:								
Restructuring costs	(52)	(60)	(112)	(62)	(116)	(23)	(89)	(290)
Pre-tax gains related to sale of available-for-sales securities	380	-	380	-	-	-	-	-
Acquisition and integration costs related to current period acquisitions	-	-	-	-	(12)	(11)	(9)	(32)
Charge resulting from customer contract negotiations	-	-	-	-	-	(95)	-	(95)
Pension settlement charge resulting from defined benefit plan de-risking actions	-	-	-	-	-	-	(423)	(423)
Net extinguishment loss from early redemption of debt, included in interest expense, net	-	-	-	-	-	-	(164)	(164)
Other significant non-recurring and non-operational items included in interest expense, net	-	-	-	-	-	2	22	24
Income tax benefit on restructuring costs and significant non-recurring and non-operational items	(124)	20	(104)	20	40	52	242	354
Significant non-recurring and non-operational gains (charges) recorded within income tax expense	-	-	-	-	-	56	175	231
Total adjustments to net income from continuing operations attributable to common shareowners	204	(40)	164	(42)	(88)	(19)	(246)	(395)
Adjusted net income from continuing operations attributable to common shareowners	$ 1,182	$ 1,479	$ 2,661	$ 1,214	$ 1,514	$ 1,462	$ 1,270	$ 5,460
Less: Impact of total adjustments on diluted earnings per share	$ 0.25	$ (0.05)	$ 0.20	$ (0.05)	$ (0.11)	$ (0.02)	$ (0.30)	$ (0.48)
Adjusted diluted earnings per share - Net income from continuing operations attributable to common shareowners (Non-GAAP)	$ 1.48	$ 1.85	$ 3.33	$ 1.46	$ 1.82	$ 1.76	$ 1.56	$ 6.61

2016 Full Year Sales Reconciliation

	Total Growth	Organic	FX	Net Acquisitions	Other
Otis	(1%)	1%	(2%)	0%	0%
CCS	1%	(1%)	(1%)	3%	0%
Pratt & Whitney	6%	6%	0%	0%	0%
Aerospace Systems	3%	2%	0%	0%	1%
Total UTC*	**2%**	**2%**	**(1%)**	**1%**	**0%**

*Reflects consolidated net sales

2Q 2017 YTD Sales Reconciliation

	Total Growth	Organic	FX	Net Acquisitions	Other
Otis	2%	2%	(2%)	1%	1%
CCS	5%	3%	(1%)	3%	0%
Pratt & Whitney	6%	5%	1%	0%	0%
Aerospace Systems	0%	2%	(1%)	(1%)	0%
Total UTC*	**3%**	**3%**	**(1%)**	**1%**	**0%**

*Reflects consolidated net sales

Free Cash Flow Reconciliation

($ millions)

	2Q YTD	
	2017	2016
Net income attributable to common shareowners from continuing operations	2,825	2,598
Depreciation & amortization	1,039	960
Change in working capital	(554)	(596)
Other	171	(356)
Cash flow from operations	3,139	2,606
Capital expenditures	(771)	(649)
Free cash flow	2,368	1,957
Free cash flow as a % of net income attributable to common shareowners from continuing operations	84%	75%