

## UNITED TECHNOLOGIES CORP. POSTS 8% GAIN - POSITIVE RESULTS FROM AEROSPACE DIVISION



United Technologies aviation, aerospace related businesses--Pratt & Whitney, Sikorsky and Hamilton Sundstrand -- logged positive results, led by a 25% jump in revenue at Sikorsky. United Technologies Corp. posted an 8% increase in fourth-quarter net income as positive results from its aviation-aerospace division more than offset a slide at its carrier business. The diversified manufacturer -- which makes products including aerospace equipment, air conditioners and elevators -- reported net income of \$1.15 billion, or \$1.23 a share, up from \$1.06 billion, or \$1.08 a share, a year earlier. Results for the latest quarter included a net 6 cents in one-time gains, offset by a 6-cent hedging charge, while the prior year has a net 4 cents in restructuring and other charges. Gross margin rose to 27.2% from 27.1%, a year ago. Revenue fell 1.5% to \$14.5 billion from \$14.7 billion, hurt by foreign-currency fluctuations. Analysts polled by Reuters, expected earnings of \$1.22 a share on revenue of \$14.81 billion. Chief Executive Louis Chenevert called the quarter a solid close compared to 2008 despite deteriorating demand. He said margin expansion at the company's aerospace units and UTC Fire and Security offset a "sharp decline" at Carrier. Revenue at Carrier, the company's heating and ventilation systems business, slid 12% to \$3.26 billion as commercial HVAC equipment orders fell 7% globally. Historically, Carrier had accounted for one-quarter of United Technologies' annual revenue. In December, the company said it expected the global recession to continue through most of this year, although it expected a "modest recovery" in the second half. Mr. Chenevert said at the time that the U.S. housing market showed no sign of recovery and likely wouldn't until 2010. Chief Executive Louis Chenevert noted Wednesday the economic conditions weighed on order rates and that United Technologies was continuing to "aggressively" cut costs and restructure. He said the company, which reiterated its 2009 earnings target, expects to speed up its restructuring efforts this year and launch about \$150 million of cost-cutting actions in the first quarter of 2009.

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