



Turn to the Experts.SM

THE MARKET

On July 17, 1902, a humble but determined engineer solved one of mankind's most elusive challenges by controlling the indoor environment. The genius of Willis Haviland Carrier gave birth to modern air conditioning and forever changed the way people live, work and play. He enabled incredible improvements in health care, manufacturing processes, research, building capacities, food preservation, art and historical conservation, general productivity, indoor comfort and much more — truly creating a future of possibilities.

Willis Carrier not only provided the revolutionary science and technology that launched Carrier Corporation, he provided the spirit of innovation, the expertise, the determination to solve problems, the drive to satisfy customers and the hope to improve the world. More than 100 years later, these same attributes resonate in the 45,000 dedicated Carrier associates who span the globe, working with a network of 200-plus distributors and 20,000-plus dealers in more than 170 countries on six continents.

A United Technologies Company (NYSE: UTX), Carrier is the world's largest manufacturer



back-to-school sale, even the skyscraper all owe a debt to his inspired vision. Without air conditioning, who would pack a crowded theater in steamy July? Who would endure a shopping spree in the dog days of August carrying heavy bags and tired kids? And who would build, let alone work in, a high-rise office building without air conditioning?

Dedicated to making the world a better place, today and well into the future, Carrier actively supports local communities through community service and charitable contributions. The company also plays an important role in preserving and protecting the world's treasures, providing climate control for some of the world's most beloved landmarks, including the Sistine Chapel, the U.S. Library of Congress, the Great Hall of the People in Beijing, and the Tate Modern Art Gallery in London.

HISTORY

In 1902, the Sackett-Wilhelm printing plant in Brooklyn couldn't print a satisfactory color image because changes in temperature and humidity kept altering paper dimensions and misaligning the colored inks. Enter Willis Carrier, who would

invent the first modern mechanical air conditioner and become the father of air conditioning. Twelve years later, Carrier took his modern marvel to the home and installed the first residential application of air conditioning in the Charles Gates mansion in Minneapolis.

Willis Carrier soon made his mark on other facets of everyday living. In 1924, J. L. Hudson's in Detroit prevented its customers from fainting in the heat by becoming the first airconditioned department store. In the summer of 1925, people came in droves to enjoy the latest motion pictures in Los Angeles's Grauman's Chinese Theatre and New York's Rivoli Theatre. That same year, thousands flocked to New York's Madison Square Garden to take in the first indoor professional hockey game.

Carrier also initiated innovations in many other areas: ice cream machines, beverage coolers, fruit-shipping containers, refrigeration trucks and even training environments for the National Advisory Committee for Aeronautics.

Fast-forward to the 1990s when environmental concerns took center stage. With the 1994 proclamation of a worldwide chlorofluorocarbon and hydro chlorofluorocarbon (HCFC) phaseout, and given a full 10-year warning in most markets, Carrier became the first manufacturer to develop home comfort products using Puron[®] refrigerant, the chlorine-free replacement for the popular



Carrier

A United Technologies Company

and distributor of heating, ventilating and air conditioning systems and a global leader in the commercial refrigeration and food service equipment industry. With a product line that stretches from year-round home comfort systems to commercial and industrial climate-control systems to transport refrigeration systems, Carrier prides itself on being the expert in the industry. Just as the total impact of Carrier's technology was at first unimaginable in 1902, Carrier is striving to improve indoor comfort and refrigeration in still-unforeseen ways for the future.

ACHIEVEMENTS

Willis Carrier did much more than invent air conditioning. The summer blockbuster movie, the



R-22 HCFC refrigerant — six years before the next competitor.

Puron is the first environmentally sound refrigerant that won't deplete the ozone layer. As other manufacturers scrambled to switch over to chlorine-free refrigerants, Carrier meticulously built a full line of reliable Puron refrigerant-based products to fulfill every possible application. As a result, Carrier is well positioned to meet additional changes in 2010, when HCFC production will be reduced even further and all newly manufactured equipment must use safer refrigerants such as Puron.

THE PRODUCT

What began as an air conditioning company has developed into the world leader in year-round comfort. The most extensive product line in the industry boasts air handling units, compressors, condensers, unitary-packaged and split-system air conditioners, transport and commercial refrigeration equipment, room air conditioners, packaged terminal air conditioners, central station air conditioners, hermetic absorption and centrifugal water chillers, open-drive centrifugal chillers, hermetic screw chillers, reciprocating air- and water-cooled chillers, dehumidifiers, single-packaged and split-system heat pumps, electronic control systems and air cleaners.

The applications are just as numerous. Houses and hotels. Trucks and trains. Buses and ballrooms. International airports and grocery stores. From the top of the world (skyscrapers) to the bottom of the ocean (submarines), Carrier products are there.

RECENT DEVELOPMENTS

Carrier reinforced its leadership role and its "Turn to the Experts" theme at its January 2006 sales meeting, when company executives met with 6,000 dealers to showcase the most comprehensive line of products available to meet new efficiency requirements — products that now must operate at a 13 SEER (Seasonal Energy Efficiency Ratio) level or higher.

INFINITY™ SYSTEM

Other far-reaching developments include:

- The Infinity™ System, introduced in 2004 — the most energy-efficient heating and cooling system a homeowner can buy* — provides the ultimate in indoor comfort, allowing homeowners to set fan speeds, air filtration and temperature in one convenient control.



- The most energy-efficient gas furnace on the market, the Infinity™ 96 can help homeowners reduce utility costs by up to 33 percent a year compared with previous Carrier models.
- The Carrier Ideal Comfort System (ICS) premium gas furnace, to be introduced in late 2007, offers virtually silent operation, superior energy efficiency and more precise temperature control.
- The Infinity™ Air Purifier uses unique patented technology to capture and kill airborne germs and allergens in 100 percent of the air being heated or cooled.
- Carrier's Hybrid Heat™ System, introduced in early 2006, automatically switches to the most economical heating source — an electric heat pump or a gas or oil furnace — to efficiently heat or cool a home.



- The company introduced 14 new programmable and nonprogrammable thermostats in 2007, including the Carrier Performance Programmable Edge™ models, which feature premium comfort solutions, interchangeable decorator faceplates, the thinnest profile available and home computer programming capability.
- During power outages, Carrier's Automatic Home Standby Generators keep a home's heating and cooling system running while supplying power to lights, furnaces, air conditioners, refrigerators, sump pumps, well pumps, computers and more.



world incentive to carry the Carrier name on storefronts, vans and uniforms.

BRAND VALUES

For more than a century, Carrier expertise has made the company the first name in air conditioning, growing to include the entire scope of indoor comfort at home, at work and everywhere in between. From 1902, when Willis Carrier produced one unit, to today, when the company ships one unit every four seconds, Carrier has come a long way by any measure. Willis Carrier truly created a century of possibilities — a torch passed on within the Carrier brand to ensure that the spirit of excellence will always continue.

*Based on total energy costs as compared to traditional HVAC systems.

PROMOTION

Carrier's "Turn to the Experts" tagline and positioning continues as part of its absolute commitment to being the expert in everything the company does.

In 2007, Carrier launched a new multimillion-dollar campaign that reinforces Carrier's expertise in providing the most energy-efficient heating and cooling systems. The campaign will be promoted online, in print, on radio and in television spots directed by Christopher Guest, who is known for his improvisational, "mockumentary" style in films such as *Best in Show* and *For Your Consideration*. Attention-getting ads take a humorous approach to a typical homeowner's wise decision to buy a Carrier air conditioner or furnace to save money on their energy bills, but can't explain the technology behind it. The spots conclude with the announcer reassuring the consumer that they don't need to know. "That's our job," the announcer concludes, "Carrier. Turn to the Experts."

An industry-leading Web site, carrier.com, also keeps the Carrier name in front of consumers. Partnership marketing gives thousands of independent businesses throughout the

THINGS YOU DIDN'T KNOW ABOUT CARRIER

- Carrier has a network of research and development centres and 78 manufacturing facilities around the world.
- Carrier cooled the 2004 Summer Olympics in Athens, Greece, and will provide comfort at the 2008 Summer Olympics in Beijing, China.
- Four and a half million pounds of Puron refrigerant were used in Carrier products in 2006 — enough to fill a three-eighths-inch tube stretching completely around the Earth's diameter.
- In 1998, Willis Carrier was named one of *Time* magazine's 100 Most Influential People of the Century.
- A cooling system specially designed by Carrier protects Michelangelo's frescoes in the Sistine Chapel.