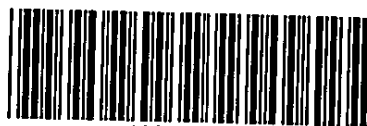

ROSEMOUNT AEROSPACE PROPERTIES LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2012

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ROSEMOUNT AEROSPACE PROPERTIES LTD

COMPANY INFORMATION

DIRECTORS	S Bottomley (resigned 22 July 2013) R Fulton S Geib (resigned 26 July 2012) R Newbould P Ross (appointed 13 August 2013)
COMPANY SECRETARIES	Edwin Coe Secretaries Limited (appointed 13 August 2013) S Geib (resigned 26 July 2012) V Lichtenberger (resigned 26 July 2012)
COMPANY NUMBER	4614379
REGISTERED OFFICE	Stratford Road Solihull B90 4LA
AUDITORS	Ernst & Young LLP G1 5 George Square Glasgow G2 1DY
BANKERS	Bank of America 5 Canada Square London E14 5AQ HSBC PO Box 125 62-76 Park Street London SE1 9WP

ROSEMOUNT AEROSPACE PROPERTIES LTD

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Independent auditors' report	4 - 5
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Balance sheet	8
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ROSEMOUNT AEROSPACE PROPERTIES LTD

DIRECTORS' REPORT for the year ended 31 December 2012

The Directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The company's principal activity during the period was the rental of property

BUSINESS REVIEW

The key financial and other performance indicators during the year were as follows

	2012 \$'000	2011 \$'000	Change %
Turnover	3,937	3,937	0%
Impairment charge	8,207	0	100%
(Loss)/profit before interest and tax	(5,164)	3,088	(267.2%)
(Loss)/profit after tax	3,672	2,958	(224.1%)
Shareholders' funds	20,967	24,640	(14.9%)
Current assets as % of current liabilities	10.6%	0.1%	10,500%

The Directors are satisfied with the results for the year

The 267% decrease in profit before interest and tax from 2011 to 2012 is due to an impairment of \$8,206,924 recognised in 2012 in respect of the post balance sheet sale of a property owned by the company

Goodrich Corporation was acquired by United Technologies Corporation (UTC) on 26th July 2012. The Directors welcome the change in ownership and the company intends to continue with its activities and has no plans for substantially developing the business activities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to \$3,672,490 (2011 - profit \$2,957,830)

There were no ordinary dividends proposed, declared or paid in the year (2011 - \$Nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are grouped as financial risks, foreign currency risks and liquidity risks

Financial Risks

The company's policy does not permit trading in any financial instruments. The company's principal financial instruments comprise of cash and short term deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations and to reduce the impact of currency exchange rate movements on trading results.

Foreign Currency Risks

The company enters into transactions in the normal course of business which are denominated in currencies other than the US Dollar. As a result, the value of the company's non-dollar denominated revenues, payments, financial assets and liabilities and cash flows can be significantly affected by movement in exchange rates in general and in the US Dollar in particular.

The company manages its exposure to currency movements by working with the Group's Treasury department to review the impact of exchange rate fluctuations.

ROSEMOUNT AEROSPACE PROPERTIES LTD

DIRECTORS' REPORT (continued) for the year ended 31 December 2012

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Liquidity Risks

The company aims to mitigate liquidity risk by managing cash generation by its operations, as such the company participates in the overall world-wide group funding strategy managed at corporate treasury level. The company participates in a UK cash pool. The objective is to maintain a balance between continuity of funding and flexibility.

DIRECTORS

The Directors who served during the year were

S Bottomley (resigned 22 July 2013)

R Fulton

S Geib (resigned 26 July 2012)

R Newbould

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to all of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

PROVISION OF INFORMATION TO AUDITORS

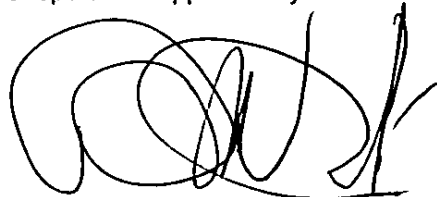
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

FUNCTIONAL CURRENCY

The functional currency of the company is US dollars and the accounts have been prepared accordingly.

This report was approved by the board and signed on its behalf



R Newbould
Director

Date 16 September 2013

ROSEMOUNT AEROSPACE PROPERTIES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT for the year ended 31 December 2012

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROSEMOUNT AEROSPACE PROPERTIES LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROSEMOUNT AEROSPACE PROPERTIES LTD

We have audited the financial statements of Rosemount Aerospace Properties Ltd for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ROSEMOUNT AEROSPACE PROPERTIES LTD

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROSEMOUNT AEROSPACE
PROPERTIES LTD (continued)**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

James Bishop (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor

G1
5 George Square
Glasgow
G2 1DY

Date *18/09/13*

ROSEMOUNT AEROSPACE PROPERTIES LTD

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Note	2012 \$	2011 \$
TURNOVER	2	3,937,176	3,937,176
Administrative expenses		<u>(893,799)</u>	<u>(849,465)</u>
OPERATING PROFIT	3	3,043,377	3,087,711
EXCEPTIONAL ITEMS			
Impairment charge	7	<u>(8,206,924)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(5,163,547)	3,087,711
Interest payable and similar charges	5	<u>(146,078)</u>	<u>(190,267)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,309,625)	2,897,444
Tax on (loss)/profit on ordinary activities	8	<u>1,637,135</u>	<u>60,386</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	<u>(3,672,490)</u>	<u>2,957,830</u>

All amounts relate to continuing operations

The notes on pages 9 to 15 form part of these financial statements

ROSEMOUNT AEROSPACE PROPERTIES LTD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2012

	2012	2011
	\$	\$
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	<u>(3,672,490)</u>	<u>2,957,830</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>(3,672,490)</u></u>	<u><u>2,957,830</u></u>

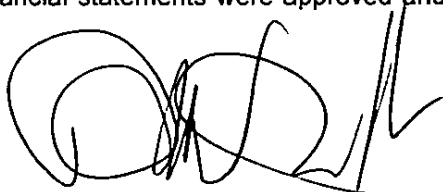
The notes on pages 9 to 15 form part of these financial statements

ROSEMOUNT AEROSPACE PROPERTIES LTD
Registered number: 4614379

BALANCE SHEET
as at 31 December 2012

	Note	\$	2012 \$	\$	2011 \$
FIXED ASSETS					
Tangible assets	9		32,811,261		41,853,321
CURRENT ASSETS					
Debtors	10	16,366		16,366	
Cash at bank		<u>1,269,541</u>		<u>-</u>	
		1,285,907		16,366	
CREDITORS: amounts falling due within one year	11	<u>(12,150,527)</u>		<u>(15,628,254)</u>	
NET CURRENT LIABILITIES			<u>(10,864,620)</u>		<u>(15,611,888)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			21,946,641		26,241,433
PROVISIONS FOR LIABILITIES					
Deferred tax	12		<u>(979,218)</u>		<u>(1,601,520)</u>
NET ASSETS			<u>20,967,423</u>		<u>24,639,913</u>
CAPITAL AND RESERVES					
Called up share capital	13		159		159
Share premium account	14		14,999,841		14,999,841
Profit and loss account	14		<u>5,967,423</u>		<u>9,639,913</u>
SHAREHOLDERS' FUNDS	15		<u>20,967,423</u>		<u>24,639,913</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



R Newbould
Director

Date 16 September 2013

The notes on pages 9 to 15 form part of these financial statements

ROSEMOUNT AEROSPACE PROPERTIES LTD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared under the going concern concept because the company will continue to receive financial support from a parent undertaking, Latin American Holding Inc, which has agreed to provide adequate funds for the company to meet its liabilities as they fall due

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	40 years
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1.4 TAXATION

Corporation tax payable is provided on taxable profits at the current rate

1.5 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 RENTAL INCOME

Rental income from operating leases, excluding charges for service, is recognised on a straight-line basis over the period of the lease

ROSEMOUNT AEROSPACE PROPERTIES LTD

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1 ACCOUNTING POLICIES (continued)

1.7 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2 TURNOVER

An analysis of turnover by class of business is as follows

	2012 \$	2011 \$
Operating lease rental income	<u>3,937,176</u>	<u>3,937,176</u>
All turnover arose within the United Kingdom		

3 OPERATING PROFIT

The operating profit is stated after charging

	2012 \$	2011 \$
Depreciation of tangible fixed assets - owned by the company	835,136	835,136
Difference on foreign exchange	<u>45,658</u>	<u>348</u>

4 STAFF COSTS

The company has no employees other than the Directors, who did not receive any remuneration (2011 - \$NIL)

5. INTEREST PAYABLE

	2012 \$	2011 \$
Intercompany bank interest payable	14,287	38,865
Bank charges	2,528	2,424
On loans from group undertakings	129,263	148,978
	<u>146,078</u>	<u>190,267</u>

ROSEMOUNT AEROSPACE PROPERTIES LTD

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

6. AUDITOR'S REMUNERATION

	2012 \$	2011 \$
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>5,294</u>	<u>3,224</u>

7. EXCEPTIONAL ITEMS

	2012 \$	2011 \$
Impairment charge	<u>8,206,924</u>	<u>-</u>

8. TAXATION

	2012 \$	2011 \$
ANALYSIS OF TAX (CREDIT)/CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	1,014,833
Adjustments in respect of prior periods	(1,014,833)	(997,896)
TOTAL CURRENT TAX	<u>(1,014,833)</u>	<u>16,937</u>
DEFERRED TAX		
Deferred tax (credit)/charge for the year	(494,180)	47,036
Effect of decreased tax rate on opening liability	(128,122)	(124,359)
TOTAL DEFERRED TAX (see note 12)	<u>(622,302)</u>	<u>(77,323)</u>
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(1,637,135)</u>	<u>(60,386)</u>

ROSEMOUNT AEROSPACE PROPERTIES LTD

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

8. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 \$	2011 \$
(Loss)/profit on ordinary activities before tax	<u>(5,309,625)</u>	<u>2,897,444</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(1,300,858)	767,823
EFFECTS OF:		
Income not taxable	-	(13,513)
Expenses not deductible for tax purposes	286,955	310,381
Decelerated/(accelerated) capital allowances	526,409	(49,858)
Group relief surrendered for no payment	(971,022)	-
Impairment of freehold property	1,458,516	-
Adjustments to tax charge in respect of prior periods	(1,014,833)	(997,896)
CURRENT TAX (CREDIT)/CHARGE FOR THE YEAR (see note above)	<u>(1,014,833)</u>	<u>16,937</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Claims for capital allowances are running in advance of depreciation. Whether this continues to be the case depends on the level of capital allowance claims in the future and the level of future investment in fixed assets.

Deferred tax has been calculated at the rate expected to apply at the time at which timing differences are forecast to reverse, based on tax rates which have been substantively enacted at the balance sheet date. During the year, as a result of the changes in the UK corporation tax rate to 24% which was substantively enacted on 26 March 2012 and was effective from 1 April 2012, and to 23% which was substantively enacted on 3 July 2012 and will be effective from 1 April 2013, the relevant deferred tax balances have been re-measured.

Further reductions to the UK corporation tax rate have been announced. The changes propose to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements. It is not expected that these further reductions will materially impact the deferred tax balance.

ROSEMOUNT AEROSPACE PROPERTIES LTD

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

9. TANGIBLE FIXED ASSETS

	Freehold property \$
COST	
At 1 January 2012 and 31 December 2012	<u>56,959,000</u>
DEPRECIATION	
At 1 January 2012	15,105,679
Charge for the year	835,136
Impairment charge	<u>8,206,924</u>
At 31 December 2012	<u>24,147,739</u>
NET BOOK VALUE	
At 31 December 2012	<u>32,811,261</u>
At 31 December 2011	<u>41,853,321</u>

Included in land and buildings is land with a cost of \$18,296,690 which is not depreciated

An impairment of \$8,206,924 has been recognised in respect of the post balance sheet sale of a property owned by the company. The impairment has been apportioned between land and buildings based on original cost as follows, \$1,641,385 to land and \$6,565,539 to buildings

The company has no assets held under finance leases or hire purchase contracts

During the year all fixed assets were held for the purpose of leasing to other related undertakings

10. DEBTORS

	2012 \$	2011 \$
Amounts owed by group undertakings	<u>16,366</u>	<u>16,366</u>

**11. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 \$	2011 \$
Bank loans and overdrafts	791,637	3,298,183
Amounts owed to group undertakings	11,329,542	11,285,797
Corporation tax	-	1,014,833
VAT	3,629	4,144
Accruals and deferred income	25,719	25,297
	<u>12,150,527</u>	<u>15,628,254</u>

ROSEMOUNT AEROSPACE PROPERTIES LTD

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

12 DEFERRED TAXATION

	2012 \$	2011 \$
At 1 January	1,601,520	1,678,843
(Released during)/charge for year	(494,180)	47,036
Effect of decreased tax rate on opening liability	(128,122)	(124,359)
	<u>979,218</u>	<u>1,601,520</u>
At 31 December		

The provision for deferred taxation is made up as follows

	2012 \$	2011 \$
Accelerated capital allowances	<u>979,218</u>	<u>1,601,520</u>

13. SHARE CAPITAL

	2012 \$	2011 \$
ALLOTTED, CALLED UP AND FULLY PAID		
101 - Ordinary Shares shares of £1 each	<u>159</u>	<u>159</u>

14. RESERVES

	Share premium account \$	Profit and loss account \$
At 1 January 2012	14,999,841	9,639,913
Loss for the year	-	(3,672,490)
	<u>14,999,841</u>	<u>5,967,423</u>
At 31 December 2012		

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 \$	2011 \$
Opening shareholders' funds	24,639,913	21,682,083
(Loss)/profit for the year	<u>(3,672,490)</u>	<u>2,957,830</u>
Closing shareholders' funds	<u>20,967,423</u>	<u>24,639,913</u>

ROSEMOUNT AEROSPACE PROPERTIES LTD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

16. CONTINGENT LIABILITIES

As part of a multilateral guarantee, the company has entered an agreement with the bank, its parent undertaking, fellow subsidiaries and other related companies. Under this agreement, the company is party to a cross-undertaking on a limited number of specified accounts, limited to the credit balance standing within a group wide cash pooling facility.

The company participates in a cash pooling arrangement with a group of UK Goodrich companies. At 31 December 2012 there was a cash pool surplus of £3,505,547 (2011 - surplus £7,489,062) representing the bank balances of all the group companies.

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions of Financial Reporting Standard 8, not to disclose transactions with other group entities, as it is a wholly owned subsidiary undertaking of a company that is to prepare consolidated financial statements.

18. POST BALANCE SHEET EVENTS

On the 26th March 2013, land and buildings owned by the company were sold as part of a group disposal of the Power Systems business based in Pitstone in the United Kingdom. The sale resulted in an impairment being recognised in the financial statements for the year ended 31st December 2012 of \$8,206,924.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Rosemount Aerospace Limited, a company registered in England and Wales.

On the 26th July 2012 United Technologies, a company incorporated in the United States of America, acquired 100% of the share capital of Goodrich Corporation, the company's previous ultimate parent undertaking. The only group of which the company is a member and for which group financial statements are prepared for the year ended 31st December 2012 is that headed by United Technologies Corporation. Copies of the 2012 Annual Report of United Technologies Corporation can be obtained from United Technologies Building, Hartford, Connecticut, 06101, USA.