SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported) July 1, 2009

WATSCO, INC.

(Exact Name of Registrant as Specified in Its Charter)

Florida
(State or Other Jurisdiction of Incorporation)

1-5581	59-0778222
(Commission File Number)	(IRS Employer Identification No.)

2665 South Bayshore Drive, Suite 901
Coconut Grove, Florida 33133
(Address of Principal Executive Offices, Including Zip Code)

(305) 714-4100
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d- 2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01. **Completion of Acquisition or Disposition of Assets.**

On July 8, 2009, Watsco, Inc. ("the Registrant") filed a Current Report on Form 8-K reporting that, on July 1, 2009, the Registrant completed the formation of Carrier Enterprise LLC, a joint venture with Carrier Corporation ("Carrier"), pursuant to a purchase and contribution agreement dated May 3, 2009, as amended June 29, 2009, by and between Carrier and the Registrant, pursuant to which the Registrant acquired certain sales and distribution operations from Carrier (the "Carrier Sales & Distribution Business"). In that Current Report, the Registrant indicated that it would file the financial statements and pro forma financial information required pursuant to Item 9.01(a) and (b) of Form 8-K, by amendment to the Current Report. This Amendment No. 1 to the July 1, 2009 Current Report on Form 8-K contains the required financial statements and pro forma financial information which was not available at the time the Current Report on Form 8-K was filed.

Item 9.01. **Financial Statements and Exhibits.**

(a) Financial Statements of Businesses Acquired

The following financial statements of the Carrier Sales & Distribution Business are attached as Exhibit 99.1 to this Form 8-K/A and are incorporated herein by reference:

- Audited combined balance sheet as of December 31, 2008 and the combined statement of operations, combined statement of cash flows and combined statement of changes in divisional equity for the year ended December 31, 2008, and the notes related thereto, including the Report of Independent Registered Public Accounting Firm, issued by PricewaterhouseCoopers LLP, dated September 17, 2009;
- Unaudited combined balance sheet as of June 30, 2009 and the combined statement of operations, combined statement of cash flows and combined statement of changes in divisional equity for the six months ended June 30, 2009, and the notes related thereto; and
- Unaudited combined statement of operations and combined statement of cash flows for the six months ended June 30, 2008, and the notes related thereto.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined balance sheet of the Registrant and the Carrier Sales & Distribution Business as of June 30, 2009 and the related unaudited pro forma condensed combined statements of income for the six months ended June 30, 2009 and for the year ended December 31, 2008 that give effect to the joint venture with Carrier, are attached as Exhibit 99.2 to this Form 8-K/A and are incorporated herein by reference.

(d) Exhibits

Exhibit Number	Description
99.1	Carrier Sales & Distribution Business audited combined financial statements for the year ended December 31, 2008, and the notes related thereto, and unaudited combined financial statements for the six months ended June 30, 2009 and 2008, and the notes related thereto.
99.2	The unaudited pro forma condensed combined balance sheet of the Registrant and the Carrier Sales & Distribution Business as of June 30, 2009 and the related unaudited pro forma condensed combined statements of income for the six months ended June 30, 2009 and for the year ended December 31, 2008.
99.3	Consent of PricewaterhouseCoopers LLP.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WATSCO, INC.

Dated: September 17, 2009

By: /s/ Ana M. Menendez

Ana M. Menendez,
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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99.2	The unaudited pro forma condensed combined balance sheet of the Registrant and the Carrier Sales & Distribution Business as of June 30, 2009 and the related unaudited pro forma condensed combined statements of income for the six months ended June 30, 2009 and for the year ended December 31, 2008.
99.3	Consent of PricewaterhouseCoopers LLP.

Exhibit 99.1

Carrier Sales & Distribution Business
(A component of United Technologies Corporation)

Combined Statements of Operations
For the six months ended June 30, 2009 (unaudited) and 2008 (unaudited); and
For the Year ended December 31, 2008

Combined Balance Sheets
As of June 30, 2009 (unaudited) and December 31, 2008

Combined Statements of Cash Flows
For the six months ended June 30, 2009 (unaudited) and 2008 (unaudited); and
For the Year ended December 31, 2008

Combined Statements of Changes in Divisional Equity
As of June 30, 2009 (unaudited) and December 31, 2008

Index to Combined Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareowners of United Technologies Corporation:

In our opinion, the accompanying combined balance sheet and the related combined statements of operations, of cash flows, and of changes in divisional equity present fairly, in all material respects, the financial position of the Carrier Sales & Distribution Business (the “Business”), a component of United Technologies Corporation (the “Corporation” or “UTC”) at December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 and 3 to the Combined Financial Statements, the Business and UTC and its subsidiaries, engage in extensive intercompany transactions. These financial statements have been derived from the financial statements of UTC and reflect significant allocations of the costs of the services provided to the Business by UTC and its subsidiaries on a basis that management believes is appropriate in the circumstances. The financial position, results of operations and cash flows of the Business could differ from those that would have resulted had the Business operated autonomously or independently of UTC and its subsidiaries.

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut
September 17, 2009

Carrier Sales & Distribution Business
(a component of United Technologies Corporation)

COMBINED STATEMENTS OF OPERATIONS

(in thousands of dollars)	For the year ended December 31, 2008	For the six months ended June 30, 2009 (unaudited)	For the six months ended June 30, 2008 (unaudited)
Net sales	$1,291,237	$ 581,639	$ 654,826
Cost of goods sold	1,112,779	503,140	568,692
Gross margin	178,458	78,499	86,134
Selling, general and administrative expenses	148,457	66,712	77,594
Other income, net	988	465	40
Income before income taxes	30,989	12,252	8,580
Income taxes	12,387	4,913	3,507
Net Income	$ 18,602	$ 7,339	$ 5,073

See accompanying Notes to Combined Financial Statements.

Carrier Sales & Distribution Business
(a component of United Technologies Corporation)

COMBINED BALANCE SHEETS

(in thousands of dollars or shares)	**June 30, 2009 (unaudited)**	**December 31, 2008**
Assets		
Cash and cash equivalents	**$ 5,337**	$ 12,325
Accounts receivable (net of allowances of $6,826 (unaudited) and $5,620)	**191,852**	143,789
Inventories	**189,983**	163,406
Future income tax benefits	**11,707**	10,699
Other current assets	**2,034**	1,394
Total Current Assets	**400,913**	331,613
Future income tax benefits	**27,510**	31,775
Fixed assets	**9,865**	10,592
Goodwill	**24,837**	24,837
Other assets	**560**	595
Total Assets	**463,685**	399,412
Liabilities and Divisional Equity		
Accounts payable	**9,876**	13,248
Accrued liabilities	**34,906**	36,333
Total Current Liabilities	**44,782**	49,581
Other long-term liabilities	**1,563**	1,445
Total Liabilities	**46,345**	51,026
Commitments and Contingent Liabilities (Note 11)		
Divisional Equity	**417,340**	348,386
Total Liabilities and Divisional Equity	**$ 463,685**	$ 399,412

See accompanying Notes to Combined Financial Statements.

Carrier Sales & Distribution Business
(a component of United Technologies Corporation)

COMBINED STATEMENTS OF CASH FLOWS

(in thousands of dollars)	For the year ended December 31, 2008	For the six months ended June 30, 2009 (unaudited)	For the six months ended June 30, 2008 (unaudited)
Operating Activities			
Net income	$ 18,602	$ 7,339	$ 5,073
Adjustments to reconcile net income to net cash flows provided by (used in) operating activities:			
Depreciation	1,977	1,019	1,022
Future income tax provision	5,995	3,256	1,538
Change in:			
Accounts receivable	5,012	(48,063)	(60,693)
Inventories	11,591	(26,577)	(35,129)
Other current assets	490	(640)	162
Accounts payable and accrued liabilities	2,412	(4,798)	7,465
Other, net	161	153	56
Net Cash Provided By (Used in) Operating Activities	46,240	(68,311)	(80,506)
Investing Activities			
Capital expenditures	(2,077)	(386)	(1,080)
Disposal of fixed assets	193	94	2
Net Cash Used in Investing Activities	(1,884)	(292)	(1,078)
Financing Activities			
Net (distribution to) / contributions from UTC	(38,635)	61,615	102,302
Net Cash (Used In) Provided By Financing Activities	(38,635)	61,615	102,302
Net increase (decrease) in Cash and cash equivalents	5,721	(6,988)	20,718
Cash and cash equivalents, beginning of period	6,604	12,325	6,604
Cash and cash equivalents, end of period	$ 12,325	$ 5,337	$ 27,322
Supplemental Disclosure of Cash Flow Information:			
Income taxes paid, net of refunds	$ 6,392	$ 1,657	$ 1,969

See accompanying Notes to Combined Financial Statements.

Carrier Sales & Distribution Business
(a component of United Technologies Corporation)

COMBINED STATEMENTS OF CHANGES IN DIVISIONAL EQUITY

(in thousands of dollars)	Divisional Equity
January 1, 2008	**$ 368,419**
Net income	**18,602**
Net distribution to / contributions from UTC	**(38,635)**
December 31, 2008	**$ 348,386**
Net income (unaudited)	**7,339**
Net distribution to / contributions from UTC (unaudited)	**61,615**
June 30, 2009 (unaudited)	**$ 417,340**

See accompanying Notes to Combined Financial Statements.

Notes to Combined Financial Statements
(Dollars in thousands)

Note 1. Nature of Operations and Basis of Presentation

The Carrier Sales and Distribution Business (the "Business") is a wholly owned component of Carrier Corporation ("Carrier"), a wholly owned subsidiary of United Technologies Corporation and its subsidiaries ("UTC"). The Business distributes Carrier, Bryant, Payne and Totaline residential and light commercial heating, ventilating, air conditioning, and refrigeration ("HVACR") products in the U.S. Sunbelt region and selected territories in the Caribbean and Latin America.

On May 4, 2009, UTC announced that it had entered into an agreement with Watsco, Inc. ("Watsco") to form a joint venture, Carrier Enterprise LLC ("Carrier Enterprise"). Under the agreement, UTC will contribute the Business and Watsco will contribute its Comfort Products distribution entity in the Midwestern U.S. to Carrier Enterprise. Watsco and UTC will own 60 percent and 40 percent of Carrier Enterprise, respectively. (See further discussion in Note 12.)

The combined financial statements reflect the historical financial position, results of operations and cash flows of the Business to be contributed to Carrier Enterprise by UTC for the periods presented. The historical financial statements reflect the amounts that have been "carved out" from UTC's consolidated financial statements and reflect assumptions and allocations made by UTC to depict the Business on a stand-alone basis. As a result, the combined financial statements may not be indicative of the financial position, results of operations and cash flows that would have been presented if the Business had been a stand-alone entity. Additionally, sales of residential central air conditioners, heating equipments and parts and supplies are seasonal. Demand related to the residential air conditioning replacement market is generally highest in the second and third quarters with demand for heating equipment usually highest in the fourth quarter and may also be impacted favorably or unfavorably based on the severity or mildness of weather patterns during the summer or winter selling seasons. Therefore, the historical financial information is not necessarily indicative of what the results of operations, financial position and cash flow will be in the future.

The historical combined financial statements were prepared using UTC's historical basis in the assets and liabilities of the Business, and its historical combined financial statements include all revenues, costs, assets and liabilities directly attributable to the Business. In addition, certain expenses reflected in the combined financial statements include allocations of corporate expenses from UTC, which in the opinion of management are reasonable (see further discussion in Note 3). All such costs and expenses have been deemed to have been paid by the Business to UTC in the period in which the costs were incurred. Current income taxes are deemed to have been remitted, in cash, by or to UTC in the period the related income taxes were recorded. Amounts due to or from UTC have been classified within divisional equity.

UTC centralizes cash management and operations financing. Accordingly, none of the cash or debt at UTC has been assigned to the Business in the combined financial statements. Cash in the combined balance sheet represents cash held locally by the Business apart from the shared treasury function of UTC. There is no debt specifically related to the operations of the Business, and therefore none has been attributed to the Business´ financial statements. Interest expense was not historically allocated to the Business and therefore is not reflected in the combined statements of operations.

Divisional equity in the Business as shown in the combined balance sheet includes amounts due to / from UTC as well as intercompany receivables / payables with UTC. (See further discussion in Note 3.)

See Note 12 "Subsequent Events" for additional information on the transaction consummated with Watsco on July 1, 2009 to form Carrier Enterprise including the exclusion of certain product sales, assets and liabilities not transferred to Carrier Enterprise from the Business.

Note 2. Summary of Accounting Principles

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Interim Financial Reporting. The financial information for the six months ended June 30, 2009 and 2008 are unaudited but include adjustments that management considers necessary for a fair presentation of its combined financial position, operating results, cash flows, and divisional equity. Results for the six months ended June 30, 2009 and 2008 are not necessarily indicative of results to be expected for the full fiscal year or for any future period.

Combination. The combined financial statements have been prepared for the Business as it was historically managed within UTC. All significant intercompany transactions within the Business have been eliminated. All significant transactions between the Business and other UTC entities are included in the combined financial statements. All intercompany transactions with UTC are considered to be settled for cash in the combined statement of cash flows at the time the transaction is recorded.

Cash and Cash Equivalents. Cash and cash equivalents include cash on hand and demand deposits that are highly liquid in nature and have original maturities of three months or less.

Accounts Receivable. Receivables are recognized net of payment discounts, product returns allowances and uncollectible allowances.

Fair Value of Financial Instruments. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and accrued expenses approximates fair value due to the short maturity (less than one year) of the instruments.

Inventories. Inventories are stated at the lower of cost or estimated realizable value and are primarily based on the last-in, first-out (LIFO) method; however, certain locations use the first-in, first-out (FIFO) method. If inventories that were valued using the LIFO method had been valued under the FIFO method, they would have been higher by $25,472 at December 31, 2008 and by $25,326 (unaudited) and $25,041 (unaudited) at June 30, 2009 and 2008, respectively. In 2008, LIFO inventory quantities were reduced. This reduction resulted in a liquidation of LIFO inventory quantities carried at lower costs prevailing in prior years as compared with the cost of the 2008 purchases, the effect of which decreased cost of goods sold by approximately $1,622.

Fixed Assets. Fixed assets are stated at cost. Depreciation is computed over the assets' useful lives using the straight-line method. We evaluate the potential impairment of long-lived assets when appropriate. If the carrying value of assets exceeds the sum of the undiscounted expected future cash flows, the carrying value of the asset is written down to fair value. For the periods presented, there was no impairment of long-lived assets.

Goodwill. Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not amortized but is subject to annual impairment testing using the guidance and criteria described in Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). This testing compares carrying values to fair values and, when appropriate, the carrying value of these assets is reduced to fair value. For the periods presented, we were not required to record any impairment on goodwill. The goodwill balance was $24,837 as of June 30, 2009 (unaudited) and December 31, 2008.

Income Taxes. The Business records income taxes under Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), under which deferred taxes reflect the temporary differences between book and tax basis of assets and liabilities. A valuation allowance is established if, based on management's review of both positive and negative evidence, it is more-likely-than-not that all or a portion of the deferred tax asset will not be realized. The income taxes have been prepared on a separate return basis as if the Business was a standalone entity. Prior to the contribution of the Business to the joint venture, the Business was included in the UTC consolidated tax return. The results from being included in the UTC consolidated tax return are included in distribution to / contributions from UTC in divisional equity. In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances, and information available at the reporting date. In accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," (FIN 48), for those tax positions where it is more-likely-than-not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more-likely-than-not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, associated interest has also been recognized. We recognize interest accrued related to unrecognized tax benefits in interest expense. Penalties, if incurred, would be recognized as a component of income tax expense.

Revenue Recognition. The Business recognizes revenue when it is realized or realizable and earned. The Business considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the product has been shipped, the sales price is fixed or determinable and collection is reasonably assured. The Business reduces revenue for estimated customer returns and other allowances.

New Accounting Pronouncements. In December 2007, the FASB issued SFAS 141(R), which replaces SFAS No. 141, "Business Combinations" ("SFAS 141"). SFAS 141(R) retains the underlying concepts of SFAS 141 in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting but SFAS 141(R) changed the method of applying the acquisition method in a number of significant aspects. Acquisition costs will generally be expensed as incurred; noncontrolling interests will be valued at fair value at the acquisition date; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date, until either abandoned or completed, at which point the useful lives will be determined; restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense. SFAS 141(R) is effective on a prospective basis for all business combinations for which the acquisition date is on or after the beginning of the first annual period subsequent to December 15, 2008, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. SFAS 141(R) amends SFAS No. 109, "Accounting for Income Taxes" ("SFAS 109") such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of SFAS 141(R) would also apply the provisions of SFAS 141(R). Early adoption was not permitted. The adoption of SFAS 141(R) did not have a significant impact on our financial position and results of operations.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51" ("SFAS 160"). This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, with earlier adoption prohibited. This statement requires the recognition of a noncontrolling interest minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. It also amends certain of ARB No. 51's consolidation procedures for consistency with the requirements of SFAS 141(R). This statement also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. The adoption of SFAS 160 did not have a significant impact on our financial position and results of operations.

In February 2008, the FASB issued FSP FAS 157-2, "Effective Date of FASB Statement No. 157," which delays the effective date of SFAS No. 157, "Fair Value Measurements," ("SFAS 157") for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis, with the exception of the application of the statement to non-recurring nonfinancial assets and nonfinancial liabilities. This FSP defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years for items within the scope of this FSP. This FSP did not have a significant impact on the reporting of our financial position and results of operations.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" ("SFAS 161"). This statement is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS 161 applies to all derivative instruments within the scope of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") as well as related hedged items, bifurcated derivatives, and nonderivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. The adoption of SFAS 161 did not have an impact on the determination of our financial results.

In April 2009, the FASB issued FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP FAS 157-4"). FSP FAS 157-4 amends SFAS 157 and provides additional guidance for estimating fair value in accordance with SFAS 157 when the volume and level of activity for the asset or liability have significantly decreased and also includes guidance on identifying circumstances that indicate a transaction is not orderly for fair value measurements. This FSP shall be applied prospectively with retrospective application not permitted. This FSP shall be effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity early adopting this FSP must also early adopt FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" ("FSP FAS 115-2" and "FAS 124-2"). Additionally, if an entity elects to early adopt either FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" ("FSP FAS 107-1" and "APB 28-1") or FSP FAS 115-2 and FAS 124-2, it must also elect to early adopt this FSP. This FSP did not have a significant impact on the reporting of our financial position and results of operations.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2. This FSP amends SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities," SFAS 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations," and EITF Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets," to make the other-than-temporary impairments guidance more operational and to improve the presentation of other-than-temporary impairments in the financial statements. This FSP will replace the existing requirement that the entity's management assert it has both the intent and ability to hold an impaired debt security until recovery with a requirement that management assert it does not have the intent to sell the security, and it is more likely than not it will not have to sell the security before recovery of its cost basis. This FSP provides increased disclosure about the credit and noncredit components of impaired debt securities that are not expected to be sold and also requires increased and more frequent disclosures regarding expected cash flows, credit losses, and an aging of securities with unrealized losses. Although this FSP does not result in a change in the carrying amount of debt securities, it does require that the portion of an other-than-temporary impairment not related to a credit loss for a held-to-maturity security be recognized in a new category of other comprehensive income and be amortized over the remaining life of the debt security as an increase in the carrying value of the security. This FSP shall be effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity may early adopt this FSP only if it also elects to early adopt FSP FAS 157-4. Also, if an entity elects to early adopt either FSP FAS 157-4 or FSP FAS 107-1 and APB 28-1, the entity also is required to early adopt this FSP. This FSP did not have a significant impact on the reporting of our financial position and results of operations.

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets – an amendment of FASB Statement No. 140" ("SFAS 166"). SFAS 166 removes the concept of a qualifying special-purpose entity from SFAS 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," establishes a new "participating interest" definition that must be met for transfers of portions of financial assets to be eligible for sale accounting, clarifies and amends the derecognition criteria for a transfer to be accounted for as a sale, and changes the amount that can be recognized as a gain or loss on a transfer accounted for as a sale when beneficial interests are received by the transferor. Enhanced disclosures are also required to provide information about transfers of financial assets and a transferor's continuing involvement with transferred financial assets. This statement must be applied as of the beginning of an entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The adoption of SFAS 166 will not have a significant impact on our financial position and results of operations.

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" ("SFAS 167"). SFAS 167 amends FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities" ("FIN 46(R)") to require an enterprise to qualitatively assess the determination of the primary beneficiary of a variable interest entity ("VIE") based on whether the entity (1) has the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (2) has the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. Also, SFAS 167 requires an ongoing reconsideration of the primary beneficiary, and amends the events that trigger a reassessment of whether an entity is a VIE. Enhanced disclosures are also required to provide information about an enterprise's involvement in a VIE. This statement shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The adoption of SFAS 167 will not have a significant impact on our financial position and results of operations.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162" ("SFAS 168"). SFAS 168 replaces SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" and establishes the "FASB Accounting Standards Codification " (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles in the United States. All guidance contained in the Codification carries an equal level of authority. On the effective date of SFAS 168, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC accounting literature not included in the Codification will become nonauthoritative. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of SFAS 168 will not have a significant impact on the determination or reporting of our financial results.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events," ("SFAS 165") which provides guidance on management's assessment of subsequent events and incorporates this guidance into accounting literature. SFAS No. 165 is effective prospectively for interim and annual periods ending after June 15, 2009. We adopted SFAS No. 165 as of June 30, 2009, which was the required effective date. We have evaluated subsequent events that require recognition and disclosure through September 17, 2009, the date the financial statements were issued. See Note 12 "Subsequent Events."

Note 3. Related Parties

The Business buys HVACR products and services from Carrier companies and sells HVACR products to UTC affiliates. In addition, the Business receives various general and administrative services from UTC shared service providers. These services include tax, treasury, human resources, information technology and other services. The Business also participates in various programs offered and funded by Carrier's factories to support the sale of Carrier products.

Sales in the combined statements of operations include sales to affiliates of UTC of $29,609 for the year ended December 31, 2008 and $10,291 (unaudited) and $14,945 (unaudited) for the six months ended June 30, 2009 and 2008, respectively. Cost of goods sold in the combined statements of operations includes cost of sales to UTC of $25,512 for the year ended December 31, 2008 and $9,059 (unaudited) and $12,826 (unaudited) for the six months ended June 30, 2009 and 2008, respectively.

Cost of goods sold in the combined statement of operations includes purchases from UTC of $934,700 for the year ended December 31, 2008 and $432,400 (unaudited) and $482,200 (unaudited) for the six months ended June 30, 2009 and 2008, respectively.

These statements reflect allocated expenses associated with centralized UTC support functions including: treasury, tax, accounting, human resources, information technology and other services. The costs associated with these generally include all payroll and benefit costs as well as overhead costs related to the support functions. UTC also allocated costs associated with office facilities, corporate insurance coverage and medical, pension, post-retirement and other health plan costs for employees participating in UTC sponsored plans. Allocations are based on a number of utilization measures including headcount, proportionate effort, revenue and inventory. All such amounts have been deemed to have been paid by the Business in the period in which the costs were recorded.

Selling, general and administrative expenses in the combined statements of operations includes corporate allocations of $25,509 for the year ended December 31, 2008 and $12,326 (unaudited) and $12,044 (unaudited) for the six months ended June 30, 2009 and 2008, respectively.

In the opinion of management, the expense and cost allocations have been determined on a basis considered to be a reasonable reflection of the utilization of services provided or the benefit received by the Business during the periods presented. The amounts that would have been or will be incurred on a stand-alone basis could differ from the amounts allocated due to economies of scale, differences in management judgment, a requirement for more or fewer employees, or other factors. Management does not believe, however, that it is practical to estimate what these expenses would have been had the Business operated as an independent entity, including any expenses associated with obtaining any of these services from unaffiliated entities. In addition, future results of operations, financial position and cash flows could differ materially from the historical results presented herein.

Notes to Combined Financial Statements
(Dollars in thousands)

Central treasury activities include the investment of surplus cash, the issuance, repayment and repurchase of short-term and long-term debt and interest rate management. All UTC funding to the Business has been accounted for as capital contributions from UTC and all cash remittances from the Business to UTC have been accounted for as distributions to UTC. Accordingly, no debt or related interest charges from UTC are reflected in these combined financial statements.

Divisional equity in the combined balance sheets includes intercompany receivables due from affiliates of UTC of $67 (unaudited) and $59,100 as of June 30, 2009 and December 31, 2008, respectively. Divisional equity in the combined balance sheets includes intercompany payables due to affiliates of UTC of $515 (unaudited) and $75,939 as of June 30, 2009 and December 31, 2008, respectively.

Note 4. Inventories

(in thousands of dollars)	**June 30, 2009 (unaudited)**	**December 31, 2008**
Inventories consist of the following:		
Finished goods	**$ 193,573**	$ 166,450
Reserve for obsolete inventory	**(3,590)**	(3,044)
	$ 189,983	$ 163,406

Note 5. Fixed Assets

(in thousands of dollars)	**Estimated Useful Lives**	**June 30, 2009 (unaudited)**	**December 31, 2008**
Land		**$ 415**	$ 415
Buildings and improvements	20-40 years	**11,213**	10,334
Machinery and equipment	3-12 years	**12,423**	11,478
Construction in progress		**10**	1,597
		24,061	23,824
Accumulated depreciation		**(14,196)**	(13,232)
		$ 9,865	$ 10,592

Depreciation expense was $1,977 for the year ended December 31, 2008 and $1,019 (unaudited) and $1,022 (unaudited) for the six months ended June 30, 2009 and 2008, respectively.

Note 6. Accrued Liabilities

(in thousands of dollars)	June 30,2009 (unaudited)	December 31, 2008
Accrued salaries, wages and employee benefits	**$ 10,071**	$ 11,836
Accrued property, sales and use taxes	**6,479**	3,642
Accrued selling expenses	**5,501**	5,427
Advances on sales contracts	**2,459**	2,145
Accrued insurance	**2,383**	2,375
Accrued restructuring costs	**1,377**	2,476
Accrued warranty costs	**635**	644
Other	**6,001**	7,788
	$ 34,906	$ 36,333

Other accrued liabilities consist of workers compensation liabilities, advertising accruals and utilities. Other long term liabilities consist of workers' compensation liabilities and general and auto insurance coverage.

Note 7. Taxes on Income

(in thousands of dollars)	2008
Current:	
United States:	
Federal	**$ 3,493**
State	**863**
Foreign	**2,036**
	6,392
Future:	
United States:	
Federal	**4,808**
State	**983**
Foreign	**204**
	5,995
Income tax expense	**$12,387**

Future income taxes represent the tax effects of transactions, which are reported in different periods for tax and financial reporting purposes. These amounts consist of the tax effects of temporary differences between the tax and financial reporting balance sheets. Pursuant to SFAS 109, current and non-current future income tax benefits and payables within the same tax jurisdiction are generally offset for presentation in the Combined Balance Sheets.

The tax effects of net temporary differences which gave rise to future income tax assets at December 31, 2008 are as follows:

(in thousands of dollars)	2008
Future income tax assets:	
Goodwill and intangibles	**$29,764**
Insurance and employee related benefits	**5,355**
Inventory related	**3,400**
Bad debt	**2,168**
Other items, net	**1,787**
	$42,474

The sources of income from operations before income taxes are:

(in thousands of dollars)	2008
United States	**$25,114**
Foreign	**5,875**
	$30,989

Differences between effective income tax rates and the statutory U.S. federal income tax rates are as follows:

	2008
Statutory U.S. federal income tax rate	**35.0%**
State tax, net of federal benefit	**3.7%**
Tax on international activities	**0.7%**
Meals and entertainment	**0.6%**
Effective income tax rate	**40.0%**

The effective tax rate for 2008 reflects incremental tax expense for state taxes related to U.S. operations, international taxes related to the Caribbean operations and non-deductible meals and entertainment. There were no significant differences in the effective tax rate for the six-month periods ended June 30, 2009 and 2008.

At December 31, 2008, there were no tax credit or tax loss carryforwards.

As disclosed in Note 2, we record tax benefits in accordance with the provisions of FIN 48. During the periods covered by these statements, it was management's determination that all tax benefits should be recognized.

The Business and certain of its components participate in the consolidated income tax return of UTC for U.S. federal tax purposes, as well as multiple state and local tax jurisdictions. In addition, certain of the Business' components are subject to tax in non-U.S. jurisdictions. In the normal course of business, we are subject to examination by these taxing authorities. With few exceptions, we are no longer subject to U.S. federal examinations before 2004 nor state and local, or non-U.S. income tax examinations for years before 1998.

Note 8. Employee Benefit Plans

UTC sponsors numerous employee benefit plans, which certain employees of the Business participate in as discussed below.

Employee Savings Plans. UTC sponsors and contributes to defined contribution employee savings plans. Certain employees of the Business are also eligible to receive profit sharing contributions under a defined contributions plan. Our contributions to employee savings plans were $1,650 for the year ended December 31, 2008 and $761 (unaudited) and $802 (unaudited) for the six months ended June 30, 2009 and 2008, respectively. Our contributions to profit sharing plans were $2,727 for the year ended December 31, 2008 and $1,137 (unaudited) and $1,434 for the six months ended June 30, 2009 and 2008, respectively.

The Business also sponsors and contributes to the Carrier (Puerto Rico) Inc. Target Benefit Pension Plan for certain employees within the Puerto Rican Business. Our costs to fund the Carrier (Puerto Rico) Inc. Target Benefit Pension Plan were $105 for the year ended December 31, 2008 and $46 (unaudited) and $53 (unaudited) for the six months ended June 30, 2009 and 2008, respectively.

Pension and Postretirement Benefits. UTC's defined benefit pension and postretirement benefit plans have been accounted for as multi-employer plans in these combined financial statements, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 87, "Employers´ Accounting for Pensions" and SFAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions". SFAS No. 87 provides that an employer that participates in a multi-employer defined benefit plan is not required to report a liability beyond the contributions currently due and unpaid to the plan. Therefore, no assets or liabilities related to these plans have been included in the combined balance sheets. These pension and post retirement expenses were allocated to the Business and reported in selling, general and administrative expenses. The amounts allocated for pension and retirement expenses were $406 for the year ended December 31, 2008 and $134 (unaudited) and $208 (unaudited) for the six months ended June 30, 2009 and 2008, respectively.

Stock-based Compensation. The Business participates in UTC compensation plans. Awards under the plans include stock options, stock appreciation rights, performance share units and other awards. Stock based compensation expense reflected in the accompanying combined financial statements relates to stock plan awards of UTC and not stock awards of the Business, as the Business does not grant stock awards.

We measure the cost of all share-based payments, including stock options, at fair value on the grant date and recognize this cost in the statement of operations. For the year ended December 31, 2008 and the six months ended June 30, 2009 and 2008, $483, $304 (unaudited), and $276 (unaudited), respectively, of compensation cost was recognized in the combined statements of operations. The associated current income tax benefit recognized was $179, $113 (unaudited), and $103 (unaudited) for the year ended December 31, 2008 and for the six months ended June 30, 2009 and 2008, respectively.

At December 31, 2008, there was $498 of total unrecognized compensation cost related to non-vested equity awards granted under long-term incentive plans. This cost is expected to be recognized ratably over a weighted-average period of 1.86 years.

A summary of the transactions under all long-term incentive plans for the year ended December 31, 2008 is as follows:

	Stock Options		*Stock Appreciation Rights*		*Performance Share Units*		
(shares and units in thousands)	**Shares**	**Average Price***	**Shares**	**Average Price***	**Units**	**Average Price****	**Restricted Stock Units**
Outstanding at:							
December 31, 2007	138	$39.18	20	$ 63.77	1	$ 59.22	—
Granted	—	—	**2**	**75.21**	**1**	**75.21**	**1**
Exercised	**(9)**	**29.45**	—	—	—	—	—
December 31, 2008	**129**	**$39.88**	**22**	**$ 64.53**	**2**	**$ 63.75**	**1**

* weighted-average exercise price
** weighted-average grant stock price

The weighted-average grant date fair value of stock appreciation rights granted during 2008 was $21.43. The weighted-average grant date fair value of performance share units, which vest upon achieving certain performance metrics, granted during 2008 was $84.01. The total fair value of options vested during the years ended December 31, 2008 was $263. The total intrinsic value (which is the amount by which the stock price exceeded the exercise price of the options on the date of exercise) of options exercised during the year ended December 31, 2008 was $282.

The following table summarizes information about equity awards outstanding that are expected to vest and equity awards outstanding that are exercisable at December 31, 2008:

(shares thousands, aggregate intrinsic value in thousands)	*Equity Awards Outstanding Expected to Vest* Awards	Average Price*	Aggregate Intrinsic Value	Remaining Term**	*Equity Awards Outstanding That Are Exercisable* Awards	Average Price*	Aggregate Intrinsic Value	Remaining Term**
Stock Options/Stock Appreciation Rights	150	$43.25	$ 1,539	4.4	129	$ 39.88	$ 1,769	3.8
Performance Share Units/Restricted Stock	3	—	181	1.3				

* weighted-average exercise price per share

** weighted-average contractual remaining term in years

The fair value of each award is estimated on the date of grant using a binomial lattice model. The following table indicates the assumptions used in estimating fair value for the year ended December 31, 2008. Because lattice-based option models incorporate ranges of assumptions for inputs, those ranges are as follows:

	2008
Expected volatility	**23% – 26%**
Weighted-average volatility	**23%**
Expected term (in years)	**7.9 – 8.7**
Expected dividends	**1.6%**
Risk-free rate	**2.9% – 4.0%**

Expected volatilities are based on the returns of UTC stock, including implied volatilities from traded options on UTC stock for the binomial lattice model. We use historical data to estimate equity award exercise and employee termination behavior within the valuation model. Separate employee groups and equity award characteristics are considered separately for valuation purposes. The expected term represents an estimate of the period of time equity awards are expected to remain outstanding. The risk-free rate is based on the term structure of interest rates at the time of equity award grant.

Note 9. Restructuring

During 2008, we initiated restructuring actions relating to ongoing cost reduction efforts, including selling, general and administrative reductions and the consolidation of distribution facilities. We recorded restructuring and related charges, which directly relate to the Business, totaling $2,979 in cost of goods sold and $2,415 in selling, general and administrative expenses.

At December 31, 2008, net workforce reductions of approximately 133 employees have been completed. No further workforce reductions are expected at this time. The majority of the remaining workforce reductions and all facility-related cost reduction actions, expected to total 20,000 net square feet of facilities, are targeted for completion during 2009.

The following table summarizes the accrual balances and utilization by cost type for the 2008 restructuring actions:

(in thousands of dollars)	Severance	Facility Exit and Lease Termination Costs	Total
Restructuring charges	$ 2,415	$ 2,979	$ 5,394
Utilization	(2,114)	(804)	(2,918)
Balance at December 31, 2008	**$ 301**	**$ 2,175**	**$ 2,476**
Restructuring charges	$ 197	$ 85	$ 282
Utilization	(396)	(985)	(1,381)
Balance at June 30, 2009	**$ 102**	**$ 1,275**	**$ 1,377**

We do not expect any additional cost associated with these actions.

Note 10. Warranties

We provide product warranties for products sold in the Caribbean and Latin America. The Business accrues for these costs when such obligations are probable and the amounts can be reasonably estimated. The change in accruals for warranties for the year ended December 31, 2008 is as follows:

(in thousands of dollars)	2008
Balance as of January 1	$ 627
Warranties issued	430
Settlements made	(413)
Balance as of December 31	$ 644

Note 11. Commitments and Contingent Liabilities

Leases. We occupy space and use certain equipment under lease arrangements. Rental commitments of $74,410 at December 31, 2008 under long-term non-cancelable operating leases are payable as follows: $19,569 in 2009, $16,920 in 2010, $11,980 in 2011, $7,341 in 2012, $6,162 in 2013, and $12,438 thereafter. Rent expense was $19,758 for the year ended December 31, 2008, and $10,104 (unaudited) and $10,104 (unaudited) for the six months ended June 30, 2009 and 2008, respectively. Rent expense is presented net of other income from subleases of $1,005 for the year ended December 31, 2008, and $550 (unaudited) and $502 (unaudited) for the six months ended June 30, 2009 and 2008, respectively.

Other. The Business also has other commitments and contingent liabilities arising out of the normal course of business. Management believes that resolution of any of these matters will not have a material adverse effect upon the financial position, results of operations, or cash flows of the Business.

Note 12. Subsequent Events

On July 1, 2009 Watsco completed the formation of Carrier Enterprise with Carrier, to distribute Carrier, Bryant and Payne products throughout the U.S. Sunbelt, Latin America and the Caribbean. In the formation of the joint venture, Carrier contributed the Business, which includes 95 locations in the U.S. Sunbelt and Puerto Rico and the export division located in Miami, Florida and Watsco contributed 15 locations that distribute Carrier, Bryant and Payne products. Watsco purchased a 60% interest in the joint venture for consideration of $172,000 with options to purchase up to an additional 20% interest from Carrier (10% beginning in three years and an additional 10% in five years). Watsco issued 2,985,685 shares of Common stock and 94,784 shares of Class B common stock for consideration of $147,000 and contributed 15 locations that sell Carrier-manufactured products for consideration of $25,000 as total consideration for Watsco’s 60% interest in the joint venture. The final purchase price is subject to working capital and other adjustments pursuant to the Purchase and Contribution Agreement dated May 3, 2009, as amended June 29, 2009 (“Purchase and Contribution Agreement”).

On August 7, 2009, a capital contribution in the amount of $80,000 was made to Carrier Enterprise pursuant to the Purchase and Contribution Agreement. Watsco's share of the contribution totaling $48,000 was made in cash. Carrier's share of the contribution totaling $32,000 consisted of inventory.

The Business sold certain commercial HVACR products ("Applied Products") that were a part of the Business for the periods presented, but will not be sold by the Business subsequent to the joint venture being formed. The direct sales and cost of goods sold and the estimated commission expenses for these Applied Products activities included in the statement of operations is as follows:

(in thousands of dollars)	For the year ended December 31, 2008	For the six months ended June 30, 2009 (unaudited)	For the six months ended June 30, 2008 (unaudited)
Net sales	$ **58,800**	$ **21,600**	$ **29,300**
Cost of goods sold	**51,097**	**18,943**	**25,696**
Gross margin	**7,703**	**2,657**	**3,604**
Selling commissions	**1,176**	**432**	**586**

Certain assets and liabilities of the Business included in the balance sheet at June 30, 2009 were retained by UTC and excluded from the transfer to Carrier Enterprise pursuant to the terms of the Purchase and Contribution Agreement as follows:

- Cash and cash equivalents
- Certain finished goods inventory
- Deferred income taxes

In addition, certain obligations in connection with litigation and other matters were retained by UTC and excluded from the transfer to Carrier Enterprise pursuant to the terms of the Purchase and Contribution Agreement.

Certain liabilities related to salaries and related benefits of employees providing support to the Business as well as other parts of UTC that are transferring to Carrier Enterprise have been excluded from the combined balance sheets.

Carrier Enterprise has entered into Transitional Services Agreements (TSA) with Carrier Corporation to have certain business processes performed on their behalf such as payroll, employee benefits, credit and collections and accounts payable. Additionally, the TSAs allow for Carrier Enterprise to continue using core application and infrastructure information technologies. The services provided pursuant to the TSAs generally expire on December 31, 2009 but may be extended as agreed upon by the parties.

The joint venture will operate as a partnership for U.S. tax purposes. Certain tax attributes of the Business' components may not be utilized by the Business in its partnership return. In addition, the Purchase and Contribution Agreement includes indemnification provisions which require Carrier to indemnify Watsco for any income and non-income based tax liabilities of the Business for any pre-closing tax period. In addition, Watsco is required to indemnify Carrier for any income and non-income based tax liabilities related to the distribution business contributed by Watsco to the joint venture for any pre-closing tax period.

Employees of the Business prior to July 1, 2009 will continue to hold UTC stock options and awards granted to them under the terms of the original program grant subsequent to their transfer to Carrier Enterprise.

Exhibit 99.2

WATSCO, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

TABLE OF CONTENTS

INTRODUCTION TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(In thousands)

The unaudited pro forma condensed combined balance sheet as of June 30, 2009 combines the historical unaudited condensed consolidated balance sheet of Watsco, Inc. (the “Registrant”) as of June 30, 2009 and the unaudited combined balance sheet of the Carrier Sales & Distribution Business (the “Business”) as of June 30, 2009 (see Exhibit 99.1), giving effect to the joint venture, Carrier Enterprise LLC (“Carrier Enterprise”) as if it had occurred on June 30, 2009, as further discussed in Note 1. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2009 and for the year ended December 31, 2008 give effect to the joint venture as if it had occurred at the beginning of the periods presented. The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2009 combines the historical unaudited statement of operations of the Registrant and the historical unaudited combined statement of operations of the Business (see Exhibit 99.1) for the six months ended June 30, 2009. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2008 combines the historical audited statement of operations of the Registrant and the historical audited combined statement of operations of the Business (see Exhibit 99.1) for the year ended December 31, 2008. Acquisition-related costs of approximately $1,200 are included in the historical unaudited statement of operations of the Registrant for the six months ended June 30, 2009.

The unaudited pro forma condensed combined financial statements were prepared using the purchase method of accounting with the Registrant treated as the acquiring entity in accordance with Financial Accounting Standards Board (“FASB”), Accounting Standards Codification (“ASC”) Topic 805, Business Combinations. As of the date of this Form 8-K/A, the Registrant has not completed the detailed valuations necessary to estimate the fair value of the assets acquired and the liabilities assumed from the Business and the related allocations of purchase price. Additionally, a final determination of the fair value of assets acquired and liabilities assumed from the Business is subject to working capital and other adjustments pursuant to the Purchase and Contribution Agreement dated May 3, 2009, as amended June 29, 2009. Accordingly, the pro forma purchase price adjustments are preliminary, are subject to further adjustments as additional information becomes available and as additional analyses are performed and have been made solely for the purpose of providing the unaudited pro forma condensed combined financial statements. The Registrant estimated the fair value of the Business’ assets and liabilities based on discussions with Carrier Corporation (“Carrier”) and Business management, due diligence and consultation with an independent valuation firm. As the final valuations are being performed, increases or decreases in the fair value of relevant balance sheet amounts will result in adjustments, which may be material, to the balance sheet and/or statements of operations.

These unaudited pro forma condensed combined financial statements have been developed from and should be read in conjunction with the historical unaudited interim condensed consolidated financial statements contained in the Registrant’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009 and the historical audited consolidated financial statements contained in the Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2008. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent the Registrant’s consolidated results of operations or consolidated financial position had the formation of Carrier Enterprise occurred on the dates assumed, nor are these financial statements necessarily indicative of the Registrant’s future consolidated results of operations or consolidated financial position.

The Registrant expects Carrier Enterprise to incur significant costs and realize significant benefits associated with “carving out” the operations of the Business from Carrier and United Technologies Corporation (“UTC”) and integrating the operations of the Business and the locations contributed by the Registrant. The unaudited pro forma condensed combined financial statements do not reflect the costs of any integration activities or benefits that may result from operating efficiencies expected to result from the formation of Carrier Enterprise.

WATSCO, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JUNE 30, 2009
(In thousands, except per share data)

	Historical: Watso, Inc.	Historical: Carrier Sales & Distribution Business	Adjustments (Note 2)	Pro Forma Adjustments	(Note 3)	Combined Pro Forma
ASSETS						
Current assets:						
Cash and cash equivalents	$ 45,303	$ 5,337	$ (5,337)	$ —		$ 45,303
Accounts receivable, net	176,429	191,852	—	(5,803)	(a)	362,478
Inventories	266,119	189,983	(52,655)	(9,962)	(b)	393,485
Other current assets	12,381	13,741	(11,402)	2,316	(c)	17,036
Total current assets	500,232	400,913	(69,394)	(13,449)		818,302
Property and equipment, net	22,538	9,865	—	183	(d)	32,586
Goodwill	219,810	24,837	(24,837)	73,007	(e)	292,817
Other assets	20,004	28,070	(27,510)	44,353	(f) (g) (h)	64,917
	$ 762,584	$ 463,685	$ (121,741)	$ 104,094		$1,208,622
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities:						
Current portion of long-term obligations	$ 230	$ —	$ —	$ 1,096	(h)	$ 1,326
Accounts payable	106,070	9,876	120,394	—		236,340
Accrued expenses and other current liabilities	46,002	34,906	(6,563)	715	(i)	75,060
Total current liabilities	152,302	44,782	113,831	1,811		312,726
Long-term obligations:						
Borrowings under revolving credit agreement	20,000	—	—	—		20,000
Other long-term obligations, net of current portion	697	1,563	(1,563)	—		697
Total long-term obligations	20,697	1,563	(1,563)	—		20,697
Deferred income taxes and other liabilities	18,476	—	—	3,987	(i)	22,463
Commitments and contingencies						
Shareholders' equity:						
Common stock, $.50 par value	15,557	—	—	1,493	(j)	17,050
Class B common stock, $.50 par value	1,977	—	—	47	(j)	2,024
Paid-in capital	294,078	—	—	162,068	(j) (m)	456,146
Accumulated other comprehensive loss, net of tax	(965)	—	—	—		(965)
Retained earnings	374,887	417,340	(234,009)	(183,331)	(k)	374,887
Treasury stock, at cost	(114,425)	—	—	—		(114,425)
	571,109	417,340	(234,009)	(19,723)		734,717
Noncontrolling interest	—	—	—	118,019	(l) (m)	118,019
Total shareholders' equity	571,109	417,340	(234,009)	98,296		852,736
	$ 762,584	$ 463,685	$ (121,741)	$ 104,094		$1,208,622

See accompanying notes to unaudited pro forma condensed combined financial statements.

WATSCO, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2009
(In thousands, except per share data)

	Historical				
	Watsco, Inc.	**Carrier Sales & Distribution Business**	**Pro Forma Adjustments**	**(Note 3)**	**Combined Pro Forma**
Revenues	$ 696,314	$ 581,639	$ (21,135)	(n) (o)	$1,256,818
Cost of sales	521,095	503,140	(51,860)	(n) (p) (q)	972,375
Gross profit	175,219	78,499	30,725		284,443
Selling, general and administrative expenses	150,487	66,247	31,465	(n) (o) (p) (r)	248,199
Operating income	24,732	12,252	(740)		36,244
Interest expense, net	672	—	906	(s)	1,578
Income before income taxes	24,060	12,252	(1,646)		34,666
Income taxes	8,950	4,913	(643)	(t)	13,220
Net income (loss)	15,110	7,339	(1,003)		21,446
Less: Net income attributable to the noncontrolling interest	—	—	3,278	(u)	3,278
Net income (loss) attributable to Watsco, Inc.	$ 15,110	$ 7,339	$ (4,281)		$ 18,168
Earnings per share for Common and Class B common stock:					
Basic	$ 0.53	—	—	(v)	$ 0.55
Diluted	$ 0.52	—	—	(v)	$ 0.55

See accompanying notes to unaudited pro forma condensed combined financial statements.

WATSCO, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2008
(In thousands, except per share data)

	Historical				
	Watsco, Inc.	**Carrier Sales & Distribution Business**	**Pro Forma Adjustments**	**(Note 3)**	**Combined Pro Forma**
Revenues	$1,700,237	$ 1,291,237	$ (57,812)	(n) (o)	$2,933,662
Cost of sales	1,258,243	1,112,779	(121,918)	(n) (p) (q)	2,249,104
Gross profit	441,994	178,458	64,106		684,558
Selling, general and administrative expenses	343,386	147,469	65,704	(n) (o) (p) (r)	556,559
Operating income	98,608	30,989	(1,598)		127,999
Interest expense, net	2,018	—	1,812	(s)	3,830
Income before income taxes	96,590	30,989	(3,410)		124,169
Income taxes	36,221	12,387	(1,333)	(t)	47,275
Net income (loss)	60,369	18,602	(2,077)		76,894
Less: Net income attributable to the noncontrolling interest	—	—	8,775	(u)	8,775
Net income (loss) attributable to Watsco, Inc.	$ 60,369	$ 18,602	$ (10,852)		$ 68,119
Earnings per share for Common and Class B common stock:					
Basic	$ 2.14	—	—	(v)	$ 2.18
Diluted	$ 2.09	—	—	(v)	$ 2.13

See accompanying notes to unaudited pro forma condensed combined financial statements.

(In thousands, except share data)

Note 1. Basis of Presentation

On July 1, 2009, the Registrant completed the formation of a joint venture with Carrier, a wholly owned subsidiary of UTC, to distribute Carrier, Bryant and Payne products throughout the U.S. Sunbelt, Latin America and the Caribbean. The newly formed joint venture, Carrier Enterprise, operates 110 locations in 20 states and Puerto Rico and serves over 19,000 air conditioning and heating contractors. In the formation of the joint venture, Carrier contributed the Business which consists of 95 locations in the U.S. Sunbelt and Puerto Rico and the export division located in Miami, Florida and the Registrant contributed 15 locations that distribute Carrier, Bryant and Payne products. The Registrant purchased a 60% interest in the joint venture for consideration of $172,000 with options to purchase up to an additional 20% interest from Carrier (10% beginning in three years and an additional 10% in five years). The Registrant issued 2,985,685 shares of Common stock and 94,784 shares of Class B common stock for consideration of $147,000 (fair value of $151,056) to Carrier and contributed 15 locations that sell Carrier-manufactured products to Carrier Enterprise for consideration of $25,000. The final purchase price is subject to working capital and other adjustments pursuant to the Purchase and Contribution Agreement dated May 3, 2009, as amended June 29, 2009 (“Purchase and Contribution Agreement”).

The accompanying unaudited pro forma condensed combined financial statements were prepared in accordance with Securities and Exchange Commission Rules and Regulations.

The accompanying unaudited pro forma condensed combined financial statements present the unaudited pro forma consolidated financial position and results of operations of the combined company based upon the historical financial statements of the Registrant and the Business, after giving effect to the joint venture and the adjustments described in these notes, and are intended to reflect the impact of the joint venture on the Registrant’s consolidated financial statements.

The accompanying unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and do not reflect the costs of any integration activities or benefits that may result from operating efficiencies expected to result from the formation of Carrier Enterprise.

The unaudited pro forma condensed combined balance sheet gives effect to the joint venture as if it had occurred on June 30, 2009 and includes estimated pro forma adjustments for the preliminary valuations of net assets acquired and liabilities assumed. These adjustments are subject to further revision as additional information becomes available and additional analyses are completed. The unaudited pro forma condensed combined statements of operations give effect to the joint venture as if it had occurred at the beginning of the periods presented.

The unaudited pro forma condensed combined balance sheet has been adjusted to reflect the preliminary allocation of the purchase price to identifiable net assets acquired and the excess purchase price to goodwill. The purchase price allocation in the accompanying unaudited pro forma condensed combined balance sheet is based upon a purchase price of $151,056 which represents the fair value of the Registrant’s 60% interest in the joint venture and excludes the Registrant’s contribution of 15 locations to the joint venture. The table below represents a preliminary allocation of the total consideration to tangible and intangible assets acquired, liabilities assumed and noncontrolling interest from the formation of the joint venture based on the Registrant’s preliminary estimate of respective fair values as of June 30, 2009:

Accounts receivable	$ 186,049
Inventories	127,367
Other current assets	4,655
Property and equipment	10,048
Goodwill and intangibles	89,907
Other assets	1,916
Accounts payable and accrued expenses	(159,328)
Other liabilities	(3,987)
Noncontrolling interest	(105,571)
Total estimated purchase price	$ 151,056

Upon completion of the fair value assessment, the Registrant anticipates that the ultimate purchase price allocation will differ from the preliminary assessment outlined above. Any changes to the initial estimates of the fair value of the assets and liabilities will be recorded as adjustments to those assets and liabilities and residual amounts will be allocated to goodwill.

On August 7, 2009, a capital contribution in the amount of $80,000 was made to fund initial working capital needs of Carrier Enterprise. The Registrant's share of the contribution totaling $48,000 was made in cash and Carrier's share of the contribution totaling $32,000 consisted of inventory.

Note 2. Adjustments

The unaudited pro forma condensed combined balance sheet reflects the following adjustments to the historical unaudited combined balance sheet of the Business as of June 30, 2009, pursuant to and consistent with the terms of the Purchase and Contribution Agreement:

- Cash and cash equivalents of $5,337 were excluded from the transaction;
- Finished goods inventory of $77,980 and the last-in, first-out ("LIFO") reserve of $25,325 were excluded from the transaction;
- Deferred income taxes of $11,707 were excluded from the transaction and certain prepaid expense adjustments of $305 were included in the transaction;
- Goodwill of $24,837 was excluded from the transaction;
- Other long-term deferred income taxes of $27,510 were excluded from the transaction;
- Accounts payable of $120,394 payable to Carrier, which were reflected as settled within the historical unaudited combined balance sheet of the Business, were included in the transaction;
- Certain obligations of $8,126 were excluded from the transaction; and
- Divisional equity of $234,009 was excluded from the transaction.

Note 3. Pro Forma Adjustments

The unaudited pro forma condensed combined financial statements reflect certain reclassifications of the Business' historical combined financial statement balances to conform to the Registrant's financial statement presentation.

The unaudited pro forma condensed combined balance sheet reflects the following:

(a) Adjustment to reflect the fair value of accounts receivable.

(b) Adjustment of $5,890 to eliminate certain capitalized inventory costs and an adjustment of $4,072 to reflect the fair value of inventories.

(c) Adjustment to reflect tax assets.

(d) Adjustment to reflect the fair value of acquired real estate.

(e) Adjustment to reflect goodwill from the acquisition of the Business.

(f) Adjustment of $41,900 to reflect the fair value of identified intangible assets.

(g) Adjustments of $1,056 to reflect the fair value of certain other assets and an adjustment of $301 to reflect tax assets.

(h) Adjustment of $1,096 to reflect bank fees paid by Carrier Enterprise to enter into a separate secured three-year $75,000 revolving credit agreement.

(i) Adjustment of $4,702 to reflect the fair value of certain liabilities.

(j) Reflects the issuance of 2,985,685 shares of Common stock and 94,784 shares of Class B common stock with a fair value of $151,056.

(k) Adjustment of $183,331 to eliminate the divisional equity of the Business.

(l) Adjustment of $105,571 to reflect the fair value of the noncontrolling interest.

(m) Adjustments to reflect the allocations of controlling ($12,552) and noncontrolling ($12,448) interests of locations contributed by the Registrant pursuant to the terms of the Purchase and Contribution Agreement.

The unaudited pro forma condensed combined statements of operations do not include any material non-recurring charges that will result from the formation of Carrier Enterprise. The unaudited pro forma condensed combined statements of operations reflect the following:

(n) Adjustments related to certain applied commercial/industrial HVAC products ("Applied Products") that will not be sold by Carrier Enterprise. The direct sales and cost of goods sold and the estimated expenses for the Applied Products were $21,600, $18,943 and $2,400, respectively for the six months ended June 30, 2009 and $58,800, $51,097 and $6,500, respectively for the year ended December 31, 2008.

(o) Adjustments to reflect certain reclassifications of the Business' historical combined financial statement balances to conform to the Registrant's financial statement presentation of $465 for the six months ended June 30, 2009 and $988 for the year ended December 31, 2008.

(p) Adjustments to reflect certain reclassifications of warehousing and distribution costs of the Business' historical combined financial statement balances to conform to the Registrant's financial statement presentation of $32,771 for the six months ended June 30, 2009 and $69,957 for the year ended December 31, 2008.

(q) Adjustments to eliminate the effects of the LIFO reserve as inventory will be stated by the Registrant using the first-in, first-out ("FIFO") method. The effect of the LIFO reserve was $146 for the six months ended June 30, 2009 and $864 for the year ended December 31, 2008.

(r) Adjustments to reflect amortization of an identified intangible asset of $629 for the six months ended June 30, 2009 and $1,259 for the year ended December 31, 2008 using an estimated useful life of 12 years. The other identified intangible asset with a fair value of $26,800 is classified as an indefinite-lived intangible asset.

(s) Adjustments to reflect bank fees paid by the Registrant to amend the Registrant's existing $300,000 revolving credit agreement entered into upon the consummation of the joint venture and bank fees paid by Carrier Enterprise to enter into a separate secured three-year $75,000 revolving credit agreement. The pro forma amortization of the Registrant's fees was $597 for the six months ended June 30, 2009 and $1,193 for the year ended December 31, 2008. The pro forma amortization of Carrier Enterprise's fees was $122 for the six months ended June 30, 2009 and $244 for the year ended December 31, 2008.

Adjustments also reflect commitment fees on the unused balance of Carrier Enterprise's credit facility of $187 for the six months ended June 30, 2009 and $375 for the year ended December 31, 2008.

(t) Adjustments to reflect estimated income tax benefits for the six months ended June 30, 2009 and year ended December 31, 2008, respectively. These pro forma adjustments are based on the statutory rates in effect for the six months ended June 30, 2009 and for the year ended December 31, 2008.

(u) Adjustments to reflect the net income attributable to the noncontrolling interest for the six months ended June 30, 2009 and for the year ended December 31, 2008, based on Carrier Enterprise unaudited pro forma net income for the six months ended June 30, 2009 and year ended December 31, 2008. Adjustment also reflects the impact of the 15 locations contributed by the Registrant to the joint venture. These locations had net income of $1,484 and $4,665 for the six months ended June 30, 2009 and for the year ended December 31, 2008, respectively.

(v) Effective January 1, 2009, the Registrants' calculations of basic and diluted earnings per share are in accordance with new guidance pertaining to FASB ASC Topic No 260: Earnings Per Share ("FASB ASC 260"). In accordance, therewith, basic earnings per common share for the Registrant's Common and Class B common stock is computed by dividing the sum of distributed earnings to common shareholders and undistributed earnings allocated to common shareholders by the weighted-average number of shares of Common stock and Class B common stock outstanding for the period. In applying the two-class method, undistributed earnings are allocated to Common stock, Class B common stock and participating securities (consisting of non-vested restricted stock) based on the weighted-average shares outstanding during the period.

Under the new guidance, basic and diluted earnings per share for Common and Class B common stock have been retrospectively restated for the year ended December 31, 2008 as follows:

	Basic	Diluted
Historical:	$2.28	$ 2.18
Restated:	$2.14	$2.09

For the year ended December 31, 2008, the basic and diluted earnings allocated to shareholders reflecting the new guidelines was $56,560 and $56,573, respectively, and the weighted-average Common and Class B common shares outstanding for basic and diluted earnings per share was 26,453,167 and 27,021,727, respectively.

For the six months ended June 30, 2009, the pro forma basic and diluted earnings allocated to shareholders was $16,528 and the pro forma weighted-average Common and Class B common shares outstanding for basic and diluted earnings per share were 29,855,969. For the year ended December 31, 2008, the pro forma basic and diluted earnings allocated to shareholders was $64,245 and $64,258, respectively, and the pro forma weighted-average Common and Class B common shares outstanding for basic and diluted earnings per share was 29,533,636 and 30,102,196, respectively.

Exhibit 99.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-159776, 333-149467, 333-126824, 333-86006, 333-39380, 333-82011, 333-80341, 333-10363, 33-51934 and 33-72798) of Watsco, Inc. of our report dated September 17, 2009 relating to the combined financial statements of the Carrier Sales and Distribution Business, which appears in the Current Report on Form 8-K/A of Watsco, Inc. dated July 1, 2009.

/s/ PricewaterhouseCoopers LLP

Hartford, CT
September 17, 2009