

**ITT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INCOME STATEMENTS**  
(In millions, except per share)  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2009</b>	<b>2008</b>
Sales and revenues.....	\$2,557.1	\$2,806.4
Costs of sales and revenues .....	1,888.0	2,045.5
Selling, general and administrative expenses .....	384.0	420.6
Research and development expenses .....	52.9	52.6
Restructuring and asset impairment charges, net .....	10.7	3.6
Total costs and expenses.....	<u>2,335.6</u>	<u>2,522.3</u>
Operating income .....	221.5	284.1
Interest expense.....	26.4	40.6
Interest income.....	4.3	8.4
Miscellaneous expense, net .....	<u>2.9</u>	<u>3.0</u>
Income from continuing operations before income tax expense .....	196.5	248.9
Income taxes .....	<u>10.0</u>	<u>78.0</u>
Income from continuing operations .....	186.5	170.9
Discontinued operations, net of tax .....	<u>(2.4)</u>	<u>1.0</u>
Net income .....	<u>\$ 184.1</u>	<u>\$ 171.9</u>
<b>Earnings Per Share:</b>		
Income from continuing operations:		
Basic .....	\$ 1.02	\$ 0.94
Diluted .....	\$ 1.02	\$ 0.93
Discontinued operations:		
Basic .....	\$ (0.01)	\$ 0.01
Diluted .....	\$ (0.01)	\$ 0.00
Net income:		
Basic .....	\$ 1.01	\$ 0.95
Diluted .....	\$ 1.01	\$ 0.93
Average Common Shares — Basic.....	182.0	181.8
Average Common Shares — Diluted .....	183.2	184.0

**ITT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions)  
(Unaudited)

	March 31, 2009	December 31, 2008
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents .....	\$ 911.0	\$ 964.9
Receivables, net .....	1,853.6	1,961.1
Inventories, net .....	826.2	803.8
Deferred income taxes .....	203.0	203.4
Other current assets .....	<u>159.3</u>	<u>131.0</u>
Total current assets .....	3,953.1	4,064.2
Plant, property and equipment, net .....	960.5	993.9
Deferred income taxes .....	602.8	608.5
Goodwill, net .....	3,798.8	3,831.3
Other intangible assets, net .....	584.5	616.5
Other assets .....	<u>398.1</u>	<u>365.8</u>
Total assets .....	<u>\$ 10,297.8</u>	<u>\$ 10,480.2</u>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities:		
Accounts payable .....	\$ 1,231.3	\$ 1,234.6
Accrued expenses .....	926.2	991.2
Accrued taxes .....	69.1	30.2
Notes payable and current maturities of long-term debt .....	1,510.9	1,679.0
Pension and postretirement benefits .....	68.8	68.8
Deferred income taxes .....	<u>28.2</u>	<u>26.7</u>
Total current liabilities .....	3,834.5	4,030.5
Pension and postretirement benefits .....	2,134.7	2,141.6
Long-term debt .....	466.5	467.9
Other liabilities .....	<u>707.8</u>	<u>780.3</u>
Total liabilities .....	7,143.5	7,420.3
Shareholders' equity .....	<u>3,154.3</u>	<u>3,059.9</u>
Total liabilities and shareholders' equity .....	<u>\$ 10,297.8</u>	<u>\$ 10,480.2</u>

**ITT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>Operating Activities</b>		
Net income.....	\$ 184.1	\$ 171.9
Loss (Income) from discontinued operations .....	2.4	(1.0)
Income from continuing operations .....	186.5	170.9
Adjustments to income from continuing operations:		
Depreciation and amortization .....	66.2	71.2
Stock-based compensation.....	8.1	8.1
Restructuring and asset impairment charges, net.....	10.7	3.6
Payments for restructuring.....	(25.9)	(14.6)
Change in receivables .....	75.6	(2.7)
Change in inventories .....	(44.2)	(49.7)
Change in accounts payable and accrued expenses.....	(16.8)	0.9
Change in accrued and deferred taxes .....	(3.8)	63.9
Change in other current and non-current assets.....	(46.5)	(27.4)
Change in other current and non-current liabilities.....	(6.5)	(3.8)
Other, net.....	9.7	(1.1)
Net cash — operating activities.....	213.1	219.3
<b>Investing Activities</b>		
Additions to plant, property and equipment.....	(47.7)	(33.9)
Acquisitions, net of cash acquired.....	(1.6)	(195.9)
Proceeds from sale of assets and businesses .....	10.3	3.2
Other, net.....	2.0	0.8
Net cash — investing activities .....	(37.0)	(225.8)
<b>Financing Activities</b>		
Short-term debt, net .....	(166.2)	(972.5)
Long-term debt repaid.....	(2.6)	(14.1)
Long-term debt issued .....	—	0.5
Proceeds from issuance of common stock.....	2.4	4.3
Dividends paid .....	(31.8)	(25.4)
Tax benefit from stock option exercises and restricted stock award lapses .....	(1.4)	0.6
Other, net.....	—	(1.8)
Net cash — financing activities .....	(199.6)	(1,008.4)
<b>Exchange Rate Effects on Cash and Cash Equivalents</b>	(29.8)	74.0
<b>Net Cash — Discontinued Operations:</b>		
<b>Operating Activities</b>	(0.6)	0.5
Net change in cash and cash equivalents.....	(53.9)	(940.4)
Cash and cash equivalents — beginning of year.....	964.9	1,840.0
<b>Cash and Cash Equivalents — end of period.....</b>	<b>\$ 911.0</b>	<b>\$ 899.6</b>

**ITT Corporation Non-GAAP Reconciliation  
Reported vs. Organic Revenue / Orders Growth  
First Quarter 2009 & 2008**

(\$ Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)						
	Sales & Revenues 3M 2009	Sales & Revenues 3M 2008	Change 2009 vs. 2008	% Change 2009 vs. 2008	Sales & Revenues 3M 2009	Acquisition / Divestitures 3M 2009	FX Contribution 3M 2009	Adj. Sales & Revenues 3M 2009	Sales & Revenues 3M 2008	Change Adj. 09 vs. 08	% Change Adj. 09 vs. 08
ITT Corporation - Consolidated	2,557.1	2,806.4	(249.3)	-8.9%	2,557.1	4.3	119.7	2,681.1	2,806.4	(125.3)	-4.5%
Defense Electronics & Services	1,508.5	1,507.6	0.9	0.1%	1,508.5	0.0	2.4	1,510.9	1,507.6	3.3	0.2%
Communications Systems	257.3	316.5	(59.2)	-18.7%	257.3	0.0	0.0	257.3	316.5	(59.2)	-18.7%
Space Systems	150.1	133.0	17.1	12.9%	150.1	0.0	0.3	150.4	133.0	17.4	13.1%
Advanced Engineering & Sciences	231.8	220.0	11.8	5.4%	231.8	0.0	0.0	231.8	220.0	11.8	5.4%
Electronic Systems	398.7	357.9	40.8	11.4%	398.7	0.0	2.1	400.8	357.9	42.9	12.0%
Night Vision	115.5	113.9	1.6	1.4%	115.5	0.0	0.0	115.5	113.9	1.6	1.4%
Systems	333.2	326.8	6.4	2.0%	333.2	0.0	0.0	333.2	326.8	6.4	2.0%
Intell & Info Warfare	31.4	47.2	(15.8)	-33.5%	31.4	0.0	0.0	31.4	47.2	(15.8)	-33.5%
Fluid Technology	744.3	881.4	(137.1)	-15.6%	744.3	0.0	84.1	828.4	881.4	(53.0)	-6.0%
Industrial Process	183.6	189.3	(5.7)	-3.0%	183.6	0.0	8.4	192.0	189.3	2.7	1.4%
Residential and Commercial Water Group	241.4	296.2	(54.8)	-18.5%	241.4	0.0	16.1	257.5	296.2	(38.7)	-13.1%
Water & WasteWater	336.8	409.8	(73.0)	-17.8%	336.8	0.0	60.6	397.4	409.8	(12.4)	-3.0%
Motion & Flow Control	305.9	420.5	(114.6)	-27.3%	305.9	4.3	33.3	343.5	420.5	(77.0)	-18.3%
Flow Control	43.4	68.3	(24.9)	-36.5%	43.4	1.2	7.4	52.0	68.3	(16.3)	-23.9%
Motion Technologies	113.3	160.1	(46.8)	-29.2%	113.3	0.0	19.7	133.0	160.1	(27.1)	-16.9%
Control Technologies	63.8	76.5	(12.7)	NA	63.8	3.1	1.4	68.3	76.5	(8.2)	-10.7%
Interconnect Solutions	86.9	115.9	(29.0)	-25.0%	86.9	0.0	4.8	91.7	115.9	(24.2)	-20.9%
	Orders 3M 2009	Orders 3M 2008	Change 2009 vs. 2008	% Change 2009 vs. 2008	Orders 3M 2009	Acquisition Contribution 3M 2009	FX Contribution 3M 2009	Adj. Orders 3M 2009	Orders 3M 2008	Change Adj. 09 vs. 08	% Change Adj. 09 vs. 08
Defense Electronics & Services	1,489.5	1,297.3	192.2	15%	1,489.5	0.0	1.8	1,491.3	1,297.3	194.0	15.0%
Fluid Technology	802.0	956.7	(154.7)	-16%	802.0	0.0	88.3	890.3	956.7	(66.4)	-6.9%
Motion & Flow Control	281.1	428.6	(147.5)	-34%	281.1	5.1	33.2	319.4	428.6	(109.2)	-25.5%
Total Segment Orders	2,572.6	2,682.6	(110.0)	-4%	2,572.6	5.1	123.2	2,700.9	2,682.6	18.3	0.7%

Note: Excludes intercompany eliminations.

**ITT Corporation**  
**Segment Operating Income & OI Margin**  
**First Quarter of 2009 & 2008**

(\$ Millions)

	Q1 2009	Q1 2008	%
	<u>As Reported</u>	<u>As Reported</u>	<u>Change 09 vs. 08</u>
<b>Sales and Revenues:</b>			
Defense Electronics & Services	1,508.5	1,507.6	
Fluid Technology	744.3	881.4	
Motion & Flow Control	305.9	420.5	
Intersegment eliminations	(1.6)	(3.1)	
Total Sales and Revenues	<u>2,557.1</u>	<u>2,806.4</u>	
<b>Operating Margin:</b>			
Defense Electronics & Services	10.9%	10.1%	80 BP
Fluid Technology	9.2%	11.6%	(240) BP
Motion & Flow Control	9.1%	16.2%	(710) BP
Total Ongoing Segments	10.2%	11.5%	(130) BP
<b>Income:</b>			
Defense Electronics & Services	164.3	152.8	7.5%
Fluid Technology	68.8	102.0	-32.5%
Motion & Flow Control	27.9	68.0	-59.0%
Total Segment Operating Income	<u>261.0</u>	<u>322.8</u>	<u>-19.1%</u>

**ITT Corporation Non-GAAP Reconciliation  
Reported vs. Adjusted Net Income & EPS  
First Quarter of 2009 & 2008**

(\$ Millions, except EPS and shares)

	<u>Q1 2009 As Reported</u>	<u>Q1 2009 Adjustments</u>	<u>Q1 2009 As Adjusted</u>	<u>Q1 2008 As Reported</u>	<u>Q1 2008 Adjustments</u>	<u>Q1 2008 As Adjusted</u>	<u>Change 2009 vs. 2008 As Adjusted</u>	<u>Percent Change 2009 vs. 2008 As Adjusted</u>
Segment Operating Income	<u>261.0</u>		<u>261.0</u>	<u>322.8</u>		<u>322.8</u>		
Interest Income (Expense)	(22.1)		(22.1)	(32.2)		(32.2)		
Other Income (Expense)	(2.9)		(2.9)	(3.0)		(3.0)		
Corporate (Expense)	<u>(39.5)</u>		<u>(39.5)</u>	<u>(38.7)</u>		<u>(38.7)</u>		
Income from Continuing Operations before Tax	<u>196.5</u>		<u>196.5</u>	<u>248.9</u>		<u>248.9</u>		
Income Tax Expense	<u>(10.0)</u>	<u>(54.1) #A</u>	<u>(64.1)</u>	<u>(78.0)</u>	<u>(3.1) #B</u>	<u>(81.1)</u>		
Income from Continuing Operations	<u>186.5</u>	<u>(54.1)</u>	<u>132.4</u>	<u>170.9</u>	<u>(3.1)</u>	<u>167.8</u>		
Diluted EPS from Continuing Operations	<u>1.02</u>	<u>(0.30)</u>	<u>0.72</u>	<u>0.93</u>	<u>(0.02)</u>	<u>0.91</u>	<u>(\$0.19)</u>	<u>-20.9%</u>

#A - Primarily removal of the \$57.7 million reversal of a deferred tax liability no longer required as a result of the restructuring of certain international legal entities.

#B - Remove Tax Benefit of (\$3.1M) related to prior year adjustments.

**ITT Corporation Non-GAAP Reconciliation  
EPS - as Adjusted re: FSP No. EITF 03-6-1  
For the Quarters of 2008**

(\$ Millions, except EPS and shares)

	1st Qtr 08	2nd Qtr 08	Jun YTD 08	3rd Qtr 08	Sep YTD 08	4th Qtr 08	Dec YTD 08
Income from Operations	170.9	224.3	395.2	204.5	599.7	175.5	775.2
Adjustments - Special Items	<u>(3.1)</u>	<u>(5.3)</u>	<u>(8.4)</u>	<u>0.6</u>	<u>(7.8)</u>	<u>(26.3)</u>	<u>(34.1)</u>
Income from Operations - As Adjusted	167.8	219.0	386.8	205.1	591.9	149.2	741.1
Diluted Shares Previously Reported	183.4	184.3	184.0	183.8	183.8	182.4	183.4
New Diluted Shares	184.0	184.9	184.6	184.4	184.4	182.9	184.0

**As Adjusted EPS**

<b>Income from Continuing Op's - As Adjusted Diluted (Old Share Count)</b>	0.91	1.19	2.10	1.12	3.22	0.82	4.04
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<b>EPS Change</b>	-	(0.01)	-	(0.01)	(0.01)	-	(0.01)
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<b>Income from Continuing Op's - As Adjusted Diluted (New Share Count)</b>	0.91	1.18	2.10	1.11	3.21	0.82	4.03
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**ITT Corporation Non-GAAP Reconciliation  
Cash From Operating Activities vs. Free Cash Flow  
First Quarter of 2009 & 2008**

(\$ Millions)

	<u>3M 2009</u>	<u>3M 2008</u>
<b>Net Cash - Operating Activities</b>	<b>213.1</b>	<b>219.3</b>
Capital Expenditures	(47.7)	(33.9)
Pension Pre-funding, net of tax	-	-
<b>Free Cash Flow</b>	<b>165.4</b>	<b>185.4</b>
<b>Income from Continuing Operations</b>	<b>186.5</b>	<b>170.9</b>
<b>Free Cash Flow Conversion</b>	<b>89%</b>	<b>108%</b>
Non-Cash Special Tax Item	(57.7)	-
<b>Adjusted Income from Continuing Operations</b>	<b>128.8</b>	<b>170.9</b>
<b>Adjusted Free Cash Flow Conversion</b>	<b>128%</b>	<b>108%</b>

## ITT Corporation Non-GAAP Reconciliation Debt Coverage Ratios 2009 & 2008

	<u>March-09</u>	<u>December-08</u>
Net Debt/Net Capitalization	25.3%	27.9%
Total Debt/Total Capitalization	38.5%	41.2%
Short Term Debt	1,510.9	1,679.0
Long Term Debt	<u>466.5</u>	<u>467.9</u>
Total Debt	1,977.4	2,146.9
Cash & Cash equivalents	<u>911.0</u>	<u>964.9</u>
Net Debt	1,066.4	1,182.0
Total Shareholders' Equity	3,154.3	3,059.9
Net Debt	<u>1,066.4</u>	<u>1,182.0</u>
Net Capitalization	4,220.7	4,241.9