

**ITT Corporation Consolidated  
Income Statements  
(\$ Millions)**

	2005 by Quarter					2006 by Quarter				
	1st Qtr	2nd Qtr	3rd Qtr	4thQtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4thQtr	YTD
Sales and revenues	1,684.2	1,776.5	1,734.6	1,845.5	7,040.8	1,791.5	1,964.0	2,001.1	2,051.3	7,807.9
Costs of sales and revenues	1,236.1	1,285.2	1,270.0	1,281.3	5,072.6	1,308.7	1,413.0	1,437.8	1,458.9	5,618.4
Selling, general and administrative expenses	249.6	249.1	223.2	310.1	1,032.0	263.1	284.1	297.0	331.7	1,175.9
Research and development expenses	38.9	39.3	38.2	40.4	156.8	38.6	39.3	41.7	41.3	160.9
Restructuring and asset impairment charges	15.6	4.3	23.2	10.8	53.9	11.9	10.4	9.7	19.7	51.7
Total costs and expenses	1,540.2	1,577.9	1,554.6	1,642.6	6,315.3	1,622.3	1,746.8	1,786.2	1,851.6	7,006.9
Operating income	144.0	198.6	180.0	202.9	725.5	169.2	217.2	214.9	199.7	801.0

**ITT Corporation Non-GAAP Investor Slide Reconciliation**  
**Reported vs. Organic Revenue / Orders Growth**  
**Fourth Quarter 2006 & 2005**

(\$ Millions)

	(As Reported - GAAP)			(As Adjusted - Organic)					
	Sales & Revenues 3M 2006	Sales & Revenues 3M 2005	% Change 2006 vs. 2005	Sales & Revenues 3M 2006	Acquisition Contribution 3M 2006	FX Contribution 3M 2006	Adj. Sales & Revenues 3M 2006	Sales & Revenues 3M 2005	% Change Adj. 06 vs. 05
ITT Corporation - Consolidated	2,051.3	1,845.5	11.2%	2,051.3	(20.7)	(39.2)	1,991.4	1,845.5	8%
Fluid Technology	838.8	749.8	11.9%	838.8	(16.7)	(28.4)	793.7	749.8	6%
Industrial & BioPharm Group	153.7	140.4	9.5%	153.7	0.0	(1.6)	152.1	140.4	8%
Wastewater	330.6	279.4	18.3%	330.6	0.0	(17.3)	313.3	279.4	12%
Advanced Water Treatment	100.7	103.9	-3.1%	100.7	(16.0)	(3.5)	81.2	103.9	-22%
Residential and Commercial Water Group	265.8	233.5	13.8%	265.8	(0.7)	(6.4)	258.7	233.5	11%
Motion & Flow Control	263.1	236.8	11.1%	263.1	(0.3)	(10.8)	252.0	236.8	6%
Aerospace Controls	20.3	18.5	9.7%	20.3	(0.3)	0.0	20.0	18.5	8%
Friction Materials	75.3	61.1	23.2%	75.3	0.0	(5.3)	70.0	61.1	15%
Connectors	93.9	88.5	6.1%	93.9	0.0	(2.4)	91.5	88.5	3%

**ITT Corporation Non-GAAP Investor Slide Reconciliation  
Reported vs. Organic Revenue / Orders Growth  
Full Year 2006 & 2005**

(\$ Millions)

	<b>(As Reported - GAAP)</b>			<b>(As Adjusted - Organic)</b>					
	Sales & Revenues YTD 2006	Sales & Revenues YTD 2005	% Change 2006 vs. 2005	Sales & Revenues YTD 2006	Acquisition Contribution YTD 2006	FX Contribution YTD 2006	Adj. Sales & Revenues YTD 2006	Sales & Revenues YTD 2005	% Change Adj. 06 vs. 05
ITT Corporation - Consolidated	7,807.9	7,040.8	10.9%	7,807.9	(53.2)	(30.8)	7,723.9	7,040.8	10%
Defense Electronics & Services	3,659.3	3,224.2	13.5%	3,659.3	(3.7)	(0.1)	3,655.5	3,224.2	13%
ACD - Tactical Radios	757.9	537.9	40.9%	757.9	(3.7)	0.0	754.2	537.9	40%
Space Systems	626.8	634.5	-1.2%	626.8	0.0	(0.1)	626.7	634.5	-1%
Advanced Engineering & Sciences	326.8	304.7	7.3%	326.8	0.0	0.0	326.8	304.7	7%
Electronic Systems	371.7	358.0	3.8%	371.7	0.0	0.0	371.7	358.0	4%
Night Vision	419.8	339.6	23.6%	419.8	0.0	0.0	419.8	339.6	24%
Systems	1164.3	1058.4	10.0%	1,164.3	0.0	0.0	1,164.3	1,058.4	10%
Fluid Technology	3,070.1	2,799.1	9.7%	3,070.1	(49.2)	(28.9)	2,992.0	2,799.1	7%
Industrial & BioPharm Group	586.5	552.3	6.2%	586.5	0.0	(3.3)	583.2	552.3	6%
Wastewater	1,140.7	979.1	16.5%	1,140.7	(10.4)	(15.9)	1,114.4	979.1	14%
Advanced Water Treatment	309.7	334.5	-7.4%	309.7	(37.5)	(1.6)	270.6	334.5	-19%
Residential and Commercial Water Group	1,070.8	966.1	10.8%	1,070.8	(1.3)	(8.5)	1,061.0	966.1	10%
Motion & Flow Control	1,092.9	1,030.9	6.0%	1,092.9	(0.3)	(1.8)	1,090.8	1,030.9	6%
Aerospace Controls	82.7	73.6	12.4%	82.7	(0.3)	0.0	82.4	73.6	12%
Marine & Leisure	224.4	214.3	4.7%	224.4	0.0	(0.8)	223.6	214.3	4%
Friction Materials	318.4	292.1	9.0%	318.4	0.0	(1.3)	317.1	292.1	9%
Koni Shocks	87.2	90.0	-3.1%	87.2	0.0	(0.4)	86.8	90.0	-4%
Connectors	380.2	361.0	5.3%	380.2	0.0	0.7	380.9	361.0	6%
	<u>Orders YTD 2006</u>	<u>Orders YTD 2005</u>	<u>% Change 2006 vs. 2005</u>	<u>Orders YTD 2006</u>	<u>Acquisition Contribution YTD 2006</u>	<u>FX Contribution YTD 2006</u>	<u>Adj. Orders YTD 2006</u>	<u>Orders YTD 2005</u>	<u>% Change Adj. 06 vs. 05</u>
Fluid Technology	3,144.1	2,812.6	12%	3,144.1	(34.3)	(26.8)	3,083.0	2,812.6	10%
Defense Electronics & Services	4,118.0	3,401.5	21%	4,118.0	(3.7)	(0.1)	4,114.2	3,401.5	21%
Motion & Flow Control	1,141.4	1,030.3	11%	1,141.4	0.0	(3.7)	1,137.7	1,030.3	10%

Note: Excludes intercompany eliminations.

**ITT Corporation Non-GAAP Investor Slide Reconciliation**  
**Segment Operating Income & OI Margin Adjusted for Restructuring**  
**Fourth Quarter of 2006 & 2005**

(\$ Millions)

	Q4 2006	Adjust for 2006	Q4 2006	Q4 2005	Adjust for 2005	Q4 2005	%
	<u>As Reported</u>	<u>Restructuring</u>	<u>As Adjusted</u>	<u>As Reported</u>	<u>Restructuring</u>	<u>As Adjusted</u>	<u>Change Adj. 06 vs. 05</u>
<b>Sales and Revenues:</b>							
Defense Electronics & Services	952.3		952.3	862.3		862.3	
Fluid Technology	838.8		838.8	749.8		749.8	
Motion & Flow Control	263.1		263.1	236.8		236.8	
Intersegment eliminations	(2.9)		(2.9)	(3.4)		(3.4)	
Total Sales and Revenues	<u>2,051.3</u>		<u>2,051.3</u>	<u>1,845.5</u>		<u>1,845.5</u>	
<b>Income:</b>							
Defense Electronics & Services	95.3	2.5	97.8	104.2	0.0	104.2	-6.1%
Fluid Technology	108.2	15.2	123.4	97.0	8.1	105.1	17.4%
Motion & Flow Control	35.9	0.7	36.6	29.4	2.7	32.1	14.0%
Total Segment Operating Income	<u>239.4</u>	<u>18.4</u>	<u>257.8</u>	<u>230.6</u>	<u>10.8</u>	<u>241.4</u>	<u>6.8%</u>
<b>Operating Margin:</b>							
Defense Electronics & Services	10.0%		10.3%	12.1%		12.1%	(180) BP
Fluid Technology	12.9%		14.7%	12.9%		14.0%	70 BP
Motion & Flow Control	13.6%		13.9%	12.4%		13.6%	30 BP
Total Ongoing Segments	11.7%		12.6%	12.5%		13.1%	(50) BP

**ITT Corporation Non-GAAP Investor Slide Reconciliation**  
**Segment Operating Income & OI Margin Adjusted for Restructuring**  
**Full Year of 2006 & 2005**

(\$ Millions)

	YTD 2006	Adjust for 2006	YTD 2006	YTD 2005	Adjust for 2005	YTD 2005	%
	<u>As Reported</u>	<u>Restructuring</u>	<u>As Adjusted</u>	<u>As Reported</u>	<u>Restructuring</u>	<u>As Adjusted</u>	<u>Change Adj. 06 vs. 05</u>
<b>Sales and Revenues:</b>							
Defense Electronics & Services	3,659.3		3,659.3	3,224.2		3,224.2	
Fluid Technology	3,070.1		3,070.1	2,799.1		2,799.1	
Motion & Flow Control	1,092.9		1,092.9	1,030.9		1,030.9	
Intersegment eliminations	(14.4)		(14.4)	(13.4)		(13.4)	
<b>Total Sales and Revenues</b>	<b><u>7,807.9</u></b>		<b><u>7,807.9</u></b>	<b><u>7,040.8</u></b>		<b><u>7,040.8</u></b>	
<b>Income:</b>							
Defense Electronics & Services	404.3	6.3	410.6	363.7	0.0	363.7	12.9%
Fluid Technology	370.6	26.7	397.3	319.6	31.6	351.2	13.1%
Motion & Flow Control	149.7	16.5	166.2	133.3	21.9	155.2	7.1%
<b>Total Segment Operating Income</b>	<b><u>924.6</u></b>	<b><u>49.5</u></b>	<b><u>974.1</u></b>	<b><u>816.6</u></b>	<b><u>53.5</u></b>	<b><u>870.1</u></b>	<b><u>12.0%</u></b>
<b>Operating Margin:</b>							
Defense Electronics & Services	11.0%		11.2%	11.3%		11.3%	(10) BP
Fluid Technology	12.1%		12.9%	11.4%		12.5%	40 BP
Motion & Flow Control	13.7%		15.2%	12.9%		15.1%	10 BP
<b>Total Ongoing Segments</b>	<b>11.8%</b>		<b>12.5%</b>	<b>11.6%</b>		<b>12.4%</b>	<b>10 BP</b>

**ITT Corporation Non-GAAP Investor Slide Reconciliation**  
**Reported vs. Adjusted Net Income & EPS**  
**Fourth Quarter of 2006 & 2005**

(\$ Millions, except EPS and shares)

	Q4 2006 As Reported	Q4 2006 Adjustments	Q4 2006 As Adjusted	Q4 2005 As Reported	Q4 2005 Adjustments	Q4 2005 As Adjusted	Change 2006 vs. 2005 As Adjusted	Percent Change 2006 vs. 2005 As Adjusted
Segment Operating Income	239.4	18.4 #A	257.8	230.6	10.8 #E	241.4		
Interest Income (Expense)	(14.8)	-	(14.8)	(16.7)	1.4 #F	(15.3)		
Other Income (Expense)	0.7	-	0.7	(6.8)	-	(6.8)		
Gain on sale of Assets	-	-	-	-	-	-		
Corporate (Expense)	(39.7)	1.3 #A	(38.4)	(27.7)	-	(27.7)		
Income from Continuing Operations before Tax	185.6	19.7	205.3	179.4	12.2	191.6		
Income Tax Items	(2.4)	2.2 #B	(0.2)	3.4	(0.4) #G	3.0		
Income Tax Expense	(61.3)	(6.4) #C	(67.7)	(60.3)	(3.4) #H	(63.7)		
Total Tax Expense	(63.7)	(4.2)	(67.9)	(56.9)	(3.8)	(60.7)		
Income from Continuing Operations	121.9	15.5	137.4	122.5	8.4	130.9		
Cumulative Effect of a Change in Accounting Principle Income (loss) from Discontinued Operations	18.9	(18.9) #D	-	(6.5) (200.0)	6.5 #I 200.0 #J	- -		
Net Income	140.8	(3.4)	137.4	(84.0)	214.9	130.9	6.5	5%
Diluted EPS	0.75	(0.02)	0.73	(0.45)	1.15	0.70	\$0.03	4%

#A - Remove Restructuring Expense of \$18.4M & \$1.3M.

#B - Remove Tax Charge of \$2.2M and apply structural tax rate impact in Q4.

#C - Remove Tax Benefit on Special Items of (\$6.4M).

#D - Remove D.O. income of \$18.9M.

#E - Remove Restructuring Expense of \$10.8M.

#F - Remove Interest Income due to Tax Refund (\$1.4M).

#G - Remove Tax Items of (\$3.4M) and apply structural tax rate impact in Q4.

#H - Remove Tax Benefit on Special Items of (\$3.4M).

#I - Remove Cumulative Effect of (\$6.5M).

#J - Remove D.O. Expenses of (\$200.0M).

**ITT Corporation Non-GAAP Investor Slide Reconciliation**  
**Reported vs. Adjusted Net Income & EPS**  
**Full Year of 2006 & 2005**

(\$ Millions, except EPS and shares)

	YTD 2006 As Reported	YTD 2006 Adjustments	YTD 2006 As Adjusted	YTD 2005 As Reported	YTD 2005 Adjustments	YTD 2005 As Adjusted	Change 2006 vs. 2005 As Adjusted	Percent Change 2006 vs. 2005 As Adjusted
Segment Operating Income	924.6	49.5 #A	974.1	816.6	53.5 #E	870.1		
Interest Income (Expense)	(60.8)	-	(60.8)	(32.3)	(20.9) #F	(53.2)		
Other Income (Expense)	(12.9)	-	(12.9)	(19.7)	-	(19.7)		
Gain on sale of Assets	-	-	-	-	-	-		
Corporate (Expense)	(123.6)	2.2 #A	(121.4)	(91.1)	(0.3) #E	(91.4)		
Income from Continuing Operations before Tax	727.3	51.7	779.0	673.5	32.3	705.8		
Income Tax Items	0.2	(0.5) #B	(0.3)	68.8	(62.5) #G	6.3		
Income Tax Expense	(227.8)	(16.2) #C	(244.0)	(213.5)	(16.5) #H	(230.0)		
Total Tax Expense	(227.6)	(16.7)	(244.3)	(144.7)	(79.0)	(223.7)		
Income from Continuing Operations	499.7	35.0	534.7	528.8	(46.7)	482.1		
Cumulative Effect of a Change in Accounting Principle Income (loss) from Discontinued Operations	81.4	(81.4) #D	-	(6.5)	6.5 #I	-		
	81.4	(81.4) #D	-	(162.8)	162.8 #J	-		
Net Income	581.1	(46.4)	534.7	359.5	122.6	482.1	52.6	11%
Diluted EPS	3.10	(0.25)	2.85	1.91	0.65	2.56	\$0.29	11%

#A - Remove Restructuring Expense of \$49.5M & \$2.2M.

#B - Remove Tax Charge of \$0.2M and apply structural tax rate impact in Q4.

#C - Remove Tax Benefit on Special Items of (\$16.2M).

#D - Remove D.O. income of \$81.4M.

#E - Remove Restructuring Expense of \$53.5M & \$(0.3)M.

#F - Remove Interest Income due to Tax Refund (\$20.9M).

#G - Remove Tax Items of (\$68.8M) and apply structural tax rate impact in Q4.

#H - Remove Tax Benefit on Special Items of (\$16.5M).

#I - Remove Cumulative Effect of (\$6.5M).

#J - Remove D.O. Expenses of (\$162.8M).

**ITT Corporation Non-GAAP Investor Slide Reconciliation**  
**Free Cash Flow**  
**Full Year of 2006 & 2005**

(\$ Millions)

	<u>YTD 2006</u>	<u>YTD 2005</u>
Net cash - operating activities	781	713
Less: Additions to plant, property and equipment	(177)	(164)
Add: Pension pre-funding, net of tax benefit	65	65
Free Cash Flow	<u>669</u>	<u>614</u>