

**ITT Corporation Non-GAAP Reconciliation
Reported vs. Organic Revenue / Orders Growth
Second Quarter 2007 & 2006**

(\$ Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)						
	Sales & Revenues 3M 2007	Sales & Revenues 3M 2006	Change 2007 vs. 2006	% Change 2007 vs. 2006	Sales & Revenues 3M 2007	Acquisition Contribution 3M 2007	FX Contribution 3M 2007	Adj. Sales & Revenues 3M 2007	Sales & Revenues 3M 2006	Change Adj. 07 vs. 06	% Change Adj. 07 vs. 06
ITT Corporation - Consolidated	2,223.1	1,964.0	259.1	13.2%	2,223.1	(14.2)	(38.9)	2,170.0	1,964.0	206.0	10.5%
Defense Electronics & Services	1,017.4	918.5	98.9	10.8%	1,017.4	0.0	(0.1)	1,017.3	918.5	98.8	10.8%
ACD - Tactical Radios	203.4	173.3	30.1	17.4%	203.4	0.0	0.0	203.4	173.3	30.1	17.4%
Space Systems	152.7	149.6	3.1	2.1%	152.7	0.0	(0.1)	152.6	149.6	3.0	2.0%
Advanced Engineering & Sciences	110.6	71.3	39.3	55.1%	110.6	0.0	0.0	110.6	71.3	39.3	55.1%
Electronic Systems	97.6	98.4	(0.8)	-0.8%	97.6	0.0	0.0	97.6	98.4	(0.8)	-0.8%
Night Vision	109.0	113.2	(4.2)	-3.7%	109.0	0.0	0.0	109.0	113.2	(4.2)	-3.7%
Systems	347.3	314.3	33.0	10.5%	347.3	0.0	0.0	347.3	314.3	33.0	10.5%
Fluid Technology	879.5	765.3	114.2	14.9%	879.5	(13.0)	(27.1)	839.4	765.3	74.1	9.7%
Industrial Process	174.7	143.4	31.3	21.8%	174.7	0.0	(1.1)	173.6	143.4	30.2	21.1%
Residential and Commercial Water Group	305.4	285.6	19.8	6.9%	305.4	(0.9)	(6.7)	297.8	285.6	12.2	4.3%
Water & WasteWater	410.6	346.9	63.7	18.4%	410.6	(12.1)	(19.8)	378.7	346.9	31.8	9.2%
Motion & Flow Control	329.5	284.6	44.9	15.8%	329.5	(1.2)	(11.8)	316.5	284.6	31.9	11.2%
Aerospace Controls	25.2	20.7	4.5	21.7%	25.2	(1.2)	0.0	24.0	20.7	3.3	15.9%
Marine & Leisure	67.3	59.6	7.7	12.9%	67.3	0.0	(2.1)	65.2	59.6	5.6	9.4%
Friction Materials	99.6	84.0	15.6	18.6%	99.6	0.0	(6.3)	93.3	84.0	9.3	11.1%
Koni Shocks	27.7	23.7	4.0	16.9%	27.7	0.0	(1.5)	26.2	23.7	2.5	10.5%
Connectors	109.7	96.6	13.1	13.6%	109.7	0.0	(1.9)	107.8	96.6	11.2	11.6%
	Orders 3M 2007	Orders 3M 2006	Change 2007 vs. 2006	% Change 2007 vs. 2006	Orders 3M 2007	Acquisition Contribution 3M 2007	FX Contribution 3M 2007	Adj. Orders 3M 2007	Orders 3M 2006	Change Adj. 07 vs. 06	% Change Adj. 07 vs. 06
Defense Electronics & Services	742.8	636.3	106.5	17%	742.8	0.0	(0.1)	742.7	636.3	106.4	16.7%
Fluid Technology	937.9	798.0	139.9	18%	937.9	(11.5)	(28.8)	897.6	798.0	99.6	12.5%
Motion & Flow Control	330.6	295.9	34.7	12%	330.6	(0.4)	(11.7)	318.5	295.9	22.6	7.6%
Total Segment Orders	2,007.8	1,727.9	279.9	16%	2,007.8	(11.9)	(40.5)	1,955.4	1,727.9	227.5	13.2%

Note: Excludes intercompany eliminations.

ITT Corporation Non-GAAP Reconciliation
Segment Operating Income & OI Margin Adjusted for Restructuring
Second Quarter of 2007 & 2006

(\$ Millions)

	Q2 2007	Q2 2006	%	Q2 2007	Adjust for 2007	Q2 2007	Q2 2006	Adjust for 2006	Q2 2006	%
	<u>As Reported</u>	<u>As Reported</u>	<u>Change 07 vs. 06</u>	<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. 07 vs. 06</u>
Sales and Revenues:										
Defense Electronics & Services	1,017.4	918.5		1,017.4		1,017.4	918.5		918.5	
Fluid Technology	879.5	765.3		879.5		879.5	765.3		765.3	
Motion & Flow Control	329.5	284.6		329.5		329.5	284.6		284.6	
Intersegment eliminations	(3.3)	(4.4)		(3.3)		(3.3)	(4.4)		(4.4)	
Total Sales and Revenues	<u>2,223.1</u>	<u>1,964.0</u>		<u>2,223.1</u>		<u>2,223.1</u>	<u>1,964.0</u>		<u>1,964.0</u>	
Operating Margin:										
Defense Electronics & Services	12.8%	11.0%		12.8%		13.2%	11.0%		11.0%	220 BP
Fluid Technology	12.5%	13.2%		12.5%		13.6%	13.2%		13.5%	10 BP
Motion & Flow Control	16.4%	14.9%		16.4%		16.8%	14.9%		17.5%	(70) BP
Total Ongoing Segments	13.2%	12.4%		13.2%		13.9%	12.4%		13.0%	90 BP
Income:										
Defense Electronics & Services	129.8	100.6	29.0%	129.8	4.3	134.1	100.6	0.8	101.4	32.2%
Fluid Technology	109.5	101.3	8.1%	109.5	10.2	119.7	101.3	1.9	103.2	16.0%
Motion & Flow Control	54.0	42.5	27.1%	54.0	1.3	55.3	42.5	7.4	49.9	10.8%
Total Segment Operating Income	<u>293.3</u>	<u>244.4</u>	<u>20.0%</u>	<u>293.3</u>	<u>15.8</u>	<u>309.1</u>	<u>244.4</u>	<u>10.1</u>	<u>254.5</u>	<u>21.5%</u>

**ITT Corporation Non-GAAP Reconciliation
Reported vs. Adjusted Net Income & EPS
Second Quarter of 2007 & 2006**

(\$ Millions, except EPS and shares)

	Q2 2007 As Reported	Q2 2007 Adjustments	Q2 2007 As Adjusted	Q2 2006 As Reported	Q2 2006 Adjustments	Q2 2006 As Adjusted	Change 2007 vs. 2006 As Adjusted	Percent Change 2007 vs. 2006 As Adjusted
Segment Operating Income	293.3	15.8 #A	309.1	244.4	10.1 #E	254.5		
Interest Income (Expense)	(8.9)	(7.0) #B	(15.9)	(16.7)	-	(16.7)		
Other Income (Expense)	(2.1)	-	(2.1)	(4.3)	-	(4.3)		
Corporate (Expense)	(42.1)	1.7 #A	(40.4)	(27.2)	0.3 #E	(26.9)		
Income from Continuing Operations before Tax	240.2	10.5	250.7	196.2	10.4	206.6		
Income Tax Items	34.8	(34.8) #C	-	-	1.0 #F	1.0		
Income Tax Expense	(75.8)	(5.7) #D	(81.5)	(61.7)	(3.2) #G	(64.9)		
Total Tax Expense	(41.0)	(40.5)	(81.5)	(61.7)	(2.2)	(63.9)		
Income from Continuing Operations	199.2	(30.0)	169.2	134.5	8.2	142.7		
Diluted EPS from Continuing Operations	1.08	(0.16)	0.92	0.72	0.04	0.76	\$0.16	21.1%

#A - Remove Restructuring Expense of \$15.8M and \$1.7M.

#B - Remove Interest Adjustment on Tax Audit Settlement of (\$7.0M).

#C - Remove Tax Benefit re Audit Settlement of (\$44.3M), tax expense on interest adjustment related to settlement of \$2.5M, and other special items of \$7.0M

#D - Remove Tax Benefit on restructuring of (\$5.7M).

#E - Remove Restructuring Expense of \$10.1M & \$0.3M.

#F - To apply Structural Tax Rate \$1.0M.

#G - Remove Tax Benefit on restructuring of (\$3.2M).

**ITT Corporation Non-GAAP Reconciliation
Cash From Operating Activities vs. Free Cash Flow
Second Quarter of 2007 & 2006**

(\$ Millions)

	<u>2nd Qtr.07</u>	<u>2nd Qtr.06</u>
Cash from Operations	139.4	97.9
Capital Expenditures	(66.3)	(60.9)
Pension Pre-funding, net of tax	<u>50.0</u>	<u>91.0</u>
Free Cash Flow	<u>123.1</u>	<u>128.0</u>