

**ITT Corporation Non-GAAP Reconciliation
Reported vs. Organic Revenue / Orders Growth
Fourth Quarter 2008 & 2007**

(\$ Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)						
	Sales & Revenues 3M 2008	Sales & Revenues 3M 2007	Change 2008 vs. 2007	% Change 2008 vs. 2007	Sales & Revenues 3M 2008	Acquisition / Other Contribution 3M 2008	FX Contribution 3M 2008	Adj. Sales & Revenues 3M 2008	Sales & Revenues 3M 2007	Change Adj. 08 vs. 07	% Change Adj. 08 vs. 07
ITT Corporation - Consolidated	2,945.0	2,528.7	416.3	16.5%	2,945.0	(385.1)	93.4	2,653.3	2,528.7	124.6	4.9%
Defense Electronics & Services	1,636.0	1,177.9	458.1	38.9%	1,636.0	(375.6)	1.6	1,262.0	1,177.9	84.1	7.1%
Communications Systems	306.8	250.5	56.3	22.5%	306.8	(38.1)	0.0	268.7	250.5	18.2	7.3%
Space Systems	173.0	166.7	6.3	3.8%	173.0	0.0	0.3	173.3	166.7	6.6	4.0%
Advanced Engineering & Sciences	256.3	149.0	107.3	72.0%	256.3	(72.4)	0.0	183.9	149.0	34.9	23.4%
Electronic Systems	342.4	141.5	200.9	142.0%	342.4	(204.9)	1.3	138.8	141.5	(2.7)	-1.9%
Night Vision	144.2	125.5	18.7	14.9%	144.2	0.0	0.0	144.2	125.5	18.7	14.9%
Systems	364.2	346.9	17.3	5.0%	364.2	0.0	0.0	364.2	346.9	17.3	5.0%
Intell & Info Warfare	68.1	1.8	66.3	NA	68.1	(66.3)	0.0	1.8	1.8	0.0	NA
Fluid Technology	984.3	985.2	(0.9)	-0.1%	984.3	(3.5)	75.0	1,055.8	985.2	70.6	7.2%
Industrial Process	227.0	192.0	35.0	18.2%	227.0	0.0	8.5	235.5	192.0	43.5	22.7%
Residential and Commercial Water Group	300.5	304.2	(3.7)	-1.2%	300.5	0.0	11.9	312.4	304.2	8.2	2.7%
Water & WasteWater	470.4	500.9	(30.5)	-6.1%	470.4	(3.5)	55.5	522.4	500.9	21.5	4.3%
Motion & Flow Control	326.6	370.2	(43.6)	-11.8%	326.6	(6.0)	16.9	337.5	370.2	(32.7)	-8.8%
Flow Control	45.0	61.0	(16.0)	-26.2%	45.0	(1.9)	4.7	47.8	61.0	(13.2)	-21.6%
Motion Technologies	103.3	128.4	(25.1)	-19.5%	103.3	0.0	9.0	112.3	128.4	(16.1)	-12.5%
Energy Absorption	30.9	34.7	(3.8)	-11.0%	30.9	0.0	0.3	31.2	34.7	(3.5)	-10.1%
Control Technologies	45.9	41.0	4.9	NA	45.9	(4.1)	0.2	42.0	41.0	1.0	2.4%
Interconnect Solutions	101.8	104.8	(3.0)	-2.9%	101.8	0.0	2.8	104.6	104.8	(0.2)	-0.2%
	Orders 3M 2008	Orders 3M 2007	Change 2008 vs. 2007	% Change 2008 vs. 2007	Orders 3M 2008	Acquisition Contribution 3M 2008	FX Contribution 3M 2008	Adj. Orders 3M 2008	Orders 3M 2007	Change Adj. 08 vs. 07	% Change Adj. 08 vs. 07
Defense Electronics & Services	1,793.6	1,401.6	392.0	28%	1,793.6	(471.6)	0.9	1,322.9	1,401.6	(78.7)	-5.6%
Fluid Technology	796.1	907.7	(111.6)	-12%	796.1	(3.3)	68.0	860.8	907.7	(46.9)	-5.2%
Motion & Flow Control	296.6	394.6	(98.0)	-25%	296.6	(4.8)	15.8	307.6	394.6	(87.0)	-22.0%
Total Segment Orders	2,885.3	2,700.2	185.1	7%	2,885.3	(479.7)	84.7	2,490.3	2,700.2	(209.9)	-7.8%

Note: Excludes intercompany eliminations.

**ITT Corporation Non-GAAP Reconciliation
Reported vs. Organic Revenue / Orders Growth
Full Year 2008 & 2007**

(\$ Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)						
	Sales & Revenues	Sales & Revenues	Change	% Change	Sales & Revenues	Acquisition / Other Contribution	FX Contribution	Adj. Sales & Revenues	Sales & Revenues	Change	% Change
	FY 2008	FY 2007	2008 vs. 2007	2008 vs. 2007	FY 2008	FY 2008	FY 2008	FY 2008	FY 2007	Adj. 08 vs. 07	Adj. 08 vs. 07
ITT Corporation - Consolidated	11,694.8	9,003.3	2,691.5	29.9%	11,694.8	(1,948.7)	(98.5)	9,647.6	9,003.3	644.3	7.2%
Defense Electronics & Services	6,282.3	4,176.2	2,106.1	50.4%	6,282.3	(1,766.4)	2.2	4,518.1	4,176.2	341.9	8.2%
Communications Systems	1,141.8	850.0	291.8	34.3%	1,141.8	(208.9)	0.0	932.9	850.0	82.9	9.8%
Space Systems	594.8	605.8	(11.0)	-1.8%	594.8	0.0	(0.2)	594.6	605.8	(11.2)	-1.8%
Advanced Engineering & Sciences	968.7	485.0	483.7	99.7%	968.7	(297.9)	0.0	670.8	485.0	185.8	38.3%
Electronic Systems	1537.7	450.7	1,087.0	241.2%	1,537.7	(1,091.8)	2.4	448.3	450.7	(2.4)	-0.5%
Night Vision	500.7	484.7	16.0	3.3%	500.7	0.0	0.0	500.7	484.7	16.0	3.3%
Systems	1401.1	1,311.2	89.9	6.9%	1,401.1	0.0	0.0	1,401.1	1,311.2	89.9	6.9%
Intell & Info Warfare	185.1	1.8	183.3	NA	185.1	(183.4)	0.0	1.7	1.8	(0.1)	NA
Fluid Technology	3,840.6	3,509.1	331.5	9.4%	3,840.6	(9.9)	(49.7)	3,781.0	3,509.1	271.9	7.7%
Industrial Process	815.5	703.9	111.6	15.9%	815.5	0.0	10.3	825.8	703.9	121.9	17.3%
Residential and Commercial Water Group	1,263.8	1,183.3	80.5	6.8%	1,263.8	0.0	(25.1)	1,238.7	1,183.3	55.4	4.7%
Water & WasteWater	1,814.3	1,663.3	151.0	9.1%	1,814.3	(9.9)	(36.6)	1,767.8	1,663.3	104.5	6.3%
Motion & Flow Control	1,583.4	1,332.5	250.9	18.8%	1,583.4	(172.4)	(51.1)	1,359.9	1,332.5	27.4	2.1%
Flow Control	247.5	251.6	(4.1)	-1.6%	247.5	(23.3)	2.4	226.6	251.6	(25.0)	-9.9%
Motion Technologies	561.9	495.4	66.5	13.4%	561.9	0.0	(39.6)	522.3	495.4	26.9	5.4%
Energy Absorption	140.1	41.9	98.2	234.4%	140.1	(98.2)	(2.0)	39.9	41.9	(2.0)	-4.8%
Control Technologies	181.9	117.8	64.1	NA	181.9	(50.9)	(0.3)	130.7	117.8	12.9	11.0%
Interconnect Solutions	453.2	425.6	27.6	6.5%	453.2	0.0	(11.5)	441.7	425.6	16.1	3.8%
	Orders	Orders	Change	% Change	Orders	Acquisition	FX	Adj. Orders	Orders	Change	% Change
	FY 2008	FY 2007	2008 vs. 2007	2008 vs. 2007	FY 2008	Contribution	Contribution	FY 2008	FY 2007	Adj. 08 vs. 07	Adj. 08 vs. 07
Defense Electronics & Services	6,232.9	4,073.9	2,159.0	53%	6,232.9	(1,555.1)	0.7	4,678.5	4,073.9	604.6	14.8%
Fluid Technology	3,938.7	3,657.1	281.6	8%	3,938.7	(10.3)	(66.6)	3,861.8	3,657.1	204.7	5.6%
Motion & Flow Control	1,563.3	1,379.0	184.3	13%	1,563.3	(173.1)	(52.6)	1,337.6	1,379.0	(41.4)	-3.0%
Total Segment Orders	11,726.1	9,097.8	2,628.3	29%	11,726.1	(1,738.5)	(118.4)	9,869.2	9,097.8	771.4	8.5%

Note: Excludes intercompany eliminations.

ITT Corporation
Segment Operating Income & OI Margin
Fourth Quarter of 2008 & 2007

(\$ Millions)

	Q4 2008	Q4 2007	%
	<u>As Reported</u>	<u>As Reported</u>	<u>Change 08</u> <u>vs. 07</u>
Sales and Revenues:			
Defense Electronics & Services	1,636.0	1,177.9	
Fluid Technology	984.3	985.2	
Motion & Flow Control	326.6	370.2	
Intersegment eliminations	(1.9)	(4.6)	
Total Sales and Revenues	<u>2,945.0</u>	<u>2,528.7</u>	
Operating Margin:			
Defense Electronics & Services	11.5%	10.6%	90 BP
Fluid Technology	9.7%	12.7%	(300) BP
Motion & Flow Control	-1.1%	10.3%	(1,140) BP
Total Ongoing Segments	9.5%	11.4%	(190) BP
Income:			
Defense Electronics & Services	187.5	125.4	49.5%
Fluid Technology	95.7	125.4	-23.7%
Motion & Flow Control	(3.6)	38.0	-109.5%
Total Segment Operating Income	<u>279.6</u>	<u>288.8</u>	<u>-3.2%</u>

ITT Corporation
Segment Operating Income & OI Margin
Full Year 2008 & 2007

(\$ Millions)

	FY 2008	FY 2007	%
	<u>As Reported</u>	<u>As Reported</u>	<u>Change 08 vs. 07</u>
Sales and Revenues:			
Defense Electronics & Services	6,282.3	4,176.2	
Fluid Technology	3,840.6	3,509.1	
Motion & Flow Control	1,583.4	1,332.5	
Intersegment eliminations	(11.5)	(14.5)	
Total Sales and Revenues	<u>11,694.8</u>	<u>9,003.3</u>	
Operating Margin:			
Defense Electronics & Services	11.6%	12.0%	(40) BP
Fluid Technology	12.2%	12.3%	(10) BP
Motion & Flow Control	12.1%	14.1%	(200) BP
Total Ongoing Segments	11.9%	12.5%	(60) BP
Income:			
Defense Electronics & Services	727.0	502.7	44.6%
Fluid Technology	468.7	432.7	8.3%
Motion & Flow Control	191.7	187.4	2.3%
Total Segment Operating Income	<u>1,387.4</u>	<u>1,122.8</u>	<u>23.6%</u>

**ITT Corporation Non-GAAP Reconciliation
Reported vs. Adjusted Net Income & EPS
Fourth Quarter of 2008 & 2007**

(\$ Millions, except EPS and shares)

	<u>Q4 2008 As Reported</u>	<u>Q4 2008 Adjustments</u>	<u>Q4 2008 As Adjusted</u>	<u>Q4 2007 As Reported</u>	<u>Q4 2007 Adjustments</u>	<u>Q4 2007 As Adjusted</u>	<u>Change 2008 vs. 2007 As Adjusted</u>	<u>Percent Change 2008 vs. 2007 As Adjusted</u>
Segment Operating Income	<u>279.6</u>		<u>279.6</u>	<u>288.8</u>		<u>288.8</u>		
Interest Income (Expense)	(32.8)	2.3 #A	(30.5)	(27.6)		(27.6)		
Other Income (Expense)	(2.5)		(2.5)	(2.8)		(2.8)		
Corporate (Expense)	<u>(36.4)</u>		<u>(36.4)</u>	<u>(39.8)</u>		<u>(39.8)</u>		
Income from Continuing Operations before Tax	<u>207.9</u>	<u>2.3</u>	<u>210.2</u>	<u>218.6</u>		<u>218.6</u>		
Income Tax Expense	(32.4)	(28.6) #B	(61.0)	(90.2)	20.0 #C	(70.2)		
Total Tax Expense	<u>(32.4)</u>	<u>(28.6)</u>	<u>(61.0)</u>	<u>(90.2)</u>	<u>20.0</u>	<u>(70.2)</u>		
Income from Continuing Operations	<u>175.5</u>	<u>(26.3)</u>	<u>149.2</u>	<u>128.4</u>	<u>20.0</u>	<u>148.4</u>		
Diluted EPS from Continuing Operations	<u>0.96</u>	<u>(0.14)</u>	<u>0.82</u>	<u>0.70</u>	<u>0.11</u>	<u>0.81</u>	<u>\$0.01</u>	<u>1.2%</u>

#A - Remove \$2.3M additional interest Expense re FIN48 reserves.

#B - Remove Tax Benefit of \$28.6M related to prior year adjustments.

#C - Remove Tax Expense of \$20.0M.

**ITT Corporation Non-GAAP Reconciliation
Reported vs. Adjusted Net Income & EPS
Full Year 2008 & 2007**

(\$ Millions, except EPS and shares)

	FY 2008 As Reported	FY 2008 Adjustments	FY 2008 As Adjusted	FY 2007 As Reported	FY 2007 Adjustments	FY 2007 As Adjusted	Change 2008 vs. 2007 As Adjusted	Percent Change 2008 vs. 2007 As Adjusted
Segment Operating Income	1,387.4		1,387.4	1,122.8		1,122.8		
Interest Income (Expense)	(109.5)	2.3 #A	(107.2)	(65.3)	(7.0) #C	(72.3)		
Other Income (Expense)	(13.1)		(13.1)	(13.4)		(13.4)		
Corporate (Expense)	(177.3)		(177.3)	(145.6)		(145.6)		
Income from Continuing Operations before Tax	1,087.5	2.3	1,089.8	898.5	(7.0)	891.5		
Income Tax Expense	(312.3)	(36.4) #B	(348.7)	(265.5)	(20.7) #D	(286.2)		
Total Tax Expense	(312.3)	(36.4)	(348.7)	(265.5)	(20.7)	(286.2)		
Income from Continuing Operations	775.2	(34.1)	741.1	633.0	(27.7)	605.3		
Diluted EPS from Continuing Operations	4.23	(0.19)	4.04	3.44	(0.15)	3.29	\$0.75	22.8%

#A - Remove \$2.3M additional interest Expense re FIN48 reserves.

#B - Remove Tax Benefit of \$36.4M related to prior year adjustments.

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

#D - Remove Tax Benefit of \$20.7M primarily related to a favorable Audit Tax Settlement (\$41.8M) partially offset by other adjustments (\$21.1M)

**ITT Corporation Non-GAAP Reconciliation
Cash From Operating Activities vs. Free Cash Flow
Fourth Quarter of 2008 & 2007**

(\$ Millions)

	<u>12M 2008</u>	<u>12M 2007</u>
Net Cash - Operating Activities	1,119.6	798.1
Capital Expenditures	(248.7)	(239.3)
Cash Payment re sale/leaseback	-	44.8
Pension Pre-funding, net of tax	-	50.0
Free Cash Flow	<u>870.9</u>	<u>653.6</u>
Income from Continuing Operations	775.2	633.0
Free Cash Flow Conversion	112%	103%

ITT Corporation Non-GAAP Reconciliation Year Ended 2008 & 2007 - Debt Coverage Ratios

(\$ Millions)

	December 31, 2008	December 31, 2007
Net Debt/Net Capitalization	27.9%	30.4%
Total Debt/Total Capitalization	41.2%	47.5%
Short Term Debt	1,679.0	3,083.0
Long Term Debt	467.9	483.0
Total Debt	2,146.9	3,566.0
Cash & Cash equivalents	964.9	1,840.0
Net Debt	1,182.0	1,726.0
Total Shareholders' Equity	3,059.9	3,944.8
Net Debt	1,182.0	1,726.0
Net Capitalization	4,241.9	5,670.8