

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

For the Periods Ended December 31,	Three Months		Twelve Months	
	2015	2014	2015	2014
Revenue	\$ 666.8	\$ 660.0	\$ 2,485.6	\$ 2,654.6
Costs of revenue	465.5	443.1	1,676.5	1,788.2
Gross Profit	201.3	216.9	809.1	866.4
Sales and marketing expenses	44.0	54.3	183.2	219.4
General and administrative expenses	71.5	83.8	258.3	300.1
Research and development expenses	23.7	20.2	78.9	76.6
Asbestos-related costs (benefit), net	8.3	14.7	(91.4)	3.9
Operating Income	53.8	43.9	380.1	266.4
Interest and non-operating expenses (income), net	0.3	2.1	(2.2)	4.4
Income from continuing operations before income tax expense	53.5	41.8	382.3	262.0
Income tax expense	17.1	7.9	70.1	71.3
Income from continuing operations	36.4	33.9	312.2	190.7
Income (loss) from discontinued operations, net of tax	0.1	0.3	39.4	(3.9)
Net Income	36.5	34.2	351.6	186.8
Less: (Loss) income attributable to noncontrolling interests	(0.2)	0.5	(0.2)	2.3
Net Income attributable to ITT Corporation	\$ 36.7	\$ 33.7	\$ 351.8	\$ 184.5
Amounts attributable to ITT Corporation:				
Income from continuing operations, net of tax	\$ 36.6	\$ 33.4	\$ 312.4	\$ 188.4
Income (loss) from discontinued operations, net of tax	0.1	0.3	39.4	(3.9)
Net Income	\$ 36.7	\$ 33.7	\$ 351.8	\$ 184.5
Earnings (loss) per share attributable to ITT Corporation:				
Basic:				
Continuing operations	\$ 0.40	\$ 0.37	\$ 3.48	\$ 2.06
Discontinued operations	0.01	-	0.44	(0.04)
Net income	\$ 0.41	\$ 0.37	\$ 3.92	\$ 2.02
Diluted:				
Continuing operations	\$ 0.40	\$ 0.36	\$ 3.44	\$ 2.03
Discontinued operations	0.01	-	0.44	(0.04)
Net income	\$ 0.41	\$ 0.36	\$ 3.88	\$ 1.99
Weighted average common shares - basic	89.5	91.4	89.8	91.5
Weighted average common shares - diluted	90.5	92.5	90.7	92.8

ITT CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(In millions)

	December 31, 2015	December 31, 2014
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 415.7	\$ 584.0
Receivables, net	584.9	500.1
Inventories, net	292.7	302.3
Other current assets	204.4	249.8
Total current assets	1,497.7	1,636.2
Plant, property and equipment, net	443.5	443.9
Goodwill	778.3	632.1
Other intangible assets, net	187.2	91.4
Asbestos-related assets	337.5	374.0
Deferred income taxes	326.1	304.1
Other non-current assets	153.3	149.8
Total non-current assets	2,225.9	1,995.3
Total assets	\$ 3,723.6	\$ 3,631.5
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term loans and current maturities of long-term debt	\$ 245.7	\$ 1.5
Accounts payable	314.7	309.6
Accrued liabilities	392.7	464.3
Total current liabilities	953.1	775.4
Asbestos-related liabilities	954.8	1,116.6
Postretirement benefits	260.4	249.7
Other non-current liabilities	189.9	269.5
Total non-current liabilities	1,405.1	1,635.8
Total liabilities	\$ 2,358.2	\$ 2,411.2
Total ITT Corporation shareholders' equity	1,362.1	1,214.9
Noncontrolling interests	3.3	5.4
Total shareholders' equity	1,365.4	1,220.3
Total liabilities and shareholders' equity	\$ 3,723.6	\$ 3,631.5

Note: The balance sheet for 2015 reflects the prospective adoption of ASU 2015-17, which requires classification of all deferred taxes as noncurrent. The prior period was not retrospectively adjusted.

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

For the Twelve Months Ended December 31,	2015	2014
Operating Activities		
Net income	\$ 351.6	\$ 186.8
Less: Income (loss) from discontinued operations	39.4	(3.9)
Less: (Loss) income attributable to noncontrolling interests	(0.2)	2.3
Income from continuing operations - ITT Corporation	312.4	188.4
Adjustments to income from continuing operations:		
Depreciation and amortization	90.0	88.3
Equity-based compensation	15.7	14.0
Asbestos-related (benefit) costs, net	(91.4)	3.9
Asbestos-related payments, net	(24.6)	(3.9)
Deferred income taxes	25.6	(0.2)
Contributions to postretirement plans	(18.6)	(12.6)
Changes in assets and liabilities:		
Change in receivables	(72.0)	(45.1)
Change in inventories	31.5	(3.1)
Change in accounts payable	11.0	(5.8)
Change in accrued expenses	(45.8)	(5.2)
Change in accrued income taxes	(7.4)	(10.4)
Other, net	3.3	36.4
Net Cash - Operating Activities	229.7	244.7
Investing Activities		
Capital expenditures	(86.7)	(118.8)
Acquisitions, net of cash acquired	(351.0)	(2.8)
Purchases of investments	(140.1)	(165.4)
Maturities of investments	78.5	269.0
Proceeds from sale of disposed operations and other assets	9.5	3.7
Proceeds from insurance recovery	4.2	-
Other, net	0.1	(0.2)
Net Cash - Investing Activities	(485.5)	(14.5)
Financing Activities		
Commercial paper, net borrowings (repayments)	94.5	(38.0)
Short-term revolving loans, issued	200.0	-
Short-term revolving loans, repaid	(50.0)	-
Long-term debt repaid	(3.6)	(1.7)
Repurchase of common stock	(84.0)	(60.2)
Proceeds from issuance of common stock	6.2	15.1
Dividends Paid	(42.8)	(40.7)
Excess tax benefit from equity compensation activity	3.4	10.4
Other, net	(3.3)	(1.5)
Net Cash - Financing Activities	120.4	(116.6)
Exchange rate effects on cash and cash equivalents	(31.6)	(31.2)
Net Cash – Discontinued operations	(1.3)	(5.7)
Net change in cash and cash equivalents	(168.3)	76.7
Cash and cash equivalents - beginning of year	584.0	507.3
Cash and cash equivalents - end of period	\$ 415.7	\$ 584.0