UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(MARK ONE)
/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1996

/ / TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

COMMISSION FILE NUMBER 1-5627

ITT INDUSTRIES, INC.

INCORPORATED IN THE STATE OF INDIANA — 13-5158950 (I.R.S. EMPLOYER IDENTIFICATION NUMBER)

4 West Red Oak Lane, White Plains, NY 10604
(Principal Executive Office)

TELEPHONE NUMBER: (914) 641-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No

As of April 23, 1996, there were outstanding 117,826,867 shares of common stock ($1 par value per share) of the registrant.

ITT INDUSTRIES, INC.

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PART I.

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The following unaudited consolidated financial statements, in the opinion of management, reflect all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations, and cash flows for the periods presented. Certain amounts in the prior periods' consolidated financial statements have been reclassified to conform with the current period presentation. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's 1995 Annual Report on Form 10-K.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

(IN MILLIONS, EXCEPT PER SHARE)

(UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 1996	1995
Net sales	$ 2,201	$ 2,248
Cost of sales	1,908	1,942
Gross margin	293	306
Selling, general, and administrative expenses	190	190
Other operating (income) expenses	(2)	13
Operating income	105	103
Interest expense	(44)	(33)
Interest income	9	9
Miscellaneous expense, net	(1)	--
Income from continuing operations before income tax expense	69	79
Income tax expense	(29)	(34)
Income from continuing operations	40	45
Discontinued operations:		
Operating income, net of tax of $83	--	183
Net income	$ 40	$ 228
EARNINGS PER SHARE:		
Income from continuing operations		
Primary	$ .33	$ .34
Fully diluted	$ .33	$ .34
Discontinued operations		
Primary	--	1.71
Fully diluted	--	1.57
Net income		
Primary	$ .33	$ 2.05
Fully diluted	$ .33	$ 1.91
Cash dividends declared per common share	$ .15	$ .495

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The accompanying notes to consolidated financial statements are an integral part of the above statements.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT FOR SHARES AND PER SHARE)

	MARCH 31, 1996 (UNAUDITED)	DECEMBER 31, 1995
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 17	$ 94
Receivables, net	1,337	1,257
Inventories	913	908
Other current assets	246	243
Total current assets	2,513	2,502
Plant, property, and equipment, net	2,172	2,235
Deferred U.S. income taxes	215	218
Goodwill, net	359	363
Other assets	543	561
	$5,802	$5,879
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 658	$ 781
Accrued expenses	1,070	1,072
Accrued taxes	149	162
Notes payable and current maturities of long-term debt	929	646
Total current liabilities	2,806	2,661
Pension and postretirement costs	1,094	1,101
Long-term debt	728	961
Deferred foreign, state and local income taxes	111	121
Other liabilities	413	408
	5,152	5,252
Shareholders' Equity:		
Common stock:		
Authorized 200,000,000 shares, $1 par value per share Outstanding 117,784,803 shares and 117,068,833 shares	118	117
Capital surplus	408	399
Cumulative translation adjustments	102	111
Retained earnings	22	--
	650	627
	$5,802	$5,879

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The accompanying notes to consolidated financial statements are an integral part of the above balance sheets.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 1996	1995
OPERATING ACTIVITIES		
Net income	$ 40	$ 228
Discontinued operations	--	(183)
Income from continuing operations	40	45
Adjustments to income from continuing operations:		
Depreciation	103	101
Amortization	9	9
Change in receivables, inventories, accounts payable, and accrued expenses	(202)	(169)
Change in accrued and deferred taxes	44	37
Other, net	8	(21)
Cash from continuing operations	2	2
Cash used for discontinued operations	(101)	(351)
Cash used for operating activities	(99)	(349)
INVESTING ACTIVITIES		
Additions to plant, property, and equipment	(87)	(81)
Proceeds from sale of assets	47	4
Acquisitions	--	(15)
Other, net	--	12
Cash used for investing activities	(40)	(80)
FINANCING ACTIVITIES		
Short-term debt, net	148	595
Long-term debt repaid	(93)	(37)
Repurchase of common stock	--	(34)
Dividends paid	--	(66)
Other, net	10	14
Cash from financing activities	65	472
EXCHANGE RATE EFFECTS ON CASH AND CASH EQUIVALENTS	(3)	36
Increase (decrease) in cash and cash equivalents	(77)	79
Cash and cash equivalents -- beginning of period	94	322
Cash and cash equivalents -- end of period	$ 17	$ 401
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid (refunded) during the period for:		
Interest	$ 40	$ 30
Income taxes	$ (7)	$ 5

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The accompanying notes to consolidated financial statements are an integral part of the above statements.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(IN MILLIONS)

1) RECEIVABLES

Receivables consist of the following:

	MARCH 31, 1996	DECEMBER 31, 1995
Trade	$ 1,348	$ 1,254
Accrued for completed work	24	41
Less -- reserves	(35)	(38)
	$ 1,337	$ 1,257

2) INVENTORIES

Inventories consist of the following:

	MARCH 31, 1996	DECEMBER 31, 1995
Finished goods	$ 451	$ 417
Work in process	444	421
Raw materials and supplies	306	333
Less -- reserves	(83)	(85)
-- progress payments	(205)	(178)
	$ 913	$ 908

3) PLANT, PROPERTY, AND EQUIPMENT

Plant, property, and equipment consist of the following:

	MARCH 31, 1996	DECEMBER 31, 1995
Land and improvements	$ 106	$ 115
Buildings and improvements	864	888
Machinery and equipment	3,422	3,425
Construction work in progress	286	297
Other	358	330
	5,036	5,055
Less -- accumulated depreciation and amortization	(2,864)	(2,820)
	$ 2,172	$ 2,235

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(IN MILLIONS)

4) DISCONTINUED OPERATIONS

The accompanying financial statements for the three months ended March 31, 1995, reflect the results of ITT Corporation, a Delaware corporation ("ITT Delaware"). Discontinued Operations include the results of ITT Delaware's interests in the insurance business segment ("ITT Hartford"), ITT Delaware's interests in the hospitality and entertainment, and information services businesses ("ITT Corporation"), and a wholly-owned Finance business segment ("ITT Financial"). ITT Hartford and ITT Corporation were distributed to ITT Delaware's shareholders on December 19, 1995 (the "Distribution") and ITT Delaware was merged into ITT Industries, Inc. (the "Company"). In 1995, ITT Delaware recorded a provision for the final asset sales and closedown costs of ITT Financial.

Net income of the Company's Discontinued Operations was comprised of the following:

	THREE MONTHS ENDED MARCH 31, 1995
ITT Corporation	$ 7
ITT Hartford	140
ITT Financial	36
	$183

BUSINESS SEGMENT INFORMATION

(IN MILLIONS)
(UNAUDITED)

Business segment information excluding "Discontinued Operations" is as follows:

NET SALES			OPERATING INCOME/(LOSS)	
THREE MONTHS ENDED MARCH 31,			THREE MONTHS ENDED MARCH 31,	
1996	1995		1996	1995
$ 1,420	$ 1,477	.............Automotive............	$ 75	$ 99
354	359	.............Defense & Electronics.	20	18
306	289	............Fluid Technology.......	22	18
121	123	............Dispositions & other...	3	(8)
2,201	2,248	..............Total Segments.......	120	127
--	--	..Corporate expenses & other.......	(15)	(24)
$ 2,201	$ 2,248		$ 105	$ 103

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 1996 COMPARED WITH THREE MONTHS ENDED MARCH 31, 1995

Net income of $40 million or $.33 per fully diluted share was below the $45 million or $.34 per fully diluted share of net income from continuing operations reported in the 1995 first quarter. The decrease in net income from continuing operations in the current quarter was attributable primarily to a 17 day strike by the United Auto Workers against General Motors ("GM"), the Company's largest single customer. The GM strike had an adverse impact on the Company's 1996 first quarter earnings of approximately $12 million or $.10 per fully diluted share. Without the GM strike, these results would have been approximately $52 million or $.43 per fully diluted share. In the 1995 first quarter, net income, including $183 million of net income from Discontinued Operations, was $228 million or $1.91 per fully diluted share (see note 4).

Net sales for the first quarter of 1996 were below the first quarter of 1995, due mainly to the adverse impact of the GM strike of about $50 million. Operating income for the first quarter of 1996 of $105 million was slightly higher than the $103 million in the first quarter of 1995, despite the effect of the GM strike which resulted in approximately a $20 million reduction in operating income. The effect of the GM strike was offset by higher earnings at Defense & Electronics and Fluid Technology, along with significantly lower corporate expenses at ITT Industries' new headquarters. Other operating income/expenses, which include gains and losses from foreign exchange transactions and other charges, was income of $2 million in the current quarter, compared with an expense of $13 million in the 1995 first quarter. Operating margins were 4.8% in the quarter compared to 4.6% in the first quarter of 1995, a result of the factors discussed above.

Interest expense increased to $44 million compared with $33 million in the 1995 first quarter. Interest expense in the 1996 quarter reflects actual interest expenses incurred on debt assumed by ITT Industries on, or subsequent to, the Distribution, while interest expense in the 1995 quarter reflected an allocation of total ITT Delaware's interest between the continuing and Discontinued Operations, based on debt outstanding at that time. Interest income was $9 million in both periods.

The effective income tax rate approximated 42% in the 1996 first quarter and 43% in the 1995 first quarter. Income tax expense decreased by $5 million, to $29 million in the 1996 first quarter, due to the lower pretax earnings.

Business Segments -- Sales and operating income for each of the Company's three major continuing business segments were as follows for the three months ended March 31, 1996, and 1995 ($ in millions):

SALES			OPERATING INCOME	
THREE MONTHS			THREE MONTHS	
1996	1995		1996	1995
$ 1,420	$ 1,477	.........Automotive..........	$ 75	$ 99

ITT Automotive's first quarter revenue was reduced approximately $50 million by the GM strike, as discussed above. Not including the effect of the GM strike, ITT Automotive's sales were only slightly below the 1995 sales level despite 12.4% lower North American and 4.5% lower European light vehicle production and original equipment manufacturers (O.E.M.) pricing pressure. Operating income was reduced approximately $20 million by the GM strike. Apart from the strike, operating income was adversely affected by lower prices and, to a lesser extent, by ongoing restructuring expenses at European operations. These impacts were principally offset by cost reduction actions, including lower headcount and the sale of assets.

SALES			OPERATING INCOME	
THREE MONTHS			THREE MONTHS	
1996	1995		1996	1995
$ 354	$ 359	.......Defense & Electronics.......	$ 20	$ 18

ITT Defense & Electronics revenue was down slightly (1.4%), from the prior year first quarter, due to lower sales volume in certain defense programs. However, operating income was 11% higher in the 1996 period due to improved margins at ITT Cannon's interconnect lines and sustained margins in defense lines.

SALES			OPERATING INCOME	
THREE MONTHS			THREE MONTHS	
1996	1995		1996	1995
$ 306	$ 289	.......Fluid Technology............	$ 22	$ 18

ITT Fluid Technology's 1996 first quarter sales increased 5.9% over the comparable 1995 period due to higher sales volume in each of its three major business lines. Operating income for the first quarter of 1996 increased 22% over the 1995 first quarter. This improvement in operating margin was the result of strong performances from Bell & Gossett, Aerospace Controls, and Pure-Flo biotech products, as well as continued growth in developing markets, cost control actions, and favorable exchange rates.

Liquidity and Capital Resources

The Company generated EBITDA (defined as operating earnings before interest, taxes, depreciation, and amortization) of $217 million in the three months ended March 31, 1996, compared with $213 million in the comparable 1995 period.

Many of the Company's businesses require substantial investment in plant and tooling in order to produce competitively superior products. Gross plant additions totaled $87 million in the 1996 first quarter, with approximately two-thirds of that total incurred at Automotive, primarily in ABS and traction control technology. First quarter 1995 spending was $81 million, two-thirds of which was also at Automotive. Cash expenditures for plant, property, and equipment are projected to approximate last year's level of $450 million for the full year.

Cash inflows in the first quarter of 1996 included $47 million from the sale of land and other assets, including a portion of ITT Community Development Corporation.

The increase in working capital (receivables, inventory, payables, and accrued liabilities) required a cash outflow of approximately $200 million. This was due largely to a seasonal increase in receivables and a reduction of accounts payable at Automotive.

External borrowings were $1,657 million at March 31, 1996, compared with $1,607 million at December 31, 1995. Cash and cash equivalents were $17 million at March 31, 1996, compared to $94 million at year-end 1995. The higher debt level at March 31, 1996, reflects funding for working capital needs, capital additions, and payments of $101 million related to Discontinued Operations, principally prior year's tax payments and expenses related to the Distribution.

Shareholders' equity increased $23 million during the first quarter of 1996, due primarily to growth in retained earnings. On April 1, 1996, the Company paid its first quarterly dividend of $.15 per share. A second quarterly dividend of the same amount will be paid on July 1, 1996.

PART II.

OTHER INFORMATION

EXHIBITS AND REPORTS ON FORM 8-K

(a) See the Exhibit Index for a list of exhibits filed herewith.

(b) There were no Form 8-K Current Reports filed by the Registrant during the quarter for which this report is filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ITT INDUSTRIES, INC.

(Registrant)

Richard J.M. Hamilton
By ____________________________________
Richard J.M. Hamilton
Senior Vice President and Controller
(Principal accounting officer)

April 30,1996
(Date)

EXHIBIT INDEX

Exhibit No.	Description	Location
(2)	Plan of acquisition, reorganization, arrangement, liquidation or succession	None
(3)	Articles of Incorporation and by-laws	None
(4)	Instruments defining the rights of security holders, including indentures	None
(10)	Material contracts	None
(11)	Statement re: computation of per share earnings	Filed Herewith
(12)	Statements re: computation of ratios Calculation of ratio of earnings to total fixed charges	Filed Herewith
(15)	Letter re: unaudited interim financial information	None
(18)	Letter re: change in accounting principles	None
(19)	Report furnished to security holders	None
(22)	Published report regarding matters submitted to vote of security holders	None
(23)	Consents of experts and counsel	None
(24)	Power of attorney	None
(27)	Financial Data Schedule	Filed Herewith
(99)	Additional Exhibits	None

EXHIBIT 11

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CALCULATION OF EARNINGS PER SHARE

(IN MILLIONS, EXCEPT PER SHARE)

	THREE MONTHS ENDED MARCH 31, 1996	1995
PRIMARY BASIS --		
Net income	$ 40	$ 228
ESOP preferred dividends -- net of tax	--	(8)
Net income applicable to primary earnings per share	$ 40	$ 220
Average common shares outstanding	117	106
Common shares issuable in respect to common stock equivalents	3	1
Average common equivalent shares	120	107
Earnings Per Share		
Continuing operations	$.33	$ .34
Discontinued operations	--	1.71
Net income	$.33	$2.05
FULL DILUTED BASIS --		
Net income applicable to primary earnings per share	$ 40	$ 220
ESOP preferred dividends -- net of tax	--	8
If converted ESOP expense adjustment -- net of tax benefit	--	(4)
Net income applicable to fully diluted earnings per share	$ 40	$ 224
Average common equivalent shares	120	107
Additional common shares issuable assuming full dilution	--	10
Average common equivalent shares assuming full dilution	120	117
Earnings Per Share		
Continuing operations	$.33	$ .34
Discontinued operations	--	1.57
Net income	$.33	$1.91

In 1995, the Series N convertible preferred stock was considered a common stock equivalent. With respect to options, it is assumed that the proceeds to be received upon exercise are used to acquire common stock of the Company. The calculation impact of dilutive securities is determined quarterly based on the forecast of annual earnings.

EXHIBIT 12

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CALCULATION OF RATIOS OF EARNINGS TO TOTAL FIXED CHARGES AND CALCULATION OF EARNINGS TO TOTAL FIXED CHARGES AND

PREFERRED DIVIDEND REQUIREMENTS

(IN MILLIONS)

	THREE MONTHS ENDED MARCH 31, 1996	1995
Earnings:		
Income from continuing operations	$ 40	$ 45
Add:		
Adjustment for distributions in excess of undistributed equity earnings and losses	1	--
Income taxes	29	34
Amortization of interest capitalized	--	--
	70	79
Fixed Charges:		
Interest and other financial charges	44	33
Interest factor attributable to rentals	7	6
	51	39
Earnings, as adjusted, from continuing operations	$121	$118
Fixed Charges:		
Fixed charges above	$ 51	$ 39
Interest capitalized	--	1
Total fixed charges	51	40
Dividends on preferred stock (pre-income tax basis)	--	12
Total fixed charges and preferred dividend requirements	$ 51	$ 52
Ratios:		
Earnings, as adjusted, from continuing operations to total fixed charges	2.37	2.95
Earnings, as adjusted, from continuing operations to total fixed charges and preferred dividend requirements	2.37	2.27

Notes:

a) The adjustment for distributions in excess of undistributed equity earnings and losses represents the adjustment to income for distributions in excess of undistributed earnings and losses of companies in which at least 20% but less than 50% equity is owned.

b) The interest factor attributable to rentals was computed by calculating the estimated present value of all long-term rental commitments and applying the approximate weighted average interest rate inherent in the lease obligations and adding thereto the interest element assumed in short-term cancelable and contingent rentals excluded from the commitment data but included in rental expense.

(c) The dividend requirements on preferred stock have been determined by adding to the total preferred dividends an allowance for income taxes, calculated on the effective income tax rate.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE MARCH 31, 1996 FINANCIAL STATEMENTS INCLUDED IN FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS
DEC-31-1996
MAR-31-1996
17
0
1,372
35
913
2,513
5,036
2,864
5,802
2,806
728
0
0
118
532
5,802
2,201
2,201
1,908
1,908
190
0
44
69
29
40
0
0
0
40
0.33
0.33