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, 1994

[ ] TRANSITION 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 CORPORATION

Incorporated in the State of Delaware — 13-5158950 (I.R.S. Employer Identification Number)

1330 Avenue of the Americas, New York, N.Y. 10019-5490
(Principal Executive Office)

Telephone Number: (212) 258-1000

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 May 2, 1994, there were outstanding 117.3 million shares of common stock ($1 par value) of the registrant.

ITT CORPORATION
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following unaudited financial statements, in the opinion of ITT, reflect all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the financial position, the results of operations and cash flow for the periods presented. For a description of accounting policies, see notes to financial statements in the 1993 annual report on Form 10-K.

ITT CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME
(In millions except per share)

	Three Months Ended March 31, 1994	Three Months Ended March 31, 1993*
SALES AND REVENUES		
Products and Services	$2,567	$2,353
Insurance	2,642	2,592
Finance	339	448
	5,548	5,393
COSTS AND EXPENSES		
Products and Services (including selling and general expenses of $250 and $244)	2,457	2,291
Insurance	2,452	2,436
Finance (including interest expense of $142 and $164)	295	381
Other	17	23
	327	262
Interest expense (net of interest income of $41 and $45)	(20)	(32)
Miscellaneous (expense) income, net	(3)	1
	304	231
Income taxes	(101)	(69)
Minority equity	(2)	(4)
Income from Continuing Operations	201	158
Discontinued Operations, net of tax of $6 and $9	12	17
Cumulative Effect of Accounting Changes, net of tax of $3	6	-
Net Income	$ 219	$ 175
Earnings Per Share		
Income from Continuing Operations		
Primary	$ 1.63	$ 1.23
Fully Diluted	$ 1.54	$ 1.17
Discontinued Operations		
Primary	$ .10	$ .14
Fully Diluted	$ .09	$ .13
Cumulative Effect of Accounting Changes		
Primary	$ .04	$ -
Fully Diluted	$ .04	$ -
Net Income per Share		
Primary	$ 1.77	$ 1.37
Fully Diluted	$ 1.67	$ 1.30
Cash Dividends declared per common share	$ .495	$ .495

* Restated to reflect ITT Rayonier as a "Discontinued Operation" through February, 1994 and to include revenues of ITT Sheraton's managed properties.

ITT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(In millions except for shares)

	March 31, 1994	December 31, 1993
ASSETS		
Cash	$ 704	$ 1,136
Finance Receivables, net	8,535	7,556
Other Receivables, net	5,498	5,163
Inventories	991	963
Insurance Investments -		
Fixed maturities	27,267	26,870
Other	3,554	3,712
Finance Investments	3,007	3,097
Reinsurance Recoverables	11,373	11,577
Deferred Policy Acquisition Costs	2,151	2,024
Plant, Property and Equipment, net	3,702	3,416
Other Assets	5,112	5,046
	$ 71,894	$ 70,560
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities -		
Policy liabilities and accruals	$ 41,178	$ 40,884
Finance debt	10,493	9,463
Other debt	3,949	3,874
ESOP debt	583	603
Accounts payable and accrued liabilities	4,602	4,293
Other liabilities	4,240	3,793
	65,045	62,910
Stockholders Equity -		
Cumulative preferred stock	668	673
Common stock: Authorized 200,000,000 shares, $1 par value Outstanding 117,491,559 and 117,560,877	117	118
Deferred compensation - ESOP	(583)	(603)
Cumulative translation adjustments	(188)	(206)
Unrealized (loss) gain on securities, net of tax	(270)	80
Retained earnings	7,105	7,588
	6,849	7,650
	$71,894	$ 70,560

ITT CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOW
(In millions)

	Three Months Ended March 31, 1994	1993*
OPERATING ACTIVITIES		
Net Income	$ 219	$ 175
Discontinued Operations	(12)	(17)
Cumulative Effect of Accounting Changes	(6)	-
Income from Continuing Operations	201	158
Adjustments to Income from Continuing Operations:		
Depreciation and amortization	153	132
Provision for doubtful receivables	31	39
Gain on sale of portfolio securities - pretax	(64)	(63)
Change in receivables, inventories, payables and accrued liabilities	(362)	(93)
Accrued and deferred taxes	(26)	34
Increase in liability for policy benefits and unpaid claims	203	232
Increase in deferred policy acquisition costs	(123)	(61)
Decrease in reinsurance and other related assets	178	156
Other, net	(73)	(178)
Cash from operating activities	118	356
INVESTING ACTIVITIES		
Additions to plant, property and equipment	(113)	(73)
Purchase of insurance and finance investments	(10,166)	(8,939)
Sale and maturity of insurance and finance investments	9,951	8,624
Finance receivables originated or purchased	(5,798)	(4,604)
Finance receivables repaid or sold	4,832	4,365
Acquisitions	(374)	-
Other, net	98	(50)
Cash used for investing activities	(1,570)	(677)
FINANCING ACTIVITIES		
Short-term debt, net	1,164	297
Long-term debt issued	416	489
Long-term debt repaid	(535)	(601)
Investment life contracts, net	146	124
Repurchase and redemption of stock	(29)	(41)
Dividends paid	(140)	(68)
Other, net	(1)	33
Cash from financing activities	1,021	233
EXCHANGE RATE EFFECT ON CASH	(1)	(9)
CASH FROM DISCONTINUED OPERATIONS	-	3
Decrease in cash	(432)	(94)
Cash - beginning of year	1,136	882
Cash - end of period	$ 704	$ 788
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 238	$ 273
Income taxes (net of refunds)	$ 25	$ 52

* Restated to reflect ITT Rayonier as a "Discontinued Operation".

Notes to Financial Statements

1) Change in Accounting Principles:

Statement of Financial Accounting Standards (SFAS) No. 115

During the 1994 first quarter, ITT adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities". The new standard requires, among other things, that securities be classified as "held-to-maturity", "available for sale" or "trading" based on the company's intentions with respect to the ultimate disposition of the security and its ability to effect those intentions. The classification determines the appropriate accounting carrying value (cost basis or fair value) and, in the case of fair value, whether the adjustment impacts Stockholders Equity directly or is reflected in the Statement of Income. Investments in equity securities had previously been recorded at fair value with the corresponding impact included in Stockholders Equity. Under SFAS No. 115, the Corporation's portfolios are generally classified as "available for sale" and accordingly, investments are reflected at fair value with the corresponding impact included as a component of Stockholders Equity designated "Unrealized gain (loss) on securities, net of tax". At March 31, 1994, the unrealized loss on securities, net of tax was $270 million including an unrealized gain pertaining to equity securities of $31 million after tax.

In adopting SFAS No. 115, Emerging Issues Task Force (EITF) issue no. 93-18 prescribes specific accounting treatment with respect to mortgage-backed interest-only investments. EITF 93-18 reached the conclusion that the measure of impairment of these instruments should be changed from undiscounted cash flows to fair value. Accordingly, the amortized cost basis of such instruments that were determined to have other-than-temporary impairment losses at the time of the initial adoption of SFAS No. 115 have been written down to fair value and reflected as a cumulative effect of accounting change as of January 1, 1994. The writedown totalled $36 million after tax or $0.29 per fully diluted share.

Change in the Discount Rate used to determine certain Workers Compensation Liabilities

During the 1994 first quarter, the Corporation changed its method used to discount long-term tabular workers compensation liabilities from a statutory insurance rate to an appropriate market interest rate. The market rate, which approximates 7%, represents the rate of return the Corporation could receive on risk-free investments with maturities comparable to those of the liabilities being discounted. At December 31 1993, these liabilities were discounted at 3 to 3 1/2% in accordance with statutory insurance guidelines. A $42 million after tax or $0.33 per fully diluted share benefit was recorded as a cumulative effect of accounting change in the accompanying Consolidated Statement of Income.

2) Discontinued Operations:

In February 1994, the Corporation spun-off ITT Rayonier, the Corporation's wholly-owned forest products subsidiary, to ITT shareholders through a distribution of ITT Rayonier shares. ITT Rayonier has been reflected as a "Discontinued Operation" in the accompanying financial statements. The Corporation's consolidated equity was reduced by approximately $600 million as a result of the spin-off. The Consolidated Statements of Income and Cash Flow for the three months ended March 31, 1993 have been restated to conform with the 1994 presentation.

BUSINESS SEGMENTS

In millions	Sales and Revenues 1994	Sales and Revenues 1993*	Income 1994	Income 1993*
	Three Months Ended March 31,			
Financial and Business Services				
Insurance	$2,642	$2,592	$ 190	$ 156
Finance	339	327	44	71
Communications & Information Services	78	81	3	4
	3,059	3,000	237	231
Manufactured Products				
Automotive	986	888	60	32
Defense & Electronics	433	370	11	-
Fluid Technology	249	225	17	13
	1,668	1,483	88	45
Hotels	798	675	29	16
Ongoing Segments	5,525	5,158	354	292
Dispositions and Other	23	235	(10)	(8)
Interest, net			(20)	(32)
Other			(22)	(25)
Taxes			(101)	(69)
Income from Continuing Operations			201	158
Discontinued Operations, net of tax of $6 and $9			12	17
Cumulative Effect of Accounting Changes, net of tax of $3			6	-
	$5,548	$5,393	$ 219	$ 175

* Restated to reflect Forest Products as a "Discontinued Operation" and to include revenues of Hotel's managed properties.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Income from ongoing segments for the first quarter increased 21% over the prior year's quarter.

Operating results in the Insurance segment, either before or after extraordinary catastrophe losses and capital gains, were significantly higher than the 1993 quarter, primarily due to improved domestic casualty underwriting results. Life insurance operations, before portfolio gains, also improved. The Insurance improvement in operating results was accomplished on a revenue increase of 2%. Despite the extraordinary catastrophes, the worldwide combined ratio, excluding operations in runoff, improved from 108.5% in the 1993 quarter to 104.7% in 1994 due largely to improved Domestic Property and Casualty underwriting experience.

Insurance operating costs and expenses were as follows:

	First Quarter 1994	First Quarter 1993
Benefits, claims and claim adjustment expenses . .	$1,693	$1,700
Amortization of deferred policy acquisition costs.	394	385
Other insurance expenses	365	351
	$2,452	$2,436

First quarter operating income for the Finance segment declined 38% to $44 million reflecting the strategic shift to improve asset quality and enhance its risk profile through secured lending at lower yields. In addition, results reflected the adverse impact of the California earthquake on certain loans. Revenues increased 4% from the 1993 quarter, reflecting higher average receivables.

First quarter sales and operating income at Communications and Information Services are historically the lowest of the year as most yellow page directories are published later in the year. Results approximated prior year levels.

Sales for the Automotive segment increased by 11% over the 1993 quarter to $986 million, reflecting primarily higher car production in North America and higher installation rates of anti-lock brakes. Operating income grew from $32 million to $60 million in the 1994 quarter, largely the result of higher sales volume and continued cost improvement actions. On March 31, 1994, the Corporation completed the previously announced purchase of 80% of General Motors' Motors and Actuator Business Unit for $374 million. The acquisition, hereafter called ITT Electrical Systems, Inc., will add geographic balance to ITT Automotive's North American and European product mix. Annual sales are expected to approximate $900 million.

ITT Defense & Electronics operating income increased $11 million due primarily to continuing improvement in operating margins at the Electronics units. Results at the Defense units approximated the 1993 first quarter. Sales increased 17% from the 1993 quarter. Order backlog was $2.1 billion at March 31, 1994 compared with $2.2 billion at March 31, 1993.

ITEM 2. (Continued)

Operating income improved 31% at Fluid Technology from $13 million to $17 million on an 11% increase in sales reflecting volume increases and the benefits of cost reduction programs.

The contribution of gaming operations was a major part of the improvement in ITT Sheraton's results as the Sheraton Desert Inn in Las Vegas exceeded expectations during its first full quarter under ITT Sheraton. In addition, hotel operations improved reflecting lower corporate overhead and increases in operating income at several ITT owned properties.

Dispositions and Other reflects the sales and operating losses of companies previously divested as well as ITT Community Development. The 1993 quarter primarily included ITT Financial's domestic unsecured consumer loan business (divested in June, 1993) and ITT Components Distribution (divested in December, 1993).

Net interest costs were lower than 1993 due principally to lower average debt levels. "Other" consists of corporate expenses and nonoperating income and approximated the 1993 quarter. Taxes increased in 1994 in line with the higher level of earnings. The effective tax rate, excluding the Cumulative Effect of Accounting Changes and Discontinued Operations, increased from 30% to 33% due primarily to increases in the U.S. and foreign tax rates.

Net income for the first quarter of 1994 was $219 million or $1.67 per common equivalent share on a fully diluted basis ($1.77 per primary share), compared with $175 million or $1.30 per fully diluted share ($1.37 per primary share) in the 1993 first quarter. The 1994 quarter included two cumulative catch-up adjustments for accounting changes as discussed more fully in Notes to Consolidated Financial Statements; (1) a favorable adjustment of $42 million after tax or $0.33 per fully diluted share for a change in the discount rate used to determine certain workers compensation liabilities at the Insurance segment and, (2) a charge of $36 million after tax or $0.29 per fully diluted share for the adoption of SFAS No. 115 related to accounting for certain investments in debt and equity securities. The results of ITT Rayonier have been reflected on a one-line basis in "Discontinued Operations" through the spin-off date of February 28, 1994. Excluding the accounting changes and ITT Rayonier, income from continuing operations in the 1994 and 1993 quarters was $201 million or $1.54 per fully diluted share and $158 million or $1.17 per fully diluted share. The 32% improvement in fully diluted earnings per share from continuing operations was generated on sales of $5.55 billion, a 3% increase over the 1993 quarter. On a primary basis, earnings per share from continuing operations was $1.63 for the 1994 quarter compared to $1.23 per share in the year-ago period.

Net income in the current quarter was unfavorably impacted by $40 million after tax or $0.31 per fully diluted share for catastrophe losses in excess of expectations at the Insurance segment related to the California earthquake and winter freezes. Winter Storm Josh and the bombing of the World Trade Center in New York adversely impacted earnings in the 1993 quarter by $41 million or $0.32 per fully diluted share. The comparison to 1993 also included a reduction in after tax capital gains at the Insurance and Finance segments. After tax capital gains in the current quarter totalled $35 million or $0.27 per fully diluted share compared to $42 million or $0.32 per fully diluted share in the 1993 quarter.

ITEM 2. (Continued)

Cash Flow

During the 1994 first quarter, the Corporation generated $118 million of cash from operating activities, down from $356 million in last year's quarter, due primarily to quarterly timing of cash flows and higher working capital needed to fund growth. This cash, along with additional borrowings, was used to fund the acquisition of ITT Electrical Systems, Inc. and was reinvested in insurance investments, finance receivables and capital additions. Additionally, cash was used to pay dividends to shareholders which totalled $140 million and $68 million for the first three months of 1994 and 1993, respectively. The 1994 amount included the payment of the 1993 fourth quarter and the 1994 first quarter. Both quarters also included repurchases and redemption of common stock of $29 million and $41 million, respectively. There were no significant asset divestments during the quarter. Accumulated depreciation amounted to 46% of gross plant at March 31, 1994, compared with 47% at December 31, 1993.

Cash expenditures for plant, property and equipment, including insurance and finance activities, were $113 million in the 1994 quarter and are projected to aggregate approximately $800 million for the full year compared with $505 million in 1993. Depreciation for the first three months of 1994 was $117 million compared with $108 million in the corresponding 1993 period.

Debt and Liquidity

Excluding Insurance and Finance debt, outstanding debt at March 31, 1994 was $3.6 billion compared with the December 31, 1993 balance of $3.5 billion resulting in a debt to total capitalization ratio of 34% at March 31, 1994 compared with 33% at year-end 1993. Insurance and Finance debt increased from the December 31, 1993 level of approximately $10.4 billion to $11.5 billion reflecting the growth in secured lending at Finance. Debt was 68% of total capitalization including Insurance and Finance debt at March 31, 1994 compared with 64% at year-end 1993.

Stockholders equity decreased $800 million, to $6.8 billion from December 31, 1993 due to the spin-off of ITT Rayonier, a change in the unrealized loss on securities, net of tax, dividends and share repurchases, partially offset by first quarter income. Under its share repurchase program, the Corporation repurchased approximately 227,000 common equivalent shares in the first three months of 1994 at an average price of $90.66 per share for a cash cost, including commissions, of $21 million. The Corporation was not actively repurchasing shares during the quarter. An additional 190,000 shares were purchased through April 30 at an average price of $87.23 per share for a cash cost, including commissions, of $17 million.

Subsequent Event

On April 28, 1994, ITT Educational Services, Inc., a wholly-owned subsidiary of the Corporation, filed a registration statement on Form S-1 with the Securities and Exchange Commission for the public sale of 2,300,000 shares of its common stock. ITT Educational Services, Inc. is a leading proprietary provider of technical post-secondary degree programs in the United States through 48 ITT Technical Institutes in 24 states. Proceeds will be used for general corporate purposes, including the expansion of its operations through opening additional technical institutes and adding academic programs at existing technical institutes.

PART II. OTHER INFORMATION

ITEM 6. 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 ITT during the quarter for which this report is filed.

SIGNATURE

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 Corporation
(Registrant)

By Jon F. DANSKI

Jon F. Danski
Senior Vice President and Controller
(Chief Accounting Officer)

May 12, 1994
(Date)

EXHIBIT INDEX

Exhibit No.	Description	Location
(2)	Plan of acquisition, reorganization, arrangement, liquidation or succession	None
(4)	Instruments defining the rights of security holders, including indentures	None
(10)(j)	Support agreement dated April 28, 1994 between ITT Corporation and ITT Financial Corporation	Filed Herewith
(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 Calculation of ratio of earnings to total fixed charges and preferred dividend requirements of ITT	Filed Herewith
(15)	Letter re unaudited interim financial information	None
(18)	Letter re change in accounting principles	None
(19)	Previously unfiled documents	None
(20)	Report furnished to security holders	None
(23)	Published report regarding matters submitted to vote of security holders	None
(24)	Consents of experts and counsel	None
(25)	Power of attorney	None
(28)	Additional exhibits	None

Exhibit 10(j)

SUPPORT AGREEMENT
DATED APRIL 28, 1994
BETWEEN
ITT CORPORATION AND ITT FINANCIAL CORPORATION

This agreement entered into as of this 28th day of April, 1994, by and between ITT CORPORATION, a Delaware corporation ("ITT"), and ITT FINANCIAL CORPORATION, a Delaware corporation ("Financial"),

WITNESSETH:

WHEREAS, ITT is the owner of all of the issued and outstanding voting capital stock of Financial;

WHEREAS, Financial regularly borrows funds in the public and private capital markets to conduct its business;

WHEREAS, ITT is willing to provide certain support to Financial in order to assure the ability of Financial to engage in financings at favorable terms; and

WHEREAS, the execution and delivery of this Agreement has been duly authorized by ITT and Financial and this Agreement will constitute the legal, valid and binding obligations of the parties thereto in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

NOW THEREFORE, in consideration of the provisions contained herein, the parties hereto agree as follows:

1. Ownership. ITT or one or more of its direct or indirect wholly-owned subsidiaries or a combination thereof will continue to own at least a majority of the shares of capital stock of Financial having voting power for the election of directors, and ITT will not create or permit the creation of any mortgage, pledge or other lien on any of such shares so owned.

2. Maintenance of Debt to Equity Ratio. ITT will assure that the debt to equity ratio (as determined on a consolidated basis - excluding depository institutions - and in accordance with generally accepted accounting principles) for Financial, as determined from Financial's balance sheet as at the end of each calendar quarter, does not exceed 6.75 to 1.

3. Commitment to Make Loans. If Financial should at any time lack sufficient cash, other liquid assets or credit facilities to meet an obligation to pay principal of, or premium or interest on any commercial paper or other short-term debt for borrowed money of Financial on a timely basis, then ITT will lend to Financial on a subordinated basis up to $300 million in cash which Financial may use only for the purpose of meeting any such payment obligation. Any such loan by ITT to Financial will bear interest at a fluctuating interest rate per annum equal to the announced prime commercial lending rate of The Chase Manhattan Bank, N.A. and will be repayable on demand at any time after the business day following the 29th day after such loan was made to Financial, except that no repayment of any such loan will be made during a period of default in the payment of any unsubordinated indebtedness for borrowed money of Financial. The aggregate principal amount of loans to Financial hereunder at any one time outstanding is limited to $300 million.

4. Commercial Paper Coverage. ITT will take all reasonable actions necessary to cause and assure that Financial at all times maintains unused committed bank lines of credit to back up its commercial paper borrowings in an amount not less than such commercial paper borrowings.

5. Term. This Agreement shall remain in full force and effect while any debt for borrowed money of Financial is outstanding unless terminated by either party. Each party reserves the right to terminate its obligations hereunder by notice to the other party delivered not less than 60 nor more than 90 days prior to such termination, but in no event shall such termination be earlier than July 31, 1995. In no event shall this Agreement be terminated if such termination would result in the downgrading of ITT Financial Corporation's outstanding debt by any one of the agencies engaged by the Company to rate its debt.

6. Notices. Any notice or other communication required or contemplated by this Agreement shall be in writing and delivered as follows:

If to ITT: ITT Corporation
1330 Avenue of the Americas

New York, NY 10019-5490
Attention: Treasurer

If to Financial: ITT Financial Corporation
645 Maryville Centre Drive
St. Louis, MO 63141-5832
Attention: Treasurer

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date set forth above.

ITT CORPORATION

By:A.N. Reese

Ann N. Reese

ITT FINANCIAL CORPORATION

By:R.H. Schumacker

Richard H. Schumacker

EXHIBIT 11

ITT CORPORATION AND SUBSIDIARIES
CALCULATION OF EARNINGS PER SHARE
(In millions except per share data)

	Three Months Ended March 31, 1994	Three Months Ended March 31, 1993
PRIMARY BASIS -		
Net income	$ 219	$ 175
ESOP preferred dividends - net of tax	(9)	(9)
Net income applicable to primary earnings per share	$ 210	$ 166
Average common shares outstanding	118	119
Common shares issuable in respect to common stock equivalents	1	2
Average common equivalent shares	119	121
Earnings Per Share		
Continuing operations	$ 1.63	$ 1.23
Discontinued operations	.10	.14
Cumulative effect of accounting changes	.04	-
Net income	$ 1.77	$ 1.37
FULLY DILUTED BASIS -		
Net income applicable to primary earnings per share	$ 210	$ 166
ESOP preferred dividends - net of tax	9	9
If converted ESOP expense adjustment - net of tax benefit	(5)	(6)
Net income applicable to fully diluted earnings per share	$ 214	$ 169
Average common equivalent shares	119	121
Additional common shares issuable assuming full dilution	9	9
Average common equivalent shares assuming full dilution	128	130
Earnings Per Share		
Continuing operations	$ 1.54	$ 1.17
Discontinued operations	.09	.13
Cumulative effect of accounting changes	.04	-
Net income	$ 1.67	$ 1.30

The Series N convertible preferred stock is considered a common stock equivalent in 1994 and 1993.

With respect to options, it is assumed that the proceeds to be received upon exercise are used to acquire common stock of the Corporation.

The dilutive nature of securities is determined quarterly based on the forecast of annual earnings.

EXHIBIT 12

ITT CORPORATION AND SUBSIDIARIES

CALCULATION OF RATIOS OF EARNINGS TO TOTAL FIXED CHARGES AND CALCULATION OF EARNINGS TO TOTAL FIXED CHARGES AND PREFERRED DIVIDEND REQUIREMENTS OF ITT
(Millions of Dollars)

	Three Months Ended March 31, 1994
Earnings:	
Income from continuing operations	$ 201
Adjustment for distributions in excess of (less than) undistributed equity earnings and losses	5
Income tax expense	101
Minority equity in net income	2
Amortization of interest capitalized	2
	311
Fixed Charges:	
Interest and other financial charges:	
Finance	142
Other	74
	216
Interest factor attributable to rentals	27
	243
Earnings, as adjusted, from continuing operations	$ 554
Fixed Charges:	
Fixed charges above	$ 243
Dividends on preferred stock of insurance subsidiary included in minority equity	2
Interest capitalized	2
Total fixed charges	247
Dividends on preferred stock of ITT (pre-income tax basis)	12
Total fixed charges and preferred dividend requirements	$ 259
Ratios:	
Earnings, as adjusted, from continuing operations to total fixed charges	2.24
Earnings, as adjusted, from continuing operations to total fixed charges and preferred dividend requirements of ITT	2.14

NOTES:

(a) The adjustment for distributions in excess of (less than) undistributed equity earnings and losses represents the adjustment to income for distributions in excess of (less than) 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 of ITT have been determined by adding to the total preferred dividends an allowance for income taxes, calculated on the effective income tax rate.