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 September 30, 2000

[ ] 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 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 October 31, 2000, there were outstanding 87,914,595 shares of common stock ($1 par value per share) of the registrant.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

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PART I.

ITEM 1. FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The following unaudited consolidated condensed financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) and, in the opinion of management, reflect all adjustments (which include normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations, and cash flows for the periods presented. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such SEC rules. The Company believes that the disclosures made are adequate to make the information presented not misleading. Certain amounts in the prior periods' consolidated condensed financial statements have been reclassified to conform to the current period presentation. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's 1999 Annual Report on Form 10-K.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED INCOME STATEMENTS
(IN MILLIONS, EXCEPT PER SHARE)
(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
Sales and revenues	$1,172.7	$1,106.4	$3,602.2	$3,389.8
Costs of sales and revenues	776.8	780.5	2,394.4	2,393.7
Selling, general, and administrative expenses	180.6	164.0	562.0	510.9
Research, development, and engineering expenses	92.7	63.7	294.0	199.9
Total costs and expenses	1,050.1	1,008.2	3,250.4	3,104.5
Operating income	122.6	98.2	351.8	285.3
Interest expense, net	(19.7)	(11.9)	(56.8)	(31.9)
Miscellaneous income (expense), net	0.1	--	0.8	0.9
Income before income taxes	103.0	86.3	295.8	254.3
Income tax expense	(38.1)	(31.9)	(109.4)	(94.1)
Net income	$ 64.9	$ 54.4	$ 186.4	$ 160.2
EARNINGS PER SHARE:				
Net income				
Basic	$ 0.74	$ 0.62	$ 2.12	$ 1.79
Diluted	$ 0.72	$ 0.60	$ 2.07	$ 1.73
Cash dividends declared per common share	$ 0.15	$ 0.15	$ 0.45	$ 0.45
Average Common Shares -- Basic	87.9	87.9	87.9	89.5
Average Common Shares -- Diluted	90.0	90.6	90.0	92.5

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

ITT INDUSTRIES, INC. AND SUBSIDIARIES

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

	SEPTEMBER 30, 2000 (UNAUDITED)	DECEMBER 31, 1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 247.1	$ 181.7
Receivables, net	866.5	834.7
Inventories, net	551.7	545.8
Other current assets	75.4	66.1
Total current assets	1,740.7	1,628.3
Plant, property, and equipment, net	794.6	847.0
Deferred U.S. income taxes	374.2	373.6
Goodwill, net	1,279.9	1,206.0
Other assets	451.2	474.9
Total assets	$4,640.6	$4,529.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 371.8	$ 383.1
Accrued expenses	770.3	753.1
Accrued taxes	384.4	364.9
Notes payable and current maturities of long-term debt	735.9	609.3
Total current liabilities	2,262.4	2,110.4
Pension and postretirement benefits	361.5	382.1
Long-term debt	406.8	478.8
Other liabilities	455.9	459.4
Total liabilities	3,486.6	3,430.7
Shareholders' Equity:		
Cumulative Preferred Stock: Authorized 50,000,000 shares, No par value, none issued	--	--
Common stock:		
Authorized 200,000,000 shares, $1 par value per share Outstanding 87,914,595 shares	87.9	87.9
Retained earnings	1,255.0	1,113.8
Accumulated other comprehensive income (loss):		
Unrealized (loss) on investment securities	(0.9)	(0.7)
Cumulative translation adjustments	(188.0)	(101.9)
Total shareholders' equity	1,154.0	1,099.1
Total liabilities and shareholders' equity	$4,640.6	$4,529.8

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

ITT INDUSTRIES, INC. AND SUBSIDIARIES

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

	NINE MONTHS ENDED SEPTEMBER 30, 2000	NINE MONTHS ENDED SEPTEMBER 30, 1999
OPERATING ACTIVITIES		
Net income	$ 186.4	$ 160.2
Adjustments to Net income:		
Depreciation	113.8	111.1
Amortization	37.0	25.1
Payments made for restructuring	(18.5)	(41.7)
Change in receivables, inventories, accounts payable, and accrued expenses	(59.9)	(94.3)
Change in accrued and deferred taxes	3.7	34.4
Other, net	(23.4)	(2.6)
Net cash -- operating activities	239.1	192.2
INVESTING ACTIVITIES		
Additions to plant, property, and equipment	(95.5)	(138.6)
Proceeds from the sale of assets	43.7	71.3
Acquisitions	(122.8)	(232.6)
Other, net	(2.4)	5.8
Net cash -- investing activities	(177.0)	(294.1)
FINANCING ACTIVITIES		
Short-term debt, net	72.0	210.3
Long-term debt repaid	(21.2)	(70.6)
Long-term debt issued	0.1	1.4
Repurchase of common stock	(28.8)	(394.3)
Dividends paid	(39.6)	(42.4)
Other, net	18.8	26.7
Net cash -- financing activities	1.3	(268.9)
EXCHANGE RATE EFFECTS ON CASH AND CASH EQUIVALENTS	(14.3)	(14.4)
NET CASH -- DISCONTINUED OPERATIONS	16.3	(276.8)
Net change in cash and cash equivalents	65.4	(662.0)
Cash and cash equivalents -- beginning of period	181.7	880.9
Cash and cash equivalents -- end of period	$ 247.1	$ 218.9
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 62.2	$ 55.6
Income taxes	$ 85.8	$ 20.2

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

ITT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(IN MILLIONS, EXCEPT PER SHARE, UNLESS OTHERWISE STATED)

1) RESTRUCTURING

At December 31, 1999, the reserve balance for all remaining restructuring activities was $44.7. Cash payments of $18.5 were recorded in the first nine months of 2000 decreasing the reserve balance at September 30, 2000 to $26.2. As reported in the 1999 Annual Report, restructuring activities include reductions in workforce by an aggregate of 2,726 persons. Total headcount reductions at December 31,1999 were 1,680 persons. At September 30, 2000 cumulative headcount reductions were 2,241 persons. The restructuring activities are progressing according to the plans discussed in the 1999 Annual Report.

2) RECEIVABLES

Net receivables consist of the following:

	SEPTEMBER 30, 2000	DECEMBER 31, 1999
Trade	$ 794.5	$ 738.5
Accrued for completed work	0.4	32.3
Other	95.3	86.0
Less reserves	(23.7)	(22.1)
	$ 866.5	$ 834.7

3) INVENTORIES

Net inventories consist of the following:

	SEPTEMBER 30, 2000	DECEMBER 31, 1999
Finished goods	$ 179.9	$ 186.5
Work in process	209.6	263.1
Raw materials	215.4	209.1
Less -- progress payments	(53.2)	(112.9)
	$ 551.7	$ 545.8

4) PLANT, PROPERTY, AND EQUIPMENT

Net plant, property, and equipment consist of the following:

	SEPTEMBER 30, 2000	DECEMBER 31, 1999
Land and improvements	$ 62.8	$ 66.1
Buildings and improvements	348.7	343.4
Machinery and equipment	1,152.8	1,186.0
Construction work in progress	72.9	86.3
Other	391.6	368.9
	2,028.8	2,050.7
Less -- accumulated depreciation and amortization	(1,234.2)	(1,203.7)
	$ 794.6	$ 847.0

ITT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE, UNLESS OTHERWISE STATED)

5) COMPREHENSIVE INCOME

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
Net income	$ 64.9	$54.4	$186.4	$160.2
Other comprehensive income (loss):				
Foreign currency translation adjustments	(36.3)	(6.6)	(84.2)	(14.1)
Reclassifications included in net income	(5.6)	--	(5.6)	--
Unrealized gain (loss) on investment securities	2.9	(2.1)	(0.2)	(0.9)
Other comprehensive income (loss), before tax	(39.0)	(8.7)	(90.0)	(15.0)
Income tax related to other comprehensive income	(1.7)	4.7	3.7	(5.8)
Other comprehensive income (loss), after tax	(40.7)	(4.0)	(86.3)	(20.8)
Comprehensive income	$ 24.2	$50.4	$100.1	$139.4

6) CALCULATION OF EARNINGS PER SHARE

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
BASIC BASIS --				
Income from continuing operations	$64.9	$54.4	$186.4	$160.2
Average common shares outstanding	87.9	87.9	87.9	89.5
Earnings Per Share	$0.74	$0.62	$ 2.12	$ 1.79
DILUTED BASIS --				
Income from continuing operations	$64.9	$54.4	$186.4	$160.2
Average common shares outstanding	87.9	87.9	87.9	89.5
Add: Stock options	2.1	2.7	2.1	3.0
Average common shares outstanding -- diluted basis	90.0	90.6	90.0	92.5
Earnings Per Share	$0.72	$0.60	$ 2.07	$ 1.73

7) DEBT

On May 2, 2000, the Company entered into several fixed-to-floating interest rate swap agreements for a notional amount of $421.5 million. The agreements change the interest expense on substantially all of the Company's long-term debt from fixed to variable rates based on the three-month LIBOR. The terms of the agreements match the terms of the fixed debt.

In November 2000, the company entered into a revolving credit agreement which expires in November 2005 with 20 domestic and foreign banks providing aggregate commitments of $1.0 billion. The interest rate for borrowings under these agreements is generally based on the London Interbank Offered Rate (LIBOR), plus a spread which reflects the Company's debt rating. The provisions of these agreements require the Company to maintain a certain financial ratio. The commitment fee on the revolving credit agreement is .125% of the total commitment, based on the Company's current debt ratings. This agreement replaced the revolving credit agreement that expired in November 2000.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS -- (CONTINUED)
(IN MILLIONS, EXCEPT PER SHARE, UNLESS OTHERWISE STATED)

8) ACQUISITIONS

On June 26, 2000, the Company purchased C&K Components, Inc. ("C&K") a privately held company, for approximately $107 million, net of cash acquired. C&K is a worldwide leader in the design and manufacture of switches for the telecommunications, computer and electronic equipment markets. C&K has annual sales of approximately $113 million. The acquisition has been accounted for using the purchase method. The purchase price allocation has been prepared on a preliminary basis and changes are expected as evaluations of the assets and liabilities are completed and as additional information becomes available. The excess of the purchase price over the fair value of the assets acquired and the liabilities assumed has or will be recorded as goodwill and will be amortized over 30 years.

On November 3, 2000, the Company purchased Lucas Man Machine Interface ("MMI") a division of TRW, for approximately $60 million, net of cash acquired. MMI is a manufacturer of multi-layer switch components and assemblies for the wireless mobile handset market. MMI has annual sales of approximately $53 million. The acquisition has been accounted for using the purchase method. The purchase price allocation has been prepared on a preliminary basis and changes are expected as evaluations of the assets and liabilities are completed and as additional information becomes available. The excess of the purchase price over the fair value of the assets acquired and the liabilities assumed has or will be recorded as goodwill and will be amortized over 30 years.

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

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED WITH THREE MONTHS ENDED SEPTEMBER 30, 1999

Sales and revenues for the third quarter of 2000 were $1,172.7 million, an increase of $66.3 million or 6.0% ($107.5 million or 9.7% in constant currencies) over same period sales for 1999. The increase is attributable to several acquisitions made in 2000 and 1999, as well as organic growth, partially offset by the scheduled wind down of certain Defense contracts. Net income for the third quarter of 2000 was $64.9 million, or $0.72 per diluted share, an increase of $10.5 million, or $0.12 per diluted share, from the comparable period last year. The increase in net income was attributable to higher sales and higher operating margins partially offset by increased interest expense.

Operating income for the third quarter of 2000 was $122.6 million compared to $98.2 million, an increase of $24.4 million or 24.8% over the third quarter of 1999. This increase is due to higher volume as well as a significant improvement in productivity. Segment operating margin for the third quarter of 2000 of 11.5% was 1.5 percentage points higher than the margins for the same period in 1999. The improvements resulted from the introduction of new, more profitable products, higher volume, and higher productivity.

Interest expense (net of interest income of $4.4 million) for the third quarter of 2000 increased $7.8 million on higher average debt levels, due to several acquisitions made in the second half of 1999 and the first nine months of 2000, and higher average interest rates.

The effective income tax rate for the third quarters of both 2000 and 1999 was 37%. Income tax expense increased $6.2 million to $38.1 million due to higher pre-tax earnings.

Business Segments -- Sales and revenues and operating income of the Company's business segments for the three months ended September 30, 2000 and 1999 were as follows (in millions):

THREE MONTHS ENDED SEPTEMBER 30, 2000	PUMPS & COMPLEMENTARY PRODUCTS	DEFENSE PRODUCTS & SERVICES	SPECIALTY PRODUCTS	CONNECTORS & SWITCHES	DISPOSITIONS, OTHER & ELIMINATIONS	CORPORATE	TOTAL
Sales & Revenues..................	$425.3	$310.6	$223.1	$214.4	$(0.7)	$ --	$1,172.7
Operating income..................	50.8	28.4	28.0	28.1	0.4	(13.1)	122.6

THREE MONTHS ENDED SEPTEMBER 30, 1999	PUMPS & COMPLEMENTARY PRODUCTS	DEFENSE PRODUCTS & SERVICES	SPECIALTY PRODUCTS	CONNECTORS & SWITCHES	DISPOSITIONS, OTHER & ELIMINATIONS	CORPORATE	TOTAL
Sales & Revenues..................	$441.2	$319.9	$216.2	$127.4	$1.7	$ --	$1,106.4
Operating income..................	44.0	24.2	26.5	15.9	(0.1)	(12.3)	98.2

Pumps & Complementary Products' sales and revenues decreased $15.9 million in the third quarter of 2000 due to the impact of foreign exchange rates more than offsetting higher volume in the water and wastewater businesses. Operating income for the third quarter of 2000 was up $6.8 million on higher prices, higher productivity, liquidation of foreign businesses, and the benefits of restructuring and cost reduction initiatives.

Defense Products & Services' sales and revenues for the third quarter of 2000 decreased $9.3 million from last year. The 1999 acquisition of Stanford Telecommunications, Inc. space and defense communication businesses ("Stel"), (which added approximately $29 million) was offset by the scheduled wind down of certain large contracts and lower international shipments in 2000. Operating income for the third quarter of 2000 was up $4.2 million mainly due to margin improvements from product/program mix.

Specialty Products' sales for the third quarter of 2000 increased $6.9 million compared to the same period of 1999. The 1999 acquisition of Flojet Corporation ("Flojet"), which added approximately $11 million, was partially offset by the impact of foreign exchange rates. Operating income was up $1.5 million over the prior year mainly due to higher sales volume and increased productivity.

Connectors & Switches' sales and revenues increased $87.0 million in the third quarter of 2000 compared with last year due to robust growth in telecommunications, industrial, and transportation markets partially offset by the negative impact of foreign exchange rates. The 1999 acquisition of STX Pte. Ltd. ("STX"), and the 2000 acquisition of C&K Components, Inc. ("C&K") (which combined to add approximately $55 million) also had a favorable impact. Operating income for the third quarter of 2000 was up $12.2 million over the prior year due to higher volume, greater contribution from new products with higher margins, and a better cost structure.

NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 1999

Sales and revenues for the first nine months of 2000 were $3,602.2 million, an increase of $212.4 million or 6.3% ($319.3 million or 9.4% in constant currencies) over the same period sales for 1999. The increase is attributable to several acquisitions made in 2000 and 1999, as well as organic growth, partially offset by the absence of a defense settlement received in 1999 and the scheduled wind down of certain Defense contracts. Net income for the first nine months of 2000 was $186.4 million, or $2.07 per diluted share, an increase of $26.2 million, or $0.34 per diluted share, over the comparable period last year. The increase in net income was attributable to higher sales and higher operating margins partially offset by increased interest expense.

Operating income for the first nine months of 2000 was $351.8 million, an increase of $66.5 million or 23.3% over the same period sales for 1999. This increase is due to higher volume as well as a significant improvement in productivity. Segment operating margin of 11.0% for the first nine months of 2000 was 1.3 percentage points higher than the margins for the same period in 1999. The improvements resulted from the introduction of new, more profitable products, higher volume, and higher productivity.

Interest expense (net of interest income of $14.2 million) for the first nine months of 2000 increased $24.9 million on higher average debt levels, due to the 1999 share repurchase program that was completed in the first quarter of 1999 and several acquisitions made in the second half of 1999 and the first nine months of 2000, and higher average interest rates.

The effective income tax rate for the first nine months of both 2000 and 1999 was 37%. Income tax expense increased $15.3 million to $109.4 million due to higher pre-tax earnings.

Business Segments -- Sales and revenues, operating income and total assets of the Company's business segments for the nine months ended and as of September 30, 2000 and 1999 were as follows (in millions):

NINE MONTHS ENDED SEPTEMBER 30, 2000	PUMPS & COMPLEMENTARY PRODUCTS	DEFENSE PRODUCTS & SERVICES	SPECIALTY PRODUCTS	CONNECTORS & SWITCHES	DISPOSITIONS, OTHER & ELIMINATIONS	CORPORATE	TOTAL
Sales & Revenues..................	$1,304.0	$1,000.2	$744.4	$556.4	$(2.8)	$ --	$3,602.2
Operating income..................	143.3	78.5	103.3	69.6	(1.5)	(41.4)	351.8
Total Assets..............	1,612.2	779.4	713.8	748.6	22.0	764.5	4,640.6

NINE MONTHS ENDED SEPTEMBER 30, 1999	PUMPS & COMPLEMENTARY PRODUCTS	DEFENSE PRODUCTS & SERVICES	SPECIALTY PRODUCTS	CONNECTORS & SWITCHES	DISPOSITIONS, OTHER & ELIMINATIONS	CORPORATE	TOTAL
Sales & Revenues..................	$1,284.0	$1,023.2	$703.0	$372.4	$7.2	$ --	$3,389.8
Operating income..................	116.4	70.3	98.8	43.1	0.3	(43.6)	285.3
Total Assets..............	1,746.0	641.1	737.0	311.0	78.3	831.5	4,344.9

Pumps & Complementary Products' sales and revenues increased $20.0 million in the first nine months of 2000 on higher volume within the construction and water and wastewater businesses partially offset by the impact of foreign exchange rates and softness in industrial pumps. Operating income for the first nine months of 2000 was up $26.9 million on higher prices, higher productivity, liquidation of foreign businesses and the benefits of restructuring and cost reduction initiatives.

Defense Products & Services' sales and revenues for the first nine months of 2000 decreased $23.0 million compared to the same period of last year. 1999 sales and revenues included a $25.6 million claim settlement related to an old project. The acquisition of Stel (which added approximately $98 million) was partially offset by the scheduled wind down of certain large contracts and lower international shipments. Operating income for the 2000 period was up $8.2 million. Margin improvements from product/program mix and gains on sale of assets drove the increase. 1999 operating income was positively impacted by the $25.6 million claim settlement referred to above and the receipt of a $5.3 million settlement. In the 1999 period, the Company recorded $28.3 million in charges for loss contracts, warranty provisions and other matters.

Specialty Products' sales for the first nine months of 2000 increased $41.4 million compared to the same period of 1999. The increase was due to 1999 acquisitions of Flojet and Hydro-Air (which combined to add approximately $42 million) partially offset by the impact of foreign exchange rates. Operating income was $4.5 million higher than the prior year mainly due to higher volume and margin improvements.

Connectors & Switches' sales and revenues increased $184.0 million in the first nine months of 2000 compared with last year due to robust growth in telecommunications, industrial and transportation markets partially offset by the negative impact of foreign exchange rates. The acquisitions of STX and C&K (which combined to add approximately $96 million) also had a favorable impact. Operating income for the first nine months of 2000 was up $26.5 million over the prior year due to higher volume, greater contribution from new products with higher margins, and a better cost structure.

Corporate expenses were below the prior year due to expenses recorded in 1999 for tax organization costs and terminated projects. Sales and revenues of disposition companies decreased due to the 1999 dispositions of Carbon Industries, Palm Coast Utility, and assets of Community Development Corporation. Operating income for disposition companies was down in 2000 due to first quarter provisions recorded to increase existing expense accruals.

LIQUIDITY AND CAPITAL RESOURCES

Cash from operating activities of $239.1 million, proceeds from divestitures and asset sales of $43.7 million and net cash from discontinued operations of $16.3 million were used primarily for acquisitions of $122.8 million, capital expenditures of $95.5 million, dividend payments of $39.6 million, and the negative impact of exchange rates on cash of $14.3 million. The exchange rate effects on cash and cash equivalents include $7.2 million of after-tax losses on foreign currency hedges.

CASH FLOWS: Cash from operating activities in the first nine months of 2000 was $239.1 million, an increase of $46.9 million from the same period of 1999. The increase is largely attributable to higher cash earnings, better working capital management, and lower restructuring payments partially offset by higher tax payments.

STATUS OF RESTRUCTURING ACTIVITIES: During 1998, the Company recorded restructuring charges to close facilities, discontinue product lines, and reduce headcount. As of September 30, 2000, the company had closed 19 of the planned 25 facilities, discontinued 18 of the planned 19 product lines, and reduced the workforce by 2,027, or approximately 84% of the planned aggregate reduction of approximately 2,400 persons.

During 1999, the company recorded restructuring charges to close four facilities and reduce headcount by 326 persons. As of September 30, 2000, three of the four facilities were closed and the workforce was reduced by 214 persons.

ADDITIONS TO PLANT, PROPERTY AND EQUIPMENT: Capital expenditures during the first nine months of 2000 were $95.5 million, a decrease of $43.1 million from the first nine months of 1999. The decrease is due to several large purchases made in 1999, the delay in the timing of 2000 purchases, as well as a planned reduction of expenditures for the current year.

DIVESTITURES: During the first nine months of 2000, the Company sold the net assets of GaAsTEK, a business in the Defense Products and Services segment, for $28.3 million. The remaining $15.4 million of cash proceeds from the sale of assets represents plant, property and equipment sales across all of our businesses.

DEBT AND CREDIT FACILITIES: External debt at September 30, 2000 was $1,142.7 million, compared with $1,088.1 million at December 31,1999. Cash and cash equivalents were $247.1 million at September 30, 2000, compared to $181.7 million at year-end 1999. As of September 30, 2000, the maximum borrowing available under the company's revolving credit agreement was $1.5 billion. This agreement expired in November 2000.

In November 2000 the company entered into a revolving credit agreement, which expires in November 2005 with 20 domestic and foreign banks providing aggregate commitments of $1.0 billion. The interest rate for borrowings under these agreements is generally based on London Interbank Offered Rate (LIBOR), plus a spread which reflects the Company's debt rating. The provisions of these agreements require the company to maintain a certain financial ratio. The commitment fee on the revolving credit agreement is .125% of the total commitment, based on the Company's current debt ratings.

On May 2, 2000, the Company entered into several fixed-to-floating interest rate swap agreements for a notional amount of $421.5 million. The agreements change the interest expense on substantially all of the Company's long-term debt from fixed to variable rates based on the three-month LIBOR. The terms of the agreements match the terms of the fixed debt.

A 66 basis point change in interest rates (which is equivalent to 10% of the Company's weighted average variable interest rate at September 30, 2000) on the Company's cash, marketable securities and floating rate debt obligations, and related interest rate derivatives, would have a $5.9 million effect on the Company's annual pretax earnings. A 10% change of long-term interest rates would not have a significant effect on the fair value of the Company's fixed rate debt and related interest rate derivatives.

ACCOUNTING PRONOUNCEMENTS

The Company will adopt statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") and the corresponding amendments of SFAS 138 in the first quarter of 2001. SFAS 133, as amended by the SFAS 138, is not expected to have a material impact on the Company's combined results of operations, financial position, or cash flows.

Effective October 1, 2000, the Company will adopt SAB 101 "Revenue Recognition in Financial Statements" ("SAB 101") and EITF issue No. 00-10 "Accounting for Shipping and Handling Fees and Costs" ("EITF 00-10"). SAB 101 provides guidance on the recognition, presentation and disclosure of revenue in financial statements. EITF 00-10 requires that all shipping and handling costs billed to customers be recorded as sales. The adoption of SAB 101 will not have a material impact on the Company's combined results of operations, financial condition or cash flow. The adoption of EITF 00-10 will cause annual sales and cost of sales to increase by approximately $17 million. The adoption of EITF 00-10 will have no effect on operating income, net income, EPS, financial condition or cash flow of the Company.

FORWARD-LOOKING STATEMENTS

Certain material presented herein consists of forward-looking statements which involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed in or implied from such forward-looking statements. Such factors include those set forth in Item 1. Business and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations -- Forward-Looking Statements in the ITT Industries, Inc. Form 10-K Annual Report for the fiscal year ended December 31, 1999 and other of its filings with the Securities and Exchange Commission, to which reference is hereby made.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

(b) ITT Industries did not file any Form 8-K Current Reports 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)

By: /s/ EDWARD W. WILLIAMS

Edward W. Williams
Vice President and Corporate Controller
(Principal accounting officer)

November , 2000
(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
	(a) ITT Industries 1996 Restricted Stock Plan for Non-Employee Directors, as amended	Filed Herewith
(11)	Statement re: computation of per share earnings	See Note 6 of Notes to Consolidated Condensed Financial Statements
(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 10(a)

ITT INDUSTRIES, INC.

ITT INDUSTRIES 1996 RESTRICTED STOCK PLAN FOR NON-EMPLOYEE DIRECTORS

PLAN INFORMATION

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

OCTOBER 1, 2000

Additional information about the Plan and its administration may be obtained without charge by written or oral request to the Manager -- Stock Administration and Cash Management, ITT Industries, Inc. ("ITT Industries"), 4 West Red Oak Lane, White Plains, NY 10604, telephone number (914) 641-2000.

The following documents filed by ITT Industries or its predecessor, ITT Corporation, a Delaware corporation ("ITT Corporation"), with the Securities and Exchange Commission (the "Commission") (File No. 1-5627) are hereby incorporated by reference in this Prospectus:

(a) Annual Report on Form 10-K for the year ended December 31, 1999;

(b) Quarterly Reports on Form 10-Q for the quarters ended March 31, and June 30, 2000;

(c) Proxy Statement for the Special Meeting of Shareholders of ITT Corporation on September 21, 1995 (Filed with the Commission on August 28, 1995); and.

(d) Form 8-A dated December 20, 1995.

All documents filed with the Commission by ITT Industries pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, since the end of the fiscal year covered by such Form 10-K and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in the Prospectus and to be a part thereof from the date of filing such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference in the Prospectus shall be deemed to be modified or superseded for purposes of the Prospectus to the extent that a statement contained in the Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in the Prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Prospectus. Any of the above documents, as well as ITT Industries' most recent annual report to shareholders and any other report or communication distributed to ITT Industries' shareholders generally, may be obtained without charge by written or oral request to the Manager -- Stock Administration and Cash Management, ITT Industries, Inc., 4 West Red Oak Lane, White Plains, NY 10604, telephone number (914) 641-2000.

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GENERAL INFORMATION

ITT Industries is offering up to 100,000 shares of its Common Stock, $1 par value (the "Common Stock"), pursuant to the ITT Industries 1996 Restricted Stock Plan for Non-Employee Directors (the "Plan"). The Common Stock will be made available from authorized but unissued shares, shares held by ITT Industries in its treasury, or shares purchased in the open market. The Plan is not subject to the requirements of the Employee Retirement Income Security Act of 1974. Directors of ITT Industries who are not employees of ITT Industries or any of its subsidiaries are eligible to participate in the Plan. As more fully set forth in the Plan, a non-employee director's "annual retainer" (as defined in the Plan) will be paid in the form of annual automatic grants of shares of restricted Common Stock. The Plan is set forth below.

ITT INDUSTRIES 1996 RESTRICTED STOCK PLAN FOR NON-EMPLOYEE DIRECTORS

ARTICLE I -- PLAN ADMINISTRATION AND ELIGIBILITY

1.1 PURPOSE

The purpose of the ITT Industries 1996 Restricted Stock Plan for Non-Employee Directors (the "Plan") is to attract and retain persons of ability as Directors of ITT Industries, Inc. (the "Company") and to provide them with a closer identity with the interests of the Company's stockholders by paying the Annual Retainer in common stock of the Company.

1.2 ADMINISTRATION

The Plan shall be administered by the Compensation and Personnel Committee of the Board of Directors (hereinafter referred to as the "Committee"). The Committee shall have the responsibility of interpreting the Plan and establishing and amending such rules and regulations necessary or appropriate for the administration of the Plan. All interpretations of the Plan or any Restricted Stock awards issued under it shall be final and binding upon all persons having an interest in the Plan. No member of the Committee shall be liable for any action or determination taken or made in good faith with respect to this Plan or any award granted hereunder.

1.3 ELIGIBILITY

Directors of the Company who are not employees of the Company or any of its subsidiaries shall be eligible to participate in the Plan.

1.4 STOCK SUBJECT TO THE PLAN

(a) The maximum number of shares which may be granted under the Plan shall be 100,000 shares of common stock of the Company (the "Stock").

(b) If any Restricted Stock is forfeited by a Director in accordance with the provisions of Section 2.2(e), such shares of Restricted Stock shall be restored to the total number of shares available for grant pursuant to the Plan.

(c) Upon the grant of a Restricted Stock award the Company may distribute newly issued shares or treasury shares.

ARTICLE II -- RESTRICTED STOCK

2.1 RESTRICTED STOCK AWARDS

Restricted Stock awards shall be made automatically on the date of the Annual Meeting of Stockholders, to each Director elected at the meeting or continuing in office following the meeting. The award shall equal the number of whole shares arrived at by dividing the Annual Retainer that is in effect for the calendar year within which the award date falls, by the Fair Market Value of the Company's common stock. Fractional shares shall be paid in cash.

(a) "Annual Retainer" shall mean the amount that is payable to a Director for service on the Board of Directors during the calendar year. Annual Retainer shall not include fees paid for attendance at any Board or Committee meeting.

(b) "Fair Market Value" shall mean the average of the high and low prices per share of the Company's common stock on the date of the Annual Meeting, as reported by the New York Stock Exchange Composite Tape.

2.2 TERMS AND CONDITIONS OF RESTRICTED STOCK AWARDS

(a) Written Agreement -- Each Restricted Stock award shall be evidenced by a written agreement delivered to the Director in such form as the Committee shall prescribe. Such agreement shall include the restrictions described under Section 2.2(c) and any other restrictions and conditions on the shares as the Committee deems appropriate.

(b) Shares held in Escrow -- The Restricted Stock subject to such award shall be registered in the name of the Director and held in escrow by the Committee until the restrictions on such shares lapse as described below.

(c) Restrictions -- Restricted Stock granted to a Director may not be sold, assigned, transferred, pledged or otherwise disposed of, except by will or the laws of descent and distribution, prior to the earliest of the following dates:

(1) The fifth anniversary of the date of grant, unless the Director shall have elected no later than October 31 of the calendar year immediately prior to the fifth anniversary of the date of such grant to extend the period of restriction with respect to such grant. The extension of such period of restriction shall be to such time as shall be either (w) the tenth anniversary of such date of grant or (x) six months and one day after such time as the restrictions set forth in Section 2.2(c) other than this clause (1) shall otherwise lapse; provided, however, that if the Director has elected under clause (w) and the event referred to in clause (x) occurs first, the Director shall be deemed to have elected under clause (x). In the event that the Director has elected under clause (w) and anticipates that the event referred to in clause (x) will not occur prior to the tenth anniversary of such date of grant, the Director may elect, no later than October 31 of the calendar year immediately prior to the tenth anniversary of such date of grant a second extension of the period of restriction to such time as shall be either (y) the fifteenth anniversary of such date of grant or (z) six months and one day after such time as the restrictions set forth in Section 2.2(c) other than this clause (1) shall otherwise lapse; provided, however, that if the Director has elected under clause (y) and the event referred to in clause (z) occurs first, the Director shall be deemed to have elected under clause (z).

(2) Retirement from the Board at age 72.

(3) "Change in Control" of the Company. A "Change in Control" shall be deemed to have occurred if:

(i) a report on Schedule 13D shall be filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (the "Act") disclosing that any person (within the meaning of Section 13(d) of the Act), other than the Company or a subsidiary of the Company or any employee benefit plan sponsored by the Company or a subsidiary of the Company, is the beneficial owner directly or indirectly of twenty percent or more of the outstanding Stock of the Company;

(ii) any person (within the meaning of Section 13(d) of the Act), other than the Company or a subsidiary of the Company or any employee benefit plan sponsored by the Company or a subsidiary of the Company, shall purchase shares pursuant to a tender offer or exchange offer to acquire any Stock of the Company (or securities convertible into Stock) for cash, securities or any other consideration, provided that after consummation of the offer, the person in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of fifteen percent or more of the outstanding Stock of the Company (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire Stock);

(iii) the stockholders of the Company shall approve (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of Stock of the Company would be converted into cash, securities or other property, other than a merger of the Company in which holders of Stock of the Company immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before, or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company; or

(iv) there shall have been a change in a majority of the members of the Board within a 12-month period unless the election or nomination for election by the Company's stockholders of each new Director during such 12-month period was approved by the vote of two-thirds of the Directors then still in office who were Directors at the beginning of such 12-month period.

(4) Death of the Director.

(5) Disability of the Director.

(6) Termination of service from the Board on account of (i) a physical or mental condition that, in the opinion of a qualified physician, is expected to impede the Director's ability to fulfill his or her principal duties for a period of at least three months; (ii) the relocation of the Director's principal place of business to a location that increases the time required for such Director to travel to the Company's headquarters by more than 50%; (iii) the acceptance by the Director of a position (other than an honorary position) in the government of the United States, any State or any municipality or any subdivision thereof or any organization performing any quasi-governmental function; (iv) any circumstances which, in the opinion of outside counsel to the Company, would (or could reasonably be expected to) conflict with applicable law or any written policy of the Company; or (v) any other circumstance in which the Committee believes, in its sole discretion, that the purposes for which the grants of Restricted Stock were made have been fulfilled, and as such is consistent with the intention of the Plan.

(7) Notwithstanding Section 2.2(c)(2) hereof, retirement from the Board at or after attaining age 65, provided that such Director was a member of the Board of Directors of the Company's corporate predecessor, ITT Corporation, a Delaware corporation, on December 18, 1995 and served as a Director of the Company thereafter.

(d) Dividends and Voting Rights -- The Director shall, subject to Section 2.2(c), possess all incidents of ownership of the shares of Restricted Stock including the right to receive dividends with respect to such shares and to vote such shares.

(e) The Company shall deliver to the Director, or the beneficiary of such Director, if applicable, all of the shares of stock that were awarded to the Director as Restricted Stock, within 30 days following the lapse of restrictions as described under Section 2.2(c). If the Director discontinues serving on the Board prior to the date upon which restrictions lapse as described under Section 2.2(c), such Director's Restricted Stock will be forfeited by the Director and transferred to and reacquired by the Company at no cost to the Company.

ARTICLE III -- GENERAL PROVISIONS

3.1 AUTHORITY

Appropriate officers of the Company designated by the Committee are authorized to execute Restricted Stock agreements, and amendments thereto, in the name of the Company, as directed from time to time by the Committee.

3.2 ADJUSTMENTS IN THE EVENT OF CHANGE IN COMMON STOCK OF THE COMPANY

In the event of any reorganization, merger, recapitalization, consolidation, liquidation, stock dividend, stock split, reclassification, combination of shares, rights offering, split-up, or extraordinary dividend (including a spin-off) or divestiture, or any other change in the corporate structure or shares, the number and kind of shares which thereafter may be granted under the Plan and the number of shares of Restricted Stock awarded pursuant to Section 2.1 with respect to which all restrictions have not lapsed, shall be appropriately adjusted consistent with such change in such manner as the Board in its discretion may deem equitable to prevent substantial dilution or enlargement of the rights granted to, or available for, Directors participating in the Plan. Any fractional shares resulting from such adjustments shall be eliminated.

3.3 RIGHTS OF DIRECTORS

The Plan shall not be deemed to create any obligation on the part of the Board to nominate any Director for reelection by the Company's stockholders or to retain any Director at any particular rate of compensation. The Company shall not be obligated to issue Stock pursuant to an award of Restricted Stock for which the restrictions hereunder have lapsed if such issuance would constitute a violation of any applicable law. Except as provided herein, no Director shall have any rights as a stockholder with respect to any shares of Restricted Stock awarded to him.

3.4 BENEFICIARY

A Director may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. In the event of the death of a Director, his beneficiary shall have the right to receive the shares of Restricted Stock awarded pursuant to the Plan. If no designated beneficiary survives the Director, the executor or administrator of the Director's estate shall be deemed to be the Director's beneficiary.

3.5 LAWS AND REGULATIONS

The Committee shall have the right to condition any issuance of shares to any Director hereunder on such Director's undertaking in writing to comply with such restrictions on the subsequent disposition of such shares as the Committee shall deem necessary or advisable as a result of any applicable law or regulation. The Committee may postpone the delivery of stock following the lapse of restrictions with respect to awards of Restricted Stock for such time as the Committee in its discretion may deem necessary, in order to permit the Company with reasonable diligence (i) to effect or maintain registration of the Plan, or the shares issuable upon the lapse of certain restrictions respecting awards of Restricted Stock, under the Securities Act of 1933 or the securities laws of any applicable jurisdiction, or (ii) to determine that such shares and the Plan are exempt from such registration; the Company shall not be obligated by virtue of any Restricted Stock agreement or any provision of the Plan to recognize the lapse of certain restrictions respecting awards of Restricted Stock or issue shares in violation of said Act or of the law of the government having jurisdiction thereof.

3.6 AMENDMENT, SUSPENSION AND DISCONTINUANCE OF THE PLAN

The Board may from time to time amend, suspend or discontinue the Plan, provided that the Board may not, without the approval of the holders of a majority of the outstanding shares entitled to vote, take any action which would cause the Plan to no longer comply with Rule 16b-3 under the Act, or any successor rule or other regulatory requirement.

No amendment, suspension or discontinuance of the Plan shall impair a Director's right under a Restricted Stock award previously granted to him without his consent.

3.7 GOVERNING LAW

This Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of New York.

3.8 EFFECTIVE DATE AND DURATION OF THE PLAN

This Plan shall be effective upon the Distribution Date (as defined in the Proxy Statement of ITT Corporation dated August 30, 1995) subject to the approval of the Plan by the stockholders of ITT Corporation, and shall terminate on December 31, 2005, provided that grants of Restricted Stock made prior to the termination of the Plan may vest following such termination in accordance with their terms.

ADMINISTRATION OF THE PLAN

The Compensation and Personnel Committee of the Board of Directors of ITT Industries, the members of which serve during the pleasure of the Board, administers the Plan but does not act as a trustee or in any other fiduciary capacity with respect thereto.

RESALE RESTRICTIONS

The Plan contains no restrictions on the resale of Common Stock once the Plan restriction period has ended. However, persons who may be deemed to be affiliates of ITT Industries may not reoffer or resell shares of Common Stock in a transaction which is not registered under the Securities Act of 1933, as amended (the "Act"), except pursuant to Rule 144 under the Act or another exemption thereunder. Rule 144 requires, among other things, that (1) any sales of Common Stock by such affiliates must be made through a broker, and (2) an appropriate Form 144 must be mailed to the Securities and Exchange Commission prior to or concurrently with the placing of a sell order with the broker, with certain exceptions.

FEDERAL TAX TREATMENT

Set forth below is a summary of the federal income tax consequences under the Internal Revenue Code of 1986, as amended (the "Code"), of the grant and vesting of restricted stock awarded to a director of ITT Industries ("Director") under the Plan. The following summary does not include any discussion of state, local or foreign income tax consequences or the effect of gift, estate or inheritance taxes, any of which may be significant to a particular Director eligible to receive an award. In addition, this summary does not apply to every specific transaction that may occur. Each recipient of an award under the Plan should consult his or her tax advisor for advice pertaining to his or her particular circumstances. The Plan is not qualified under Section 401(a) of the Code.

Under the Code, a Director normally will not realize taxable income and ITT Industries will not be entitled to a deduction upon the grant of restricted stock, since such stock is subject to a "substantial risk of forfeiture" (as defined in the Code). At the time such restrictions lapse and the shares of restricted stock are no longer subject to a substantial risk of forfeiture, a Director will realize taxable compensation (ordinary income) in an amount equal to the fair market value on the date the restrictions lapse, of the number of shares of Common Stock which have become nonforfeitable or transferable. Likewise, ITT Industries will be entitled to a deduction in the same amount in the same year, provided ITT Industries complies with applicable tax withholding requirements. However, a Director may make an income recognition election under Section 83(b) of the Code (an "83(b) Election") within 30 days of the award and recognize taxable ordinary income in the year the shares of restricted stock are awarded in an amount equal to their fair market value at the time of the award, determined without regard to the restrictions. In that event, ITT Industries will be entitled to a deduction in such year in the same amount, provided ITT Industries complies with applicable tax withholding requirements. Any gain or loss realized by the recipient upon the subsequent disposition of Common Stock will be capital gain (or loss) to the extent the proceeds of sale exceed the fair market value of the shares on the date of grant, which became the Director's tax basis as a result of the 83(b) Election. If the Director makes an 83(b) Election and subsequently terminates his employment during the restriction period, thus forfeiting the shares of restricted stock, the taxes paid on the award of the shares are also forfeited and ITT Industries must include as ordinary income the amount it previously deducted in the year of grant with respect to such shares. Any dividends with respect to the shares of restricted stock that are paid or made available to a recipient who has not made an 83(b) Election while the shares remain forfeitable are treated as additional compensation taxable as ordinary income to the Director and deductible by ITT Industries when paid. If an 83(b) Election has been made with respect to the restricted stock, the dividends represent ordinary dividend income to the Director and are not deductible by ITT Industries.

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This schedule contains summary financial information extracted from the September 30, 2000 Financial Statements included in Form 10-Q and is qualified in its entirety by reference to such Financial Statements.

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