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, 1995

[ ] 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, NY 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 8, 1995, there were outstanding 105.7 million shares of common stock ($1 par value) of the registrant.

ITT CORPORATION
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PART I. FINANCIAL INFORMATION
FINANCIAL STATEMENTS

ITEM 1

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 1994 annual report on Form 10-K.

ITT CORPORATION AND SUBSIDIARIES

CONSOLIDATED INCOME

(In millions except per share)

	Three Months Ended March 31, 1995	1994*
Sales and Revenues		
Insurance	$3,005	$2,642
Products	2,226	1,668
Services	1,307	899
	6,538	5,209
Costs and Expenses		
Insurance	2,807	2,452
Products (including selling and general expenses of $159 and $140)	2,096	1,589
Services (including selling and general expenses of $175 and $110)	1,241	868

Other	33	16
	361	284
Interest expense (net of interest income of $43 and $41)	(86)	(20)
Miscellaneous income (expense), net	5	(3)
	280	261
Income taxes	(94)	(86)
Minority equity	5	(2)
Income from Continuing Operations	191	173
Discontinued Operations, net of tax of $23 and $20	37	40
Cumulative Effect of Accounting Changes, net of tax benefit of $8	-	(11)
Net Income	$ 228	$ 202
Earnings (Loss) Per Share		
Income from Continuing Operations		
Primary	$1.71	$1.39
Fully Diluted	$1.59	$1.31
Discontinued Operations		
Primary	$ .34	$ .34
Fully Diluted	$ .32	$ .32
Cumulative Effect of Accounting Changes		
Primary	$ -	$(.10)
Fully Diluted	$ -	$(.09)
Net Income		
Primary	$2.05	$1.63
Fully Diluted	$1.91	$1.54
Cash Dividends Declared Per Common Share	$ .495	$ .495

*Restated to reflect the Finance segment as a "Discontinued Operation".

ITT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

In millions except for shares and per share

	March 31, 1995	December 31, 1994
Assets		
Cash and Cash Equivalents	$ 743	$ 568
Receivables, net	5,125	4,779
Inventories	1,145	1,049
Insurance Investments	34,728	32,453
Reinsurance Recoverables	12,357	12,220
Deferred Policy Acquisition Costs	2,698	2,525
Plant, Property and Equipment, net	6,357	5,346
Other Assets	7,056	5,261
Assets of Discontinued Finance Operations	11,291	13,398
Insurance Separate Account Assets	26,183	23,255
	$107,683	$100,854
Liabilities and Stockholders Equity		
Liabilities --		
Policy liabilities and accruals	$ 47,204	$ 45,620
Insurance debt	1,502	1,498
Other debt (including ESOP of $541 and $562)	7,768	4,909
Accounts payable and accrued liabilities	3,805	3,523
Other liabilities	4,339	3,856

Liabilities of Discontinued Finance Operations	10,545	12,734
Insurance separate account liabilities	26,183	23,255
	101,346	95,395
Stockholders Equity --		
Cumulative preferred stock	652	655
Common stock: Authorized 200,000,000 shares, $1 par value		
Outstanding 105,706,553 and 105,672,252	106	106
Deferred compensation -- ESOP	(541)	(562)
Cumulative translation adjustments	(49)	(113)
Unrealized loss on securities, net of tax	(737)	(1,376)
Retained earnings	6,906	6,749
	6,337	5,459
	$107,683	$100,854

ITT CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOW
(In millions)

	Three Months Ended March 31, 1995	1994*
OPERATING ACTIVITIES		
Net Income	$ 228	$ 202
Discontinued Operations	(37)	(40)
Cumulative Effect of Accounting Changes	-	11
Income from continuing operations	191	173
Adjustments to Income from Continuing Operations:		
Depreciation and amortization	186	140
Provision for doubtful receivables	17	5
Gain on sale of portfolio securities - pretax	(20)	(62)
Change in receivables, inventories, payables and accrued liabilities	(236)	(330)
Accrued and deferred taxes	21	(34)
Increase in liability for policy benefits and unpaid claims	165	203
Increase in deferred policy acquisition costs	(157)	(123)
Decrease in reinsurance and other related assets	138	178
Other, net	66	(48)
Cash from continuing operations	371	102
Cash from discontinued operations	-	208
Cash from operating activities	371	310
INVESTING ACTIVITIES		
Additions to plant, property and equipment	(169)	(110)
Acquisitions, net of acquired cash of $145 in 1995	(2,209)	(374)
Purchase of insurance investments	(3,188)	(7,387)
Sale and maturity of insurance investments	1,926	7,088
Other, net	(20)	25
Cash used for investing activities	(3,660)	(758)
FINANCING ACTIVITIES		
Short-term debt, net	2,483	191
Long-term debt issued	41	-
Long-term debt repaid	(50)	(150)
Investment life contracts, net	1,007	146

Repurchase of common stock	(34)	(28)
Dividends paid	(66)	(140)
Other, net	30	(2)
Cash from financing activities	3,411	17
EXCHANGE RATE EFFECT ON CASH AND CASH EQUIVALENTS	53	(1)
Increase (decrease) in cash and cash equivalents	175	(432)
Cash and cash equivalents - beginning of year	568	1,136
Cash and cash equivalents - end of period	$ 743	$ 704
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 188	$ 98
Income taxes (net of refunds)	$ 12	$ 3

*Restated to reflect the Finance segment as a "Discontinued Operation".

Notes to Consolidated Financial Statements

1) Discontinued Operations

In September 1994, the Corporation announced plans to seek offers for the purchase of its Finance business segment, comprised primarily of its Financial Corporation subsidiary. Proceeds of the sale are expected to exceed the carrying value of the Corporation's investment in this segment. The net assets, results of operations and cash flows of the Finance segment have been reflected as "Discontinued Operations". The Statements of Income and Cash Flow for the three months ended March 31, 1994 have been restated to conform with the 1995 presentation.

Summarized financial information for the Finance segment is as follows (in millions):

	Three Months Ended March 31,	
	1995	1994
Income Statement Data		
Revenues	$ 383	$ 339
Operating Income	63	44
Income from Finance Operations	37	28

	March 31, 1995	December 31, 1994
Balance Sheet Data		
Total Assets	$11,291	$13,398
Finance Debt	9,272	11,640
Equity	746	664

In January 1995, the holders of $3.4 billion in ITT Financial term debt consented to a merger of ITT Financial with the Corporation. The merger was completed on May 1,

1995. ITT Corporation is the surviving corporation and is the obligor on the debt.

In late March, the Corporation completed the sales of certain assets of ITT Financial for $4.1 billion. Proceeds were used to repay Financial debt. The remaining assets of ITT Financial are expected to be disposed of in the 1995 second quarter.

2) Acquisitions

A cash tender offer for all outstanding shares of Caesars World, Inc. for approximately $1.7 billion was completed in late January 1995. The acquisition was accounted for using the purchase method. Accordingly, the purchase price was allocated to assets acquired based on their estimated fair values. The purchase price exceeded the fair value of the net assets acquired by approximately $1.1 billion. The Consolidated Income Statement includes the results of Caesars World from February 1, 1995, the date of acquisition.

The following pro forma summary presents information as if the acquisition of Caesars World had occurred at the beginning of the respective periods (in millions except per share):

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
Sales and Revenues	$6,620	$5,451
Income from Continuing Operations	183	163
Net Income	220	192
Per Share:		
Income from Continuing Operations		
Primary	$ 1.63	$1.30
Fully Diluted	1.52	1.23
Net Income		
Primary	1.98	1.54
Fully Diluted	1.84	1.46

The pro forma information is not necessarily indicative of results that would have occurred had the acquisition taken place at the beginning of the respective periods.

The Corporation, in a partnership with Cablevision Systems Corporation, completed the acquisition of Madison Square Garden Corporation (MSG) on March 10, 1995 for approximately $1 billion. The acquisition of the Corporation's 50% interest in MSG required initial funding of $610 million. The Corporation's share of the results of MSG are included in the Consolidated Income Statement from the date of acquisition.

BUSINESS SEGMENTS

Sales and Revenues	Income

	Three Months Ended March 31,			
	1995	1994*	1995	1994*
	(In millions)			
Insurance	$3,005	$2,642	$198	$190
Industries				
Automotive	1,510	986	96	60
Defense & Electronics	427	418	16	11
Fluid Technology	289	249	18	17
	2,226	1,653	130	88
Hospitality, Entertainment & Information Services				
Sheraton	1,022	798	37	29
Caesars World	171	-	21	-
Communications & Information Services	92	78	10	3
	1,285	876	68	32
Ongoing Segments	6,516	5,171	396	310
Dispositions and Other	22	38	(2)	(10)
Total Segments	6,538	5,209	394	300
Interest, net			(86)	(20)
Other			(23)	(21)
Income Taxes			(94)	(86)
Income from Continuing Operations			191	173
Discontinued Operations, net of tax of $23 and $20			37	40
Cumulative Effect of Accounting Changes, net of tax benefit of $8			-	(11)
	$6,538	$5,209	$228	$202

*Restated to reflect the Finance segment as a "Discontinued Operation".

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Net income for the first quarter of 1995 was $228 million or $1.91 per fully diluted share ($2.05 per primary share) compared with $202 million or $1.54 per fully diluted share ($1.63 per primary share) in the 1994 first quarter. After-tax portfolio gains in the 1995 first quarter totaled $13 million or $0.11 per fully diluted share compared with $33 million or $0.26 per fully diluted share in the 1994 quarter. Sales and revenues for the first quarter were $6.5 billion, a 26% increase over the $5.2 billion in the 1994 quarter (both periods exclude ITT Financial which has been treated as a Discontinued Operation).

Income from ongoing segments for the first quarter rose by $86 million (28%) compared with the 1994 quarter.

Operating results in the Insurance segment rose (4%)

over the 1994 quarter reflecting reduced catastrophe losses. When excluding the effects of extraordinary catastrophe losses and capital gains, results were down 10% from 1994. The 1994 quarter benefited from unusually good results in the workers compensation line of business, due to legislative reform and managed care initiatives. Revenues in the segment rose by 14%. Excluding operations in runoff, the worldwide combined ratio improved to 102.0% compared with 104.7% in the 1994 quarter.

Insurance operating costs and expenses were as follows:

	First Quarter 1995	First Quarter 1994
Benefits, claims and claim adjustment expenses	$1,833	$1,693
Amortization of deferred policy acquisition costs	414	394
Other insurance expenses	560	365
	$2,807	$2,452

ITT Automotive operating income increased 60% in the quarter, reflecting in part the contribution of the Electrical Systems, Inc. acquisition which was completed in the 1994 second quarter. Excluding this acquisition, operating income rose in the quarter reflecting higher volume in several product lines and the continuing benefits from cost reduction programs. The improved results were registered despite pricing pressure and higher material and labor costs. Sales increased 53% compared with the 1994 quarter.

Operating income at Defense & Electronics increased 45% in the quarter reflecting growth in Electronics and higher margins at a number of Defense units. Sales and revenues approximated the 1994 quarter. Order backlog was $2.4 billion at March 31, 1995 compared with $2.1 billion at March 31, 1994.

Operating income at Fluid Technology was up 6% for the quarter when compared with the prior year, mainly the result of higher volume at ITT Flygt and lower operating costs. Sales improved 16% for the period, primarily the result of higher volume.

At ITT Sheraton, operating income improved significantly from the 1994 quarter as a 58% improvement at the hotels was partly offset by a $3 million decline in the gaming division. Average rate at ITT Sheraton's owned and leased properties (excluding the newly acquired CIGA hotels) rose 16% to $124 compared with the 1994 first quarter accompanied by an occupancy improvement of three percentage points to 71.5%. ITT Sheraton generated operating cash flow (earnings before interest, taxes, depreciation and amortization) of $73 million in 1995 compared with $48 million in the 1994 first quarter.

The results of Caesars World have been included in the 1995 quarter for the two months since the date of acquisition. Caesars World generated revenues of $171 million, operating cash flow of $35 million and operating income of $21 million in the months of February and March, 1995.

Operating income and sales and revenues at Communication and Information Services for the first quarter were ahead of the 1994 quarter. The improvement in results was due to the acceleration of the publishing schedule in Holland and higher royalties in Japan at ITT World Directories and higher student enrollment and tuition price increases more than offsetting the operating costs of newly-opened schools at ITT Educational Services.

Dispositions and Other reflects the sales and operating losses of companies previously divested as well as ITT Community Development. The 1994 quarter includes losses on the sale of several non-strategic Electronics businesses.

Interest expense, net of interest income, increased from $20 million in 1994 to $86 million in 1995, the result of higher debt levels related to 1994 and 1995 acquisitions and share repurchases. "Other" consists of corporate expenses, minority equity and non-operating income and was essentially flat when compared with the 1994 quarter.

Income taxes increased in the first quarter of 1995 versus 1994 due to an increase in pretax income from continuing operations. Income taxes related to Discontinued Operations and Cumulative Effect of Accounting Changes are reflected within those captions separately on the income statement. The Corporation's effective tax rate was 34% in the quarter compared with 33% in 1994.

Discontinued Operations related solely to the Finance segment in the 1995 quarter and to both Finance and Forest Products in 1994. The first quarter results at ITT Financial were above those of the prior year. The Forest Products segment (ITT Rayonier) was spun-off to shareholders on February 28, 1994. Net income for the quarter in 1994 included $12 million ($0.09 per fully diluted share) of earnings prior to the spin-off.

The comparison of net income with 1994 is impacted by certain unusual items. While both the 1995 and 1994 quarter included capital gains in the insurance portfolio, results for the 1995 quarter are adversely affected $18 million or $0.15 per fully diluted share for losses on the Corporation's 70% interest in CIGA, SpA as well as acquisition financing costs. This is the first full quarter in which CIGA operated under the Corporation's control and the losses are not expected to continue. Results for the 1994 quarter included three cumulative catch-up adjustments for accounting changes; (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,(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, and (3) a charge of $17 million after tax or $0.13 per fully diluted share to expense certain marketing and start-up costs at ITT Educational Services which were previously deferred. The 1994 quarter was also 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. Excluding these items and discontinued operations, net income and earnings per share rose 9% and 20%, respectively, in the 1995 first quarter compared with the 1994 first quarter.

Cash Flow

The Corporation completed the acquisitions of Caesars World and 50% of Madison Square Garden in the first quarter for $2.3 billion. Temporary financing was provided through the Corporation's commercial paper program. In addition, the completion of the sales of certain businesses of ITT Financial in late March, April and early May generated gross proceeds of $10.2 billion, all of which was used to repay

Financial debt.

During the 1995 first quarter, the Corporation generated $371 million of cash from operating activities, up from $310 million in the 1994 quarter. The increase is due primarily to the timing of cash flows and lower working capital requirements. Cash was used for capital additions ($169 million) and to pay dividends to shareholders ($66 million and $140 million for the first three months of 1995 and 1994, respectively). The 1994 dividend payment included the payment of the 1993 fourth quarter and the 1994 first quarter. Both quarters also included repurchases of common stock of $34 million and $28 million, respectively.

Cash expenditures for plant, property and equipment, including insurance activities, are projected to approximate last year's level of $727 million for the full year. Depreciation for the first quarter of 1995 was $138 million compared with $113 million in the corresponding 1994 quarter. Accumulated depreciation amounted to 36% of gross plant at March 31, 1995, compared with the 39% at December 31, 1994.

Debt and Liquidity

The Corporation's outstanding debt, with the Insurance segment reflected on an equity basis and excluding discontinued operations, was 52% of total capitalization at March 31, 1995 (before recognition of the unrealized loss on investment securities as required by SFAS No. 115) compared with 41% at December 31, 1994. The increase is reflected in borrowings which total $7.8 billion at March 31, 1995 compared with $4.9 billion at year-end 1994. Borrowings increased primarily due to the acquisition of Caesars World and a 50% interest in Madison Square Garden Corporation. Proceeds from the sale of ITT Financial assets in the second quarter as well as cash generated from operations are expected to reduce debt as a percentage of total capitalization in subsequent quarters. Insurance debt at March 31, 1995 of $1.5 billion remained unchanged from the December 31, 1994 level. When fully consolidating the Insurance segment, debt was 56% of total capitalization at March 31, 1995 compared with 47% at December 31, 1994.

Stockholders equity increased $.9 billion during the first quarter of 1995 due principally to a reduction in unrealized losses on securities of $.6 billion and net income of $.2 billion. Under its share repurchase program, the Corporation repurchased approximately 336,000 common shares in the first quarter of 1995 at an average price of $91.80 per share for a cash cost, including commissions, of $31 million.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Reference is made to Item 3 of ITT's Form 10-K Annual Report for the year ended December 31, 1994, in which ITT reported that Hartford Fire Insurance Company, a subsidiary of ITT, together with other companies, associations and organizations involved in the business of property and casualty insurance and reinsurance, was named as a defendant in a group of lawsuits filed by Attorneys General of 20 states and by various private parties in the United States District Court for the Northern District of California. All of the suits, which were filed in 1988, 1990 and 1991, were based upon allegations that the defendants violated federal and/or state antitrust laws by reason of their activities in connection with the development of new standard commercial general liability policy forms by the Insurance Services

Office, an industry organization. In June 1991, the Ninth Circuit U.S. Court of Appeals reversed the United States District Court for the Northern District of California which had granted summary judgment in September 1989 in favor of all defendants, including ITT Hartford. On June 28, 1993, the Supreme Court reversed the Ninth Circuit U.S. Court of Appeals, holding that the domestic insurers, including ITT Hartford, had not lost their McCarran-Ferguson Act exemption from the antitrust laws generally, as a result of activities alleged in the complaints, but remanded the case for further proceedings to determine if certain of those activities came within the "boycott" exception to the McCarran-Ferguson Act exemption. On October 3, 1994, ITT Hartford announced that it, along with the other 31 defendants, had settled this lawsuit. The settlement provides for a payment of $36 million, the majority of which funds will be used to create a public entity risk institute and national public risk database. It also calls for changes in control of Insurance Services, Inc., a nationwide organization which develops standardized policy language and compiles information insurers use to determine their own insurance rates. The settlement agreement was given preliminary approval by the U.S. District Court for the Northern District of California. Following notice of the settlement to all class members in the private actions a hearing on final approval of the settlement was held on March 29, 1995 at which time the Court granted its approval.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

(b) ITT filed a Form 8-K Current Report dated February 6, 1995 reporting under (i) Item 2 with respect to the acquisition of Caesars World, Inc. through a tender offer and (ii) Items 5 and 7 with respect to the receipt by ITT Financial Corporation of requisite consents to amend certain covenants of $3.4 billion principal amount of its public debt securities.

ITT filed a Form 8-K/A Current Report dated March 31, 1995 reporting under Item 7 pro forma financial information with respect to the acquisition of Caesars World, Inc.

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 J.F. Danski

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

May 15, 1995
(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 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)	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

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

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
PRIMARY BASIS -		
Net income	$ 228	$ 202
ESOP preferred dividends - net of tax	(8)	(9)
Net income applicable to primary earnings per share	$ 220	$ 193
Average common shares outstanding	106	118
Common shares issuable in respect to common stock equivalents	1	1
Average common equivalent shares	107	119
Earnings Per Share		
Continuing operations	$1.71	$1.39
Discontinued operations	.34	.34
Cumulative effect of accounting changes	-	(.10)
Net income	$2.05	$1.63
FULLY DILUTED BASIS -		
Net income applicable to primary earnings per share	$ 220	$ 193
ESOP preferred dividends - net of tax	8	9
If converted ESOP expense adjustment- net of tax benefit	(4)	(5)
Net income applicable to fully diluted earnings per share	$ 224	$ 197
Average common equivalent shares	107	119
Additional common shares issuable assuming full dilution	10	9
Average common equivalent shares assuming full dilution	117	128
Earnings Per Share		
Continuing operations	$1.59	$1.31
Discontinued operations	.32	.32
Cumulative effect of accounting changes	-	(.09)
Net income	$1.91	$1.54

The Series N convertible preferred stock is considered a common stock equivalent in 1995 and 1994. 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 calculation impact of dilutive 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, 1995
Earnings:	
Income from continuing operations	$191
Add (deduct):	
Adjustment for distributions in excess of (less than) undistributed equity earnings and losses	1
Income taxes	94
Minority equity in net income	(5)
Amortization of interest capitalized	1
	282
Fixed Charges:	
Interest and other financial charges	149
Interest factor attributable to rentals	21
	170
Earnings, as adjusted, from continuing operations	$452
Fixed Charges:	
Fixed charges above	$170
Dividends on preferred stock of subsidiaries included in minority equity	1
Interest capitalized	2
Total fixed charges	173
Dividends on preferred stock of ITT (pre-income tax basis)	12
Total fixed charges and preferred dividend requirements	$185
Ratios:	
Earnings, as adjusted, from continuing operations to total fixed charges	2.61
Earnings, as adjusted, from continuing operations to total fixed charges and preferred dividend requirements of ITT	2.44

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.

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