

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: May 5, 2016
(Date of earliest event reported)

ITT CORPORATION

(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction
of incorporation)

1-5672
(Commission
File Number)

13-5158950
(I.R.S. Employer
Identification No.)

**1133 Westchester Avenue
White Plains, New York**
(Address of principal executive offices)

10604
(Zip Code)

(914) 641-2000
Registrant's telephone number, including area code:

Not Applicable
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02. Results of Operations and Financial Condition.

On May 5, 2016, ITT Corporation (“ITT”) issued a press release reporting the financial results for the fiscal quarter ended March 31, 2016. A copy of the press release is attached to this Current Report on Form 8-K (“Current Report”) as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

The information in Item 2.02 of this Current Report, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section. The information in Item 2.02 of this Current Report, including Exhibit 99.1 attached hereto, shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 8.01. Other Events.

On May 5, 2016, ITT also announced that it intends to implement a corporate reorganization into a new holding company structure in accordance with Section 23-1-40-9 of the Indiana Business Corporation Law (the “Reorganization”). As a result of the Reorganization, ITT Inc. (“New ITT”), an Indiana corporation that currently is a wholly owned subsidiary of ITT, will become the publicly traded holding company of ITT and its subsidiaries.

The Reorganization will be effectuated pursuant to an Agreement and Plan of Merger (the “Merger Agreement”), among ITT, New ITT and ITT LLC, an Indiana limited liability company and a direct wholly owned subsidiary of New ITT. Pursuant to the Merger Agreement, ITT will merge with and into ITT LLC, with ITT LLC being the surviving entity (the “Merger”). At the effective time of the Merger, the separate corporate existence of ITT will cease. Shareholder approval of the Merger will not be required under the Indiana Business Corporation Law and the Merger will not give rise to statutory dissenters’ rights. The Merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended, and ITT shareholders will not recognize gain or loss for federal income tax purposes as a result of the Reorganization.

In accordance with the terms of the Merger Agreement, shares of ITT’s common stock, par value \$1.00 per share (“ITT Common Stock”), that are outstanding immediately before the Merger will be converted on a share for share basis into shares of New ITT common stock, par value \$1.00 per share (“New ITT Common Stock”). As a result, at the effective time of the Merger, each shareholder of ITT will own the same number of shares of New ITT Common Stock that such shareholder owns of ITT Common Stock immediately prior to the Merger. Each share of New ITT Common Stock will have the same designations, rights, powers and preferences, and the same qualifications, limitations and restrictions as the shares of ITT Common Stock immediately prior to the Merger.

The conversion of ITT Common Stock into New ITT Common Stock in connection with the Merger will occur without an exchange of share certificates. Accordingly, the shares representing outstanding ITT Common Stock will be deemed to represent the same number of shares of New ITT Common Stock. The New ITT Common Stock will be listed on the New York Stock Exchange (the “NYSE”) under the symbol “ITT,” which is the same symbol currently used for the ITT Common Stock. New ITT Common Stock will be assigned a new CUSIP Number – 45073V 108.

The business, management and directors of New ITT, and the rights and limitations of the holders of New ITT Common Stock, immediately following the Merger will be identical to the business, management and directors of ITT, and the rights and limitations of holders of ITT Common Stock immediately prior to the Merger. The consolidated assets, liabilities and capital structure of New ITT following the Reorganization will be identical to the consolidated assets, liabilities and capital structure of ITT immediately prior to the Reorganization.

The board of directors of ITT is effecting the Reorganization to separate certain operating assets and liabilities associated with ongoing business units from certain historical assets and liabilities (including legacy and discontinued operations), which will further enhance management focus, facilitate future growth opportunities and streamline New ITT's legal entity structure. In connection with the Reorganization, among other things: (i) Goulds Pumps, Inc. has converted to a limited liability company and will transfer its ownership interests in certain of its subsidiaries and certain of its operating assets to a wholly owned subsidiary of ITT Industries Holdings, Inc. in exchange for an intercompany note and certain other consideration, and the assumption of certain liabilities; and (ii) ITT LLC will transfer its ownership interests in certain of its subsidiaries to a wholly owned subsidiary of New ITT in exchange for an intercompany note and certain other consideration, and the assumption of certain liabilities. Furthermore, ITT LLC will retain, without alteration or adjustment, all historical insurance policies and proceeds. Implementation of a new holding company structure will facilitate these transactions.

The Reorganization and the Merger are currently expected to be completed on or about May 16, 2016. ITT cannot guarantee that the Reorganization and the Merger will be completed, or if completed, that the Merger and related Reorganization will be consummated at the anticipated time.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by ITT Corporation, dated May 5, 2016.

SIGNATURES

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 hereunto duly authorized.

ITT CORPORATION
(Registrant)

May 5, 2016

By: /s/ Mary E. Gustafsson

Name: Mary E. Gustafsson

Title: Senior Vice President, General Counsel and
Chief Compliance Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
--------------------	--------------------

99.1	Press Release issued by ITT Corporation, dated May 5, 2016.
------	---

ITT Reports 2016 First-Quarter Results

*Re-affirms 2016 full-year revenue and adjusted EPS guidance***GAAP Results:**

- *Revenue up 3.5% to \$609 million*
- *Segment operating income down 10%*
- *EPS flat at \$0.42*

Adjusted Results:

- *Organic revenue down 2.5%*
- *Segment operating income down 10%, flat excluding \$8 million foreign exchange impact*
- *EPS down 9%, up 5% excluding (\$0.09) foreign exchange impact*

WHITE PLAINS, N.Y.--(BUSINESS WIRE)--May 5, 2016--ITT Corporation (NYSE:ITT) today reported 2016 first-quarter financial results that reflected the benefits of a diversified portfolio and effective capital deployment in today's challenging economic environment, as the benefits of recent acquisitions and significant growth across our transportation businesses more than offset the negative impacts of continued weakness in the oil and gas and mining markets.

On a GAAP basis, the company delivered revenue of \$609 million, a 3.5 percent increase, reflecting the incremental impacts of our 2015 acquisitions of Wolverine Advanced Materials and Hartzell Aerospace. GAAP segment operating income results were driven by the negative impacts of foreign exchange, pricing pressure and product mix. First-quarter GAAP EPS was flat at \$0.42.

On an adjusted basis, first-quarter organic revenue (defined as total revenue excluding foreign exchange, acquisition and divestiture impacts) decreased 2.5 percent, reflecting solid growth in global transportation that was more than offset by declines in oil and gas and mining markets.

First-quarter adjusted segment operating income was flat, excluding the \$8 million impact from foreign exchange, reflecting solid net operating productivity and restructuring benefits, and the impacts of the strategic acquisitions of Wolverine Advanced Materials and Hartzell Aerospace. These gains were offset by negative impacts from lower organic volumes primarily related to the difficult market conditions in oil and gas and mining, pricing pressure and unfavorable product mix.

First-quarter adjusted EPS, which excludes special items, decreased 9 percent to \$0.59, exceeding internal expectations, as a lower share count and lower effective tax rate were partially offset by lower investment returns at corporate and unfavorable foreign exchange of \$0.09. Adjusted EPS, excluding the negative impact from foreign exchange, grew 5 percent in the first quarter.

For a reconciliation of GAAP to non-GAAP results, please click [here](#).

“In the first quarter, ITT continued to confront a challenging macroeconomic environment that presented headwinds across a number of areas, including foreign exchange and the oil and gas and mining markets. For ITT, we realized the benefits of our balanced and diverse portfolio as the market headwinds we faced were offset by solid revenue growth in key global transportation markets. We also continued to drive an intense focus on corporate cost containment,” said ITT CEO and President Denise Ramos.

“In addition, our 2015 acquisitions of Wolverine Advanced Materials and Hartzell Aerospace – which are performing extremely well – have strengthened key transportation platforms and given us new opportunities for long-term growth. We are continuing to deploy our capital to both position ITT for long-term success and to provide returns of value to shareowners. Our latest organic investment is a new North American automotive brake pad facility to support recent multi-year platform wins with key customers.

“As we move through 2016, we expect the persistent volatility in the global macroeconomic environment will continue and that these conditions will continue to impact our businesses. As a result, we will maintain our strong focus on managing those areas over which we have control, and optimizing and aligning our businesses and their respective cost structures to drive enhanced long-term value for shareowners.”

2016 First-Quarter Business Segment Results

All quarterly results are compared with the respective prior-year periods.

Industrial Process designs and manufactures industrial pumps and valves for the oil and gas, chemical, mining and industrial markets.

- Total revenue decreased 18 percent to \$209 million. GAAP operating income decreased 56 percent to \$9 million.
- Organic revenue decreased 14.5 percent, reflecting the impact of weakness in the oil and gas and mining markets on our pumps and aftermarket businesses.
- Adjusted segment operating income decreased 58 percent to \$12 million as restructuring benefits and cost containment actions were more than offset by the negative impacts of volume, \$6 million of unfavorable foreign exchange and prior-year product warranty favorability.

Motion Technologies designs and manufactures braking technologies and shock absorbers for the automotive and rail markets.

- Total revenue increased 34 percent to \$257 million. GAAP operating income increased 24 percent to \$51 million.
- Organic revenue increased 14 percent due to significant share gains and market growth in global automotive brake pads, as well as growth in our shock absorbers business in all core markets including rail.
- Adjusted segment operating income increased 30 percent to \$53 million, reflecting higher volume and net operating productivity, and the acquisition of Wolverine Advanced Materials, which were partially offset by unfavorable impacts from pricing and foreign exchange.

Interconnect Solutions designs and manufactures connectors and interconnects for the oil and gas, industrial and transportation, and aerospace and defense markets.

- Total revenue decreased 7 percent to \$72 million. GAAP operating income decreased 58 percent to \$2 million.
 - Organic revenue declined 6 percent due to market weakness in the oil and gas and general industrial connector markets and expected declines in non-strategic legacy connectors.
 - Adjusted segment operating income declined 57 percent to \$2 million, as savings from restructuring initiatives were more than offset by impacts from operational disruptions due to the relocation of certain connectors operations, lower volumes and unfavorable mix shift and pricing.
-

Control Technologies designs and manufactures products including fuel management, actuation, and noise and energy absorption components for the aerospace and industrial markets, as well as aerospace environmental control system components.

- Total revenue increased 9 percent to \$72 million, and GAAP operating income decreased 27 percent to \$10 million.
- Organic revenue decreased 1 percent as growth in aerospace and defense was partially offset by softness in global industrial markets.
- Adjusted segment operating income decreased 7 percent to \$14 million, as net operating productivity and the impact of the Hartzell Aerospace acquisition were more than offset by the impact of prior-year reserve favorability.

Guidance

The company is re-affirming its previously announced 2016 full-year revenue and adjusted EPS guidance. Total revenue is expected to be flat to down 4 percent. Adjusted EPS is expected to be in the range of \$2.42 to \$2.68 per share, which is flat at the midpoint and up 2 percent excluding the impact of foreign exchange compared to 2015.

The company expects stronger automotive results, along with incremental benefits from Industrial Process restructuring actions, favorable corporate costs and a lower full-year tax rate, to help offset weakness in short-cycle pumps and aftermarket at Industrial Process.

New Holding Company Formation

ITT also announced that in mid-May 2016, the company intends to implement a company reorganization that would create a new holding company, ITT Inc., as its new publicly traded parent company. At the same time, the company intends to implement an internal reorganization that would separate its operating assets from its legacy liabilities and associated insurance assets. The move would also streamline the company's legal entity structure and facilitate future growth opportunities. The company's ticker symbol would remain ITT, and there would be no impact to ITT's consolidated financial position, cash flow or capital structure. For more information, please see the Form 8-K filed by the company with the Securities and Exchange Commission on May 5, 2016.

Investor Call Today

ITT's senior management will host a conference call for investors today at 9 a.m. ET to review performance and answer questions. The briefing can be monitored live via webcast at the following address on the company's Web site: www.itt.com/investors and will be available on the website from two hours after the webcast until Thursday, May 19, 2016, at midnight.

All references to EPS are defined as diluted earnings per share from continuing operations.

About ITT

ITT is a diversified leading manufacturer of highly engineered critical components and customized technology solutions for the energy, transportation and industrial markets. Building on its heritage of innovation, ITT partners with its customers to deliver enduring solutions to the key industries that underpin our modern way of life. Founded in 1920, ITT is headquartered in White Plains, N.Y., with employees in more than 35 countries and sales in a total of approximately 125 countries. The company generated 2015 revenues of \$2.5 billion. For more information, visit www.itt.com.

Safe Harbor Statement

This release contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995 (the “Act”). No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. All forward-looking statements included in this release are based on information available to us on the date hereof, and we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and future financial results of the industry in which we operate, and other legal, regulatory and economic developments. These forward-looking statements include, but are not limited to, future strategic plans and other statements that describe the company’s business strategy, outlook, objectives, plans, intentions or goals, and any discussion of future operating or financial performance.

We use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “future,” “may,” “will,” “could,” “should,” “potential,” “continue,” “guidance” and other similar expressions to identify such forward-looking statements. Forward-looking statements are uncertain and to some extent unpredictable, and involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such forward-looking statements.

Forward-looking statements in this release should be evaluated together with the risks and uncertainties that affect our business, particularly those mentioned in the Risk Factors section of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the Securities and Exchange Commission.

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

For the Periods Ended March 31	Three Months		
	2016	2015	
Revenue	\$ 609.1	\$	588.7
Costs of revenue	413.8		389.7
Gross Profit	195.3		199.0
General and administrative expenses	69.0		60.1
Sales and marketing expenses	43.3		47.3
Research and development expenses	19.2		18.3
Asbestos-related costs, net	12.8		15.4
Operating Income	51.0		57.9
Interest and non-operating expenses, net	1.7		1.2
Income from continuing operations before income tax expense	49.3		56.7
Income tax expense	11.7		18.1
Income from continuing operations	37.6		38.6
(Loss) Income from discontinued operations, net of tax	(0.3)		3.4
Net Income	37.3		42.0
Less: Loss attributable to noncontrolling interests	(0.1)		(0.1)
Net Income	\$ 37.4	\$	42.1
Amounts attributable to ITT Corporation:			
Income from continuing operations, net of tax	\$ 37.7	\$	38.7
(Loss) Income from discontinued operations, net of tax	(0.3)		3.4
Net Income	\$ 37.4	\$	42.1
Earnings (loss) per share attributable to ITT Corporation:			
Basic:			
Continuing operations	\$ 0.42	\$	0.42
Discontinued operations	-		0.04
Net income	\$ 0.42	\$	0.46
Diluted:			
Continuing operations	\$ 0.42	\$	0.42
Discontinued operations	(0.01)		0.04
Net income	\$ 0.41	\$	0.46
Weighted average common shares - basic	89.6		90.6
Weighted average common shares - diluted	90.5		91.6

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

	March 31,		December 31,
	2016		2015
	(Unaudited)		
Assets			
Current Assets:			
Cash and cash equivalents	\$	430.9	\$ 415.7
Receivables, net		607.0	584.9
Inventories, net		301.3	292.7
Other current assets		227.0	204.4
Total current assets		1,566.2	1,497.7
Plant, property and equipment, net		443.0	443.5
Goodwill		787.6	778.3
Other intangible assets, net		181.2	187.2
Asbestos-related assets		331.3	337.5
Deferred income taxes		322.6	326.1
Other non-current assets		177.3	153.3
Total non-current assets		2,243.0	2,225.9
Total assets	\$	3,809.2	\$ 3,723.6
Liabilities and Shareholders' Equity			
Current Liabilities:			
Short-term loans and current maturities of long-term debt	\$	275.2	\$ 245.7
Accounts payable		293.5	314.7
Accrued liabilities		385.3	392.7
Total current liabilities		954.0	953.1
Asbestos-related liabilities		957.0	954.8
Postretirement benefits		260.6	260.4
Other non-current liabilities		214.7	189.9
Total non-current liabilities		1,432.3	1,405.1
Total liabilities	\$	2,386.3	\$ 2,358.2
Total ITT Corporation shareholders' equity			
Noncontrolling interests		1.5	3.3
Total shareholders' equity		1,422.9	1,365.4
Total liabilities and shareholders' equity	\$	3,809.2	\$ 3,723.6

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

For the Three Months Ended March 31	2016	2015
Operating Activities		
Net income	\$ 37.3	\$ 42.0
Less: (Loss) income from discontinued operations	(0.3)	3.4
Less: Loss attributable to noncontrolling interests	(0.1)	(0.1)
Income from continuing operations - ITT Corporation	37.7	38.7
Adjustments to income from continuing operations:		
Depreciation and amortization	25.3	20.7
Stock-based compensation	2.9	3.1
Asbestos-related costs, net	12.8	15.4
Asbestos-related payments, net	(4.3)	(3.9)
Changes in assets and liabilities:		
Change in receivables	(21.0)	(56.7)
Change in inventories	(4.0)	3.6
Change in accounts payable	(14.8)	(0.5)
Change in accrued expenses	(28.8)	(21.3)
Change in accrued and deferred income taxes	3.4	17.2
Other, net	(3.5)	(8.1)
Net Cash - Operating Activities	5.7	8.2
Investing Activities		
Capital expenditures	(21.0)	(30.2)
Acquisitions, net of cash acquired	(0.2)	-
Purchases of investments	(40.0)	(15.3)
Maturities of investments	36.3	5.3
Other, net	0.1	0.2
Net Cash - Investing Activities	(24.8)	(40.0)
Financing Activities		
Commercial paper, net borrowings	28.5	113.5
Short-term revolving loans, borrowings	27.7	-
Short-term revolving loans, repayments	(27.7)	-
Repurchase of common stock	(6.9)	(82.8)
Proceeds from issuance of common stock	6.1	2.0
Dividends Paid	(11.4)	(0.3)
Excess tax benefit from equity compensation activity	3.0	1.8
Other, net	(2.4)	(0.2)
Net Cash - Financing Activities	16.9	34.0
Exchange rate effects on cash and cash equivalents	9.9	(15.8)
Net Cash - Discontinued operations	7.5	(0.3)
Net change in cash and cash equivalents	15.2	(13.9)
Cash and cash equivalents - beginning of year	415.7	584.0
Cash and cash equivalents - end of period	\$ 430.9	\$ 570.1

Key Performance Indicators and Non-GAAP Measures

Management reviews key performance indicators including revenue, segment operating income and margins, earnings per share, order growth, and backlog, among others. In addition, we consider certain supplemental measures to be useful to management and investors when evaluating our operating performance for the periods presented. These supplemental measures provide a tool for evaluating our ongoing operations and management of assets from period to period. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives, including, but not limited to, dividends, acquisitions and share repurchases. These metrics, however, are not measures of financial performance under GAAP and should not be considered a substitute for measures determined in accordance with GAAP. Our non-GAAP measures exclude from reported results those items that management believes are not indicative of our ongoing performance and reflect how management evaluates our operating results and trends. We consider the following non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies to be key performance indicators for purposes of our reconciliation tables.

Organic Revenues and **Organic Orders** are defined as revenues and orders, excluding the impact of foreign currency fluctuations and acquisitions and divestitures. Divestitures include sales of portions of our business that did not meet the criteria for presentation as a discontinued operation. The period-over-period change resulting from foreign currency fluctuations is estimated using a fixed exchange rate for the current and prior periods.

Adjusted Operating Income, **Adjusted Segment Operating Income** and **Adjusted Segment Operating Margin** are defined as total operating income and segment operating income, adjusted to exclude special items that include, but are not limited to, restructuring and realignment costs, certain asset impairment charges, repositioning costs, certain acquisitions-related expenses, and other unusual or infrequent operating items. Special items represent significant charges or credits that impact the current results, which management views as unrelated to the Company's ongoing operations and performance. Adjusted segment operating margin is defined as adjusted segment operating income divided by total revenue.

Adjusted Income from Continuing Operations, **Adjusted EPS** and **Adjusted EPS Guidance** are defined as income from continuing operations attributable to ITT Corporation and income from continuing operations attributable to ITT Corporation per diluted share, adjusted to exclude special items that include, but are not limited to, asbestos-related costs, repositioning costs, restructuring and realignment costs, certain asset impairment charges, certain acquisition-related expenses, income tax settlements or adjustments, and other unusual and infrequent non-operating items. Special items represent significant charges or credits, on an after-tax basis, that impact current results, which management views as unrelated to the Company's ongoing operations and performance

Adjusted Free Cash Flow is defined as net cash provided by operating activities less capital expenditures, adjusted for cash payments for restructuring and realignment actions, repositioning costs, net asbestos cash flows and other significant items that impact current results which management views as unrelated to the Company's ongoing operations and performance. Due to other financial obligations and commitments, including asbestos, the entire free cash flow may not be available for discretionary purposes.

ITT Corporation Non-GAAP Reconciliation
Reported vs. Organic Revenue / Order Growth
First Quarter 2016 & 2015
(In Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)			
	(A)	(B)			(C)	(D)	(E) = B-C-D	(F) = E / A
	3M 2016	3M 2015	Change 2016 vs. 2015	% Change 2016 vs. 2015	Acquisition / Divestitures 3M 2016	FX Impact 3M 2016	Change Adj. 2016 vs. 2015	% Change Adj. 2016 vs. 2015
Revenues								
ITT Corporation - Consolidated	609.1	588.7	20.4	3.5%	48.8	(13.7)	(14.7)	(2.5%)
Industrial Process	208.8	255.6	(46.8)	(18.3%)	-	(9.8)	(37.0)	(14.5%)
Motion Technologies	257.0	191.2	65.8	34.4%	42.0	(3.4)	27.2	14.2%
Interconnect Solutions	72.4	77.5	(5.1)	(6.6%)	-	(0.4)	(4.7)	(6.1%)
Control Technologies	71.9	65.8	6.1	9.3%	6.8	-	(0.7)	(1.1%)
Orders								
Total Segment Orders	623.5	607.7	15.8	2.6%	52.9	(15.7)	(21.4)	(3.5%)
Industrial Process	188.8	262.0	(73.2)	(27.9%)	-	(11.4)	(61.8)	(23.6%)
Motion Technologies	265.4	198.1	67.3	34.0%	41.6	(3.7)	29.4	14.8%
Interconnect Solutions	78.1	83.0	(4.9)	(5.9%)	-	(0.5)	(4.4)	(5.3%)
Control Technologies	92.4	65.7	26.7	40.6%	11.3	-	15.4	23.4%

Note: Excludes intercompany eliminations
Immaterial differences due to rounding

ITT Corporation Non-GAAP Reconciliation
Reported vs Adjusted Segment Operating Income & Operating Margin
First Quarter 2016 & 2015
(In Millions)

	3M 2016		3M 2016	3M 2015		3M 2015	% Change As Reported 2016 vs. 2015	% Change As Adjusted 2016 vs. 2015
	As Reported	Special Items	As Adjusted	As Reported	Special Items	As Adjusted		
Revenue:								
Industrial Process	208.8		208.8	255.6		255.6	(18.3%)	(18.3%)
Motion Technologies	257.0		257.0	191.2		191.2	34.4%	34.4%
Interconnect Solutions	72.4		72.4	77.5		77.5	(6.6%)	(6.6%)
Control Technologies	71.9		71.9	65.8		65.8	9.3%	9.3%
Intersegment eliminations	(1.0)		(1.0)	(1.4)		(1.4)		
Total Revenue	609.1		609.1	588.7		588.7	3.5%	3.5%
Operating Margin:								
Industrial Process	4.3%	150 BP	5.8%	8.0%	350 BP	11.5%	(370) BP	(570) BP
Motion Technologies	19.7%	100 BP	20.7%	21.4%	- BP	21.4%	(170) BP	(70) BP
Interconnect Solutions	2.8%	- BP	2.8%	6.2%	(30) BP	5.9%	(340) BP	(310) BP
Control Technologies	14.5%	460 BP	19.1%	21.7%	80 BP	22.5%	(720) BP	(340) BP
Total Operating Segments	11.8%	150 BP	13.3%	13.7%	150 BP	15.2%	(190) BP	(190) BP
Income (loss):								
Industrial Process	9.0	3.2	12.2	20.4	8.9	29.3	(55.9%)	(58.4%)
Motion Technologies	50.7	2.4	53.1	41.0	-	41.0	23.7%	29.5%
Interconnect Solutions	2.0	-	2.0	4.8	(0.2)	4.6	(58.3%)	(56.5%)
Control Technologies	10.4	3.3	13.7	14.3	0.5	14.8	(27.3%)	(7.4%)
Total Segment Operating Income	72.1	8.9	81.0	80.5	9.2	89.7	(10.4%)	(9.7%)

Note: Immaterial differences due to rounding.

Special items include, but are not limited to, restructuring and realignment costs, certain asset impairment charges, repositioning costs, certain acquisition-related expenses, and other unusual or infrequent operating items.

ITT Corporation Non-GAAP Reconciliation
Reported vs. Adjusted Income from Continuing Operations & Adjusted EPS
First Quarter 2016 & 2015

(In Millions, except per share amounts)

	Q1 2016 As Reported	Non-GAAP Adjustments	Q1 2016 As Adjusted	Q1 2015 As Reported	Non-GAAP Adjustments	Q1 2015 As Adjusted	2016 vs. 2015 As Adjusted	Percent Change 2016 vs. 2015 As Adjusted
Segment Operating Income	72.1	8.9 #A	81.0	80.5	9.2 #A	89.7		
Corporate (Expense)	(21.1)	12.7 #B	(8.4)	(22.6)	15.6 #B	(7.0)		
Operating Income	<u>51.0</u>	<u>21.6</u>	<u>72.6</u>	<u>57.9</u>	<u>24.8</u>	<u>82.7</u>		
Interest Income (Expense)	(1.1)	-	(1.1)	(0.8)	-	(0.8)		
Other Income (Expense)	(0.6)	-	(0.6)	(0.4)	-	(0.4)		
Income from Continuing Operations before Tax	<u>49.3</u>	<u>21.6</u>	<u>70.9</u>	<u>56.7</u>	<u>24.8</u>	<u>81.5</u>		
Income Tax (Expense)	(11.7)	(6.0) #C	(17.7)	(18.1)	(3.6) #C	(21.7)		
Income from Continuing Operations	<u>37.6</u>	<u>15.6</u>	<u>53.2</u>	<u>38.6</u>	<u>21.2</u>	<u>59.8</u>		
Less: Non Controlling Interest	(0.1)	-	(0.1)	(0.1)	-	(0.1)		
Income from Continuing Operations - ITT Corporation	<u>37.7</u>	<u>15.6</u>	<u>53.3</u>	<u>38.7</u>	<u>21.2</u>	<u>59.9</u>		
EPS from Continuing Operations	<u>0.42</u>	<u>0.17</u>	<u>0.59</u>	<u>0.42</u>	<u>0.23</u>	<u>0.65</u>	<u>(0.06)</u>	<u>(9.2%)</u>

Note: Amounts may not calculate due to rounding.

#A - 2016 segment operating income includes restructuring and realignment costs (\$6.5M) and acquisition related costs of (\$2.4M).

#A - 2015 segment operating income includes restructuring costs (\$9.2M).

#B - 2016 corporate (expense) includes asbestos related expense and other costs (\$12.7M)

#B - 2015 corporate (expense) includes repositioning and restructuring costs (\$0.2M) and asbestos related expense (\$15.4M).

#C - 2016 includes various tax-related special items including tax on deemed distribution of foreign earnings of (\$1.0M), in addition to the tax impact of other operating special items.

#C - 2015 includes various tax-related special items including tax on deemed distribution of foreign earnings of (\$1.7M), in addition to the tax impact of other operating special items.

ITT Corporation Non-GAAP Reconciliation
Net Cash - Operating Activities vs. Adjusted Free Cash Flow Conversion
First Quarter 2016 & 2015
(In Millions)

	3M 2016	3M 2015
Net Cash - Operating Activities	5.7	8.2
Capital Expenditures	21.0	30.2
Free Cash Flow	(15.3)	(22.0)
Repositioning & Realignment Related Cash Payments, including Capex	-	2.4
Restructuring Cash Payments	6.5	6.6
Asbestos Cash Payments, net	4.3	3.9
Adjusted Free Cash Flow	(4.5)	(9.1)
Income from Continuing Operations - ITT Corporation	37.7	38.7
Special Items	15.6	21.2
Income from Continuing Operations - ITT Corporation, Excluding Special Items	53.3	59.9
Adjusted Free Cash Flow Conversion	NA	NA

ITT Corporation Non-GAAP Reconciliation
GAAP vs. Adjusted EPS Guidance
Full Year 2016

	<u>2016 Full-Year Guidance</u>	
	<u>Low</u>	<u>High</u>
EPS from Continuing Operations - GAAP	\$ 1.70	\$ 2.08
Estimated Asbestos Costs to Maintain 10-Year Accrual, Net of Tax	0.45	0.41
	\$ 2.15	\$ 2.49
Estimated Restructuring and Realignment Costs, Net of Tax	0.25	0.17
Acquisition Related Costs, Net of Tax	0.01	0.01
Other Special Items, Net of Tax	0.01	0.01
EPS from Continuing Operations - Adjusted	\$ 2.42	\$ 2.68

CONTACT:

ITT Corporation

Investors:

Melissa Trombetta, +1 914-641-2030

melissa.trombetta@itt.com

or

Media:

Kathleen Bark, +1 914-641-2103

kathleen.bark@itt.com