UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1997
OR
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.
(Exact name of registrant as specified in charter.)

Indiana	13-5158950
(State or other Jurisdiction of Incorporation)	(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, 1997, there were outstanding 118,445,259 shares of common stock ($1 par value per share) of the registrant.

ITT INDUSTRIES, INC.

TABLE OF CONTENTS

PART I.

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 only 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 with the current period presentation. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's 1996 Annual Report on Form 10-K and subsequent quarterly filings.

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED INCOME STATEMENTS
(In millions, except per share)
(Unaudited)

	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
Net sales	$2,060.4	$2,044.8	$6,478.0	$6,486.9
Cost of sales	1,618.9	1,633.3	5,131.4	5,189.7
Research, development, and engineering expenses	121.2	121.9	373.8	381.2
Gross margin	320.3	289.6	972.8	916.0
Selling, general, and administrative expenses	201.2	179.3	581.1	544.5
Other operating expenses	4.0	0.9	16.1	4.9
Special charges	239.0	-	239.0	-
Operating (loss) income	(123.9)	109.4	136.6	366.6
Interest expense	(37.1)	(40.2)	(101.4)	(123.4)
Interest income	4.5	5.7	12.0	15.6
Miscellaneous income (expense), net	7.1	(3.3)	11.4	(4.7)
Income (loss) before income taxes	(149.4)	71.6	58.6	254.1
Income tax benefit (expense)	58.3	(27.9)	(22.8)	(102.7)
Net (loss) income	$ (91.1)	$ 43.7	$ 35.8	$ 151.4
Earnings (Loss) Per Share:				
Net (loss) income				
Primary	$ (.75)	$ .36	$ .30	$ 1.26
Fully diluted	$ (.75)	$ .36	$ .29	$ 1.26
Cash dividends declared per common share	$ .15	$ .15	$ .45	$ .45

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, 1997 (Unaudited)	December 31, 1996
Assets		
Current Assets:		
Cash and cash equivalents	$ 208.4	$ 121.9
Receivables, net	1,447.7	1,189.8
Inventories, net	805.9	856.9
Other current assets	129.5	120.5
Total current assets	2,591.5	2,289.1
Plant, property, and equipment, net	2,080.0	2,166.7
Deferred U.S. income taxes	213.0	205.1
Goodwill, net	1,002.5	349.8
Other assets	493.2	480.5
	$6,380.2	$5,491.2
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	$ 689.5	$ 731.8
Accrued expenses	1,023.4	874.2
Accrued taxes	64.0	96.8
Notes payable and current maturities of long-term debt	1,781.3	835.6
Total current liabilities	3,558.2	2,538.4
Pension and postretirement costs	976.5	1,126.7
Long-term debt	561.1	583.2
Deferred foreign, state and local income taxes	72.8	109.5
Other liabilities	428.4	334.2
	5,597.0	4,692.0
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 118,445,259 shares and 118,436,579 shares	118.4	118.4
Capital surplus	401.8	418.2
Cumulative translation adjustments	129.1	111.2
Retained earnings	133.9	151.4
	783.2	799.2
	$6,380.2	$5,491.2

____
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, 1997	1996
Operating Activities		
Net income	$ 35.8	$ 151.4
Adjustments to net income:		
Special charges	239.0	-
Depreciation	293.0	301.2
Amortization	29.6	25.2
Change in receivables, inventories, accounts payable, and accrued expenses (net of effects from purchase of Goulds)	(180.8)	(395.1)
Change in accrued and deferred taxes	(86.3)	64.8
Other, net	9.1	(8.2)
Cash from continuing operations	339.4	139.3
Cash used for discontinued operations	-	(142.1)
Cash from (used for) operating activities	339.4	(2.8)
Investing Activities		
Additions to plant, property, and equipment	(298.2)	(265.6)
Proceeds from sale of assets	140.8	123.9
Acquisitions	(103.5)	-
Payment for purchase of Goulds, net of cash acquired	(812.2)	-
Other, net	(2.6)	-
Cash used for investing activities	(1,075.7)	(141.7)
Financing Activities		
Short-term debt, net	1,177.6	341.7
Long-term debt repaid	(247.3)	(161.3)
Long-term debt issued	1.4	-
Repurchase of common stock	(53.0)	-
Dividends paid	(53.3)	(35.7)
Other, net	24.5	15.8
Cash from financing activities	849.9	160.5
Exchange Rate Effects on Cash and Cash Equivalents	(27.1)	(7.7)
Increase in cash and cash equivalents	86.5	8.3
Cash and cash equivalents- beginning of period	121.9	94.2
Cash and cash equivalents- end of period	$ 208.4	$ 102.5
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 101.2	$ 105.1
Income taxes	$ 75.3	$ 31.0

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) Receivables

Receivables consist of the following:

	September 30, 1997	December 31, 1996
Trade	$ 1,460.1	$ 1,194.3
Accrued for completed work	23.8	32.5
Less reserves	(36.2)	(37.0)
	$ 1,447.7	1,189.8

2) Inventories

Inventories consist of the following:

	September 30, 1997	December 31, 1996
Finished goods	$ 264.6	401.6
Work in process	541.4	434.7
Raw materials	407.7	301.2
Less- reserves	(171.3)	(81.6)
- progress payments	(236.5)	(199.0)
	$ 805.9	$ 856.9

3) Plant, Property, and Equipment

Plant, property, and equipment consist of the following:

	September 30, 1997	December 31, 1996
Land and improvements	$ 103.8	$ 101.7
Buildings and improvements	751.7	807.7
Machinery and equipment	3,356.3	3,469.1
Construction work in progress	305.9	244.1
Other	426.7	469.2
	4,944.4	5,091.8
Less- accumulated depreciation and amortization	(2,864.4)	(2,925.1)
	$ 2,080.0	$ 2,166.7

[CAPTION]
4) New Accounting Issues

In March 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") 128 "Earnings per Share", which is effective for financial statements for periods ending after December 15, 1997. SFAS 128 requires replacement of primary and fully diluted earnings per share with basic and diluted earnings per share. The pro forma basic earnings (loss) per share under SFAS 128 would have been $(.77) and $.37 for the three months ended September 30, 1997 and September 30, 1996, respectively and $.30 and $1.29 for the nine months ended September 30, 1997, and September 30, 1996, respectively. The pro forma diluted earnings per share under SFAS 128 would have been $(.77) and $.36 for the three months ended September 30, 1997 and September 30, 1996, respectively and $.30 and $1.26 for the nine months ended September 30, 1997 and September 30, 1996, respectively.

In January 1997, the SEC issued amendments to its rules which clarify and expand disclosure requirements for derivative financial instruments. As of September 30, 1997, there has been no significant change in the market risk, or accounting policy associated with derivative financial instruments as stated in the Company's 1996 Annual Report on Form 10-K.

[CAPTION]
5) Acquisition

On May 23, 1997 (the "date of acquisition") the Company acquired Goulds Pumps, Incorporated ("Goulds") for a purchase price of approximately $870 (the "acquisition"). The acquisition was funded with short-term borrowings and was accounted for using the purchase method. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition. The purchase price allocations have been prepared on a preliminary basis and changes are expected as evaluations of assets and liabilities are completed and as additional information becomes available. The purchase price, plus assumed liabilities of $342, exceeded the fair value of the assets acquired by approximately $675 and has been recorded as goodwill, which is being amortized over a period of 40 years. The operating results of Goulds have been included in the consolidated condensed income statements from the date of acquisition. The following unaudited pro forma financial information presents results as if the acquisition had occurred at the beginning of the respective periods:

	Three months ended September 30,		Nine months ended September 30,	
	1997	1996	1997	1996
Net sales	$ 2,060.4	$ 2,250.3	$ 6,780.2	$ 7,073.6
Net income	(91.1)	41.3	27.3	139.7
Earnings per share -Primary	(0.75)	.34	.23	1.16
Earnings per share -Fully diluted	(0.75)	.34	.22	1.16

These pro forma results have been prepared for comparative purposes only, and include certain adjustments such as additional depreciation expense as a result of a step-up in the basis of fixed assets, additional amortization expense as a result of goodwill arising from the purchase, and increased interest expense on acquisition debt. The pro forma results are not necessarily indicative of the results of operations which actually would have resulted had the purchase been in effect at the beginning of the respective periods or of future results.

[CAPTION]
6) Special Charges

During the third quarter of 1997, the Corporation took several actions to strengthen the operating performance of the Company and improve operating efficiencies. As a result, ITT Industries has recognized a $239.0 pre-tax charge to operating income. A restructuring charge of $114.4 was recognized at the ITT Automotive and ITT Fluid Technologies units. These restructuring charges relate primarily to the write-down of assets and to severance costs associated with the closure and consolidation of facilities and related workforce reductions. An additional charge of $91.1 was recognized by the Corporation for estimated losses on the planned sales of certain non-core businesses including the sale of the ITT Semiconductors business which was consumated in October 1997. Other special charges of $31.5 have been recognized for conforming the accounting policies of the recently acquired Goulds Pumps, Inc. with ITT Industries' accounting policies and to increase environmental reserves.

BUSINESS SEGMENT INFORMATION
(In millions)
(Unaudited)

	Net Sales			
	Three months ended September 30,		Nine months ended September 30,	
	1997	1996	1997	1996
Automotive	$1,114.4	$1,268.9	$3,893.3	$4,137.3
Defense & Electronics	404.8	375.2	1,223.6	1,107.1
Fluid Technology	504.5	326.5	1,209.2	953.9
Dispositions & other	36.7	74.2	151.9	288.6
	$2,060.4	$2,044.8	$6,478.0	$6,486.9

	Operating Income/(Loss)							
	Three months ended September 30,				Nine months ended September 30,			
	1997				1997			
	Before Special Charges	Special Charges	After Special Charges	1996	Before Special Charges	Special Charges	After Special Charges	1996
Automotive	$ 61.6	$(113.0)	$(51.4)	$ 73.6	$ 236.3	$(113.0)	$ 123.3	$ 250.8
Defense & Electronics	28.4	-	28.4	24.9	87.4	-	87.4	75.1
Fluid Technology	42.9	(68.8)	(25.9)	26.0	104.0	(68.8)	35.2	77.6
Dispositions & other	(1.6)	(42.2)	(43.8)	(0.7)	(7.8)	(42.2)	(50.0)	4.5
Total Segments	$ 131.3	(224.0)	(92.7)	123.8	419.9	(224.0)	195.9	408.0
Corporate expenses	(16.2)	(15.0)	(31.2)	(14.4)	(44.3)	(15.0)	(59.3)	(41.4)
	$ 115.1	$(239.0)	$(123.9)	$109.4	$ 375.6	$(239.0)	$ 136.6	$ 366.6

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

Results of Operations

Three months ended September 30, 1997 compared with three months ended September 30, 1996

A net loss of $91.1 million or a $.75 loss per fully diluted share was reported in the third quarter 1997 compared to net income of $43.7 million or $.36 per fully diluted share reported in the 1996 third quarter. The decline was caused by after-tax special charges of $145.8 million ($239.0 million pre-tax), or $1.20 per share taken in the third quarter to implement a profit improvement plan. Excluding these special charges, net income was $54.7 million or $.45 per fully diluted share, a 25.0% improvement over the prior year. This improvement is attributable to increased profitability at Defense & Electronics and Fluid Technology, a decline in interest expense, and a gain on the sale of the North American seats operations, partially offset by a decline in profitability at Automotive.

Net sales for the third quarter of 1997 were slightly higher than the third quarter of 1996, due mainly to the inclusion of sales from Goulds. Offsetting the favorable impact of the inclusion of sales from Goulds, were unfavorable foreign exchange translation and lower sales at Automotive reflecting the disposal of two product lines in the current year. An operating loss for the third quarter of 1997 of $123.9 million included special charges of $239.0 million as discussed above. Excluding the special charges, operating income was $115.1 million, an improvement of 5.2% over the $109.4 million reported in 1996. Operating income increased because of the inclusion of Goulds' operations and profit improvement at Defense & Electronics, partially offset by a decline in Automotive's operations and slightly higher headquarters expenses. Other operating expenses, which include gains and losses from foreign exchange transactions and other charges, were $4.0 million in the current quarter, compared to $.9 million in the 1996 third quarter. Operating margins, excluding special charges, were 5.6% in the third quarter of 1997 compared to 5.4% in the third quarter of 1996.

Interest expense for the third quarter of 1997 decreased to $37.1 million compared to $40.2 million in the 1996 third quarter. The reduction in interest expense is attributable to lower interest rates resulting from the debt restructuring implemented in the fourth quarter of 1996, partially offset by additional interest expense on debt related to the acquisition of Goulds. Interest income was $4.5 million in the current quarter compared to $5.7 million in the prior year third quarter, a result of lower cash balances.

The effective income tax rate was 39.0% in the third quarter for both years. Excluding the tax benefit on the special charges, of $93.2 million, income tax expense increased by $7.0 million to $34.9 million in the 1997 third quarter due to higher pretax earnings.

Business Segments- Sales and operating income for the three months ended September 30, 1997, and 1996 ($ in millions) for each of the Company's three major continuing business segments were as follows:

Sales Three months 1997	Sales Three months 1996		Operating Income Three months 1997	Operating Income Three months 1996
$1,114.4	$1,268.9	Automotive	$(51.4)	$ 73.6

Automotive's sales were down approximately $154.5 million or 12.2% due primarily to unfavorable foreign exchange and the absence of sales from the two product lines sold in the current year. The special charges of $113.0 million taken in the third quarter resulted in an operating loss at Automotive of $51.4 million. Excluding special charges, operating income for the 1997 third quarter of $61.6 million was $12.0 million lower than the third quarter of 1996 because of unfavorable foreign exchange and continued sales price declines, partially offset by volume/mix gains and cost reductions.

Sales Three months 1997	Sales Three months 1996		Operating Income Three months 1997	Operating Income Three months 1996
$ 404.8	$ 375.2	Defense & Electronics	$ 28.4	$ 24.9

ITT Defense & Electronics' revenue for the quarter was up 7.9% from the prior year due to sales growth in both the defense and electronics segments of the business. Strong backlog and new contracts for SINCGARS (Single Channel Ground and Airborne Radio Systems) and National Polar Orbiting Environmental Satellite System were the drivers of the sales growth in the defense segment. Electronics sales growth was primarily in the infocom and aerospace markets. Operating income increased 14.0% over the 1996 third quarter, driven by the continued strong operating performance at Cannon.

Sales Three months 1997	Sales Three months 1996		Operating Income Three months 1997	Operating Income Three months 1996
$ 504.5	$ 326.5	Fluid Technology	$(25.9)	$ 26.0

ITT Fluid Technology's 1997 third quarter sales were 54.5% higher than the 1996 third quarter primarily due to the inclusion of sales from Goulds. Sales growth in the United States and United Kingdom were partially offset by foreign exchange translation and a continued decline in municipal spending in Western Europe. The operating loss of $25.9 million was the result of $68.8 million of special charges taken in the third quarter of 1997. Excluding the special charges, operating income of $42.9 million was $16.9 million higher than the third quarter of 1996 largely due to the inclusion of Goulds' operations. Fluid Technology also had improvement in their margins because of higher margins at their Flygt operations and the realization of the benefits from the 1996 restructuring in Germany.

Nine months ended September 30, 1997 compared with nine months ended September 30, 1996

Net income of $35.8 million or $.29 per fully diluted share was reported in the first nine months of 1997 compared to the $151.4 million or $1.26 per fully diluted share reported in the first nine months of 1996. The current year net income included after-tax special charges including restructuring and losses related to the disposal of non-core businesses of $145.8 million, or $1.20 per share. Excluding the special charges, net income was $181.6 million or $1.49 per fully diluted share, a 19.9% increase over the prior year. The increase in net income was attributable to a reduction in interest expense, operating income gains at Defense & Electronics, and gains from the sale of the Company's North American aftermarket and seats operations as well as industrial lighting and plastic components business, partially offset by a profit decline at Automotive.

The Company's sales were $6,478.0 million, or flat compared to the 1996 first nine months. The additional sales from Goulds were offset by unfavorable foreign exchange translation and lower sales at non-core operations held for disposition. Operating income for the first nine months of 1997 of $136.6 million included special charges of $239.0 million as previously discussed. Excluding the special charges, current year operating income of $375.6 million exceeded the $366.6 million in the prior year due to the inclusion of Goulds' operations since the date of acquisition and higher earnings at Defense & Electronics, partially offset by a decline in earnings at Automotive and companies held for disposition. Other operating expenses, which include gains and losses from foreign exchange transactions and other charges, was $16.1 million for the first nine months of 1997, compared to $4.9 million for the 1996 first nine months. Operating margins, excluding special charges, were 5.8% in the first nine months of 1997 compared to 5.7% in the first nine months of 1996.

Interest expense for the first nine months of 1997 was $101.4 million, a decrease of $22.0 million from the $123.4 million in the first nine months of 1996. The reduction in interest expense is attributable to lower interest rates resulting from the debt restructuring implemented in the fourth quarter of 1996, partially offset by interest expense on debt related to the acquisition of Goulds. Interest income was $12.0 million for the current nine month period compared to $15.6 million for the prior year nine month period, a result of lower cash balances.

The effective income tax rate was 39.0% for the 1997 first nine months compared to 40.4% in the first nine months of 1996. Excluding the tax benefit on the special charges, of $93.2 million, income tax expense increased by $13.3 million to $116.0 million in the 1997 period due to higher pretax earnings.

Business Segments- Sales and operating income for the nine months ended September 30, 1997, and 1996 ($ in millions) for each of the Company's three major continuing business segments were as follows:

Sales Nine months 1997	Sales Nine months 1996		Operating Income Nine months 1997	Operating Income Nine months 1996
$ 3,893.3	$ 4,137.3	Automotive	$ 123.3	$ 250.8

Automotive's revenue was down $244.0 million or 5.9% due primarily to unfavorable foreign exchange and the absence of sales from two product lines sold in the current year. Operating income, excluding the special charges of $113.0 million, for the first nine months of 1997 of $236.3 million was $14.5 million lower than the first nine months of 1996, a result of lower prices, unfavorable foreign exchange, and the ramp-up of the new MK-20, partially offset by an increase in volume, and cost reductions.

Sales Nine months 1997	Sales Nine months 1996		Operating Income Nine months 1997	Operating Income Nine months 1996
$1,223.6	$1,107.1	Defense & Electronics	$ 87.4	$ 75.1

Sales growth in both the defense and interconnect segments of the business resulted in a 10.5% increase in ITT Defense & Electronics revenue from the prior year first nine months. The increase in the defense segment sales is due to order input received in 1996 and strong growth in the international sector. The interconnect segment sales increase is due to improving market conditions. Operating income was 16.5% higher in the 1997 period, driven by a strong operating performance at Cannon and volume gains in defense lines.

Sales Nine months 1997	Sales Nine months 1996		Operating Income Nine months 1997	Operating Income Nine months 1996
$1,209.2	$ 953.9	Fluid Technology	$ 35.2	$ 77.6

ITT Fluid Technology's 1997 first nine months sales were 26.8% higher than the 1996 nine month period due to the inclusion of Goulds' sales since the date of acquisition. The sales increase related to the Goulds acquisition was partially offset by unfavorable foreign exchange translation, a continued decline in municipal spending in Western Europe, and the absence of sales from the General Controls product line which was sold in the second quarter of 1996. Operating income, excluding the special charges of $68.8 million, for the first nine months of 1997 of $104.0 million was $26.4 million higher than the prior year. The improvement in operating income was primarily attributable to the inclusion of Goulds' operations since the date of acquisition. In addition, operating income was up as a result of cost control actions in Europe and operating improvements at several North

American units in the first quarter of 1997.

Special Charges

During the third quarter of 1997, the Corporation took several actions to strengthen the operating performance of the Company and improve operating efficiencies. As a result, ITT Industries has recognized a $239.0 million pre-tax charge to operating income ($145.8 million after taxes or $1.20 per share). A restructuring charge of $114.4 million was recognized at the ITT Automotive and ITT Fluid Technologies units. These restructuring charges relate primarily to the write-down of assets and to severance costs associated with the closure and consolidation of facilities and related workforce reductions. An additional charge of $91.1 million was recognized by the Corporation for estimated losses on the planned sales of certain non-core businesses including the sale of the ITT Semiconductors business which consummated in October 1997. Other special charges of $31.5 million have been recognized for conforming the accounting policies of the recently acquired Goulds Pumps, Inc. with ITT Industries' accounting policies and to increase environmental reserves. On a pre-tax basis these charges have approximately a $73 million cash impact, the majority to be incurred in 1998. Upon full implementation in 1999, the charge related to the ITT Automotive restructuring will result in annual pre-tax savings of approximately $115 million and cash savings of approximately $104 million, respectively.

Liquidity and Capital Resources

Cash from operating activities was $339.4 million for the first nine months of 1997 compared to an outflow of $2.8 million in the prior year, primarily the result of lower working capital requirements and the absence of payments related to discontinued operations.

The increase in working capital (receivables, inventory, payables, and accrued liabilities) required a cash outflow of $180.8 million, due largely to a seasonal increase in receivables and the timing of a payment from a major customer at Automotive. Working capital required a cash outflow of $395.1 million in the first nine months of 1996 due to a seasonal increase in receivables and a reduction in accounts payable at Automotive and Defense & Electronics.

Many of the Company's businesses require substantial investment in plant and tooling in order to produce their products. Gross plant additions totaled $298.2 million for the first nine months of 1997, with approximately 71% of that total incurred at Automotive. Spending for the first nine months of 1996 was $265.6 million, of which approximately 69% was at Automotive.

Cash from investing activities for the first nine months of 1997 included proceeds from the sale of the North American aftermarket and seats operations and the industrial lighting and plastic components business. Cash outflows included the purchase of Goulds and the remaining 20% interest in Electrical Systems, Inc. (ESI) from General Motors Corporation. Cash inflows in the first nine months of 1996 included $123.9 million from the sale of land and other assets, including a portion of ITT Community Development Corporation and the ITT General Controls product line.

External borrowings were $2,342.4 million at September 30, 1997, compared with $1,418.8 million at December 31, 1996. Cash and cash equivalents were $208.4 million at September 30, 1997, compared to $121.9 million at year-end 1996. The higher debt level at September 30, 1997 reflects borrowings to fund the acquisitions partially offset by proceeds from asset sales as discussed above.

Shareholders' equity decreased $16.0 million during the first nine months of 1997, primarily due to growth in retained earnings offset by $145.8 million of special charges taken in the third quarter. Dividend payments of $.45 per share were made in the first nine months of 1997. A quarterly dividend of $.15 per share will be paid on January 1, 1998.

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/ Richard J. Townsend
Richard J. Townsend
Vice President and Controller
(Principal accounting officer)

November 13, 1997

EXHIBIT INDEX

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

EXHIBIT 11

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CALCULATION OF EARNINGS (LOSS) PER SHARE

(In millions, except per share)

	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
PRIMARY BASIS				
Net (loss) income	$ (91.1)	$ 43.7	$ 35.8	$ 151.4
Average common shares outstanding	118.4	118.1	118.4	117.8
Common shares issuable in respect to common stock equivalents	2.9	2.3	2.4	2.6
Average common equivalent shares	121.3	120.4	120.9	120.4
Earnings (loss) Per Share				
Net (loss) income	$ (.75)	$ .36	$ .30	$ 1.26
FULLY DILUTED BASIS				
Net (loss) income	$(91.1)	$ 43.7	$ 35.8	$151.4
Average common equivalent shares	121.3	120.4	120.9	120.4
Additional common shares issuable assuming full dilution	.6	-	1.1	-
Average common equivalent shares assuming full dilution	121.9	120.4	122.0	120.4
Earnings (loss) Per Share				
Net (loss) income	$ (.75)	$ .36	$ .29	$ 1.26

With respect to options, it is assumed that the proceeds to be received upon exercise are used to acquire common stock of the Company. The dilutive nature of securities is determined quarterly based on the forecast of annual earnings.

EXHIBIT 12

ITT INDUSTRIES, INC. AND SUBSIDIARIES

CALCULATION OF RATIOS OF EARNINGS TO TOTAL FIXED CHARGES
AND CALCULATION OF EARNINGS TO TOTAL FIXED CHARGES AND
PREFERRED DIVIDEND REQUIREMENTS
(Dollars in millions)

	Nine Months Ended September 30,		Years Ended December 31,				
	1997	1996	1996	1995	1994	1993	1992
Earnings:							
Income from continuing operations	$ 35.8	$ 151.4	$ 222.6	$ 20.7	$201.6	$134.8	$ 655.0
Add(deduct):							
Adjustment for distributions in excess of (less than)undistributed equity earnings and losses a)	1.2	1.9	1.9	.6	-	(2.6)	(30.8)
Income taxes	22.9	102.7	148.4	50.2	147.5	65.1	311.3
Amortization of interest capitalized	.7	.7	.9	2.5	.7	3.9	2.7
	60.6	256.7	373.8	74.0	349.8	201.2	938.2
Fixed Charges:							
Interest and other financial charges	101.4	123.4	169.0	175.2	115.2	154.0	180.0
Interest factor attributable to rentals b)	23.2	23.2	30.9	29.0	22.0	24.2	24.8
	124.6	146.6	199.9	204.2	137.2	178.2	204.8
Earnings, as adjusted, from continuing Operations	$ 185.2	$ 403.3	$ 573.7	$278.2	$487.0	$379.4	$1,143.0
Fixed Charges:							
Fixed charges above	$ 124.6	$ 146.6	$ 199.9	$204.2	$137.2	$178.2	$ 204.8
Interest capitalized	-	.6	1.1	2.9	6.8	8.0	11.6
Total fixed charges	124.6	147.2	201.0	207.1	144.0	186.2	216.4
Dividends on preferred stock (pre-income tax basis) c)	-	-	-	23.4	47.5	50.0	63.0
Total fixed charges and preferred dividend requirements	$ 124.6	$ 147.2	$ 201.0	$230.5	$191.5	$236.2	$ 279.4
Ratios:							
Earnings, as adjusted, from continuing operations to total fixed charges	1.49	2.74	2.85	1.34	3.38	2.04	5.28
Earnings, as adjusted, from continuing operations to total fixed charges and preferred dividend requirements	1.49	2.74	2.85	1.21	2.54	1.61	4.09

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) One-third of rental expense is deemed to be representative of interest factor in rental expense.

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

EXHIBIT 27

ITT INDUSTRIES, INC. AND SUBSIDIARIES

FINANCIAL DATA SCHEDULE

(In millions)

This schedule contains summary financial information extracted from the September 30, 1997 Financial Statements included in Form 10-Q and is qualified in its entirety by reference to such Financial Statements.

COMMERCIAL AND INDUSTRIAL COMPANIES

1,000

9-MOS
DEC-31-1997
SEP-30-1997
208,400
0
1,447,700
36,200
805,900
2,591,500
4,944,400
2,864,400
6,380,200
3,558,200
561,100
0
0
118,400
664,800
6,380,200
6,478,000
6,478,000
5,131,400
5,505,200
836,200
5,200
101,400
58,600
22,800
35,800
0
0
0
35,800
.30
.29