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ITT INDUSTRIES INC  
Form 11-K  
June 27, 2005

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2004

OR

Transition Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-5627

ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES

ITT INDUSTRIES, INC.  
4 WEST RED OAK LANE, WHITE PLAINS, NY 10604

ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN  
FOR SALARIED EMPLOYEES

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Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 have been omitted because they are not

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applicable.

These financial statements have been prepared from the Company's books and records after making all necessary adjustments thereto, and they represent the final statements for the period ended December 31, 2004

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Investment and Savings Plan Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES

BY: /s/ Geovanna Chan

-----  
(Geovanna Chan, Director Benefits Administration & Financial Reporting)

June 27, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Trustees and Participants of  
ITT Industries Investment and Savings Plan for Salaried Employees  
White Plains, New York

We have audited the accompanying statements of net assets available for benefits of ITT Industries Investment and Savings Plan for Salaried Employees (the "Plan") as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

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Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2004 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche, LLP

Stamford, Connecticut  
June 17, 2005

### ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (\$ IN THOUSANDS)

|                                    | December 31           |                       |
|------------------------------------|-----------------------|-----------------------|
|                                    | 2004                  | 2003                  |
|                                    | -----                 | -----                 |
| <b>Assets:</b>                     |                       |                       |
| Investments                        | \$ 1,914,552          | \$ 1,733,725          |
| <b>Receivables:</b>                |                       |                       |
| Dividends                          | 1,397                 | 1,496                 |
| Interest                           | 2,591                 | 2,596                 |
| Employer Contributions             | 813                   | 596                   |
| Participant Contributions          | 2,347                 | 1,725                 |
| Unsettled Security Sales           | 597                   | 1,390                 |
| Total Receivables                  | -----<br>7,745        | -----<br>7,803        |
| <b>Liabilities:</b>                |                       |                       |
| Accrued Financial Services Expense | 168                   | 30                    |
| Accrued Administrative Expense     | 398                   | -                     |
| Unsettled Security Purchases       | 6,414                 | 403                   |
| Total Liabilities                  | -----<br>6,980        | -----<br>433          |
| Net Assets Available for Benefits  | \$ 1,915,317<br>===== | \$ 1,741,095<br>===== |

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

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
(\$ IN THOUSANDS)

|   | Year Ended<br>December 31, 2004<br>----- |
|---|--|
| Additions:                                    |  |
| Additions to Net Assets Attributed to:        |  |
| Investment Income:                            |  |
| Net Appreciation in Fair Value of Investments | \$ 141,756                               |
| Dividends                                     | 10,994                                   |
| Interest                                      | 28,083                                   |
|   | -----                                    |
| Total Investment Income                       | 180,833                                  |
| Contributions:                                |  |
| Participants                                  | 60,866                                   |
| Employer                                      | 20,862                                   |
| Rollovers                                     | 18,483                                   |
|   | -----                                    |
| Total Contributions                           | 100,211                                  |
| Asset Transfers                               | 71                                       |
|   | -----                                    |
| Total Additions                               | 281,115                                  |
|   | -----                                    |
| Deductions:                                   |  |
| Deductions from Net Assets Attributed to:     |  |
| Withdrawals and Distributions                 | (100,531)                                |
| Investment Management Expenses                | (1,895)                                  |
| Administrative Expenses                       | (4,467)                                  |
|   | -----                                    |
| Total Deductions                              | (106,893)                                |
| Increase in Net Assets                        | 174,222                                  |
|   | -----                                    |
| Net Assets Available for Benefits:            |  |
| Beginning of Year                             | 1,741,095                                |
|   | -----                                    |
| End of Year                                   | \$ 1,915,317                             |
|   | =====                                    |

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

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 AND 2003, AND  
FOR THE YEAR ENDED DECEMBER 31, 2004

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(\$ IN THOUSANDS)

## 1. DESCRIPTION OF THE PLAN

The following description of the ITT Industries Investment and Savings Plan for Salaried Employees (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

GENERAL -- The Plan is a defined contribution plan generally covering all regular salaried U.S. employees of ITT Industries, Inc. (the "Company"). Employees are eligible to join the Plan on the first day of the calendar month following completion of one month of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

### CONTRIBUTIONS --

EMPLOYEE -- An eligible employee as defined in the Plan ("Member") may generally elect to contribute 2% to 25% of base salary. A Member (other than a Member subject to Puerto Rico's income tax) may designate his/her savings as Before-Tax Savings, After-Tax Savings, or any combination of the two. Effective January 1, 2002 and as a result of the IRS Non-Discrimination Test results, a participant who is considered a Highly Compensated Employee under the Plan may elect Plan savings up to a maximum of 14% of base pay as either Before-Tax Savings, After-Tax Savings, or any combination subject to the dollar limitation contained in section 402(g) of the Internal Revenue Code (the "Code").

EMPLOYER -- An amount equal to 50% of a Member's first 6% of base salary saved is matched by the Company. In addition, the Company contributes 1/2 of 1% of base salary to the Floor Company Contribution Account, as defined by the Plan, of each eligible Member. All Members have the ability to invest their company contributions in any of the Plan's investment options.

All Company contributions, including the future Company contributions to the Plan, have been deposited into the Employee Stock Ownership account (ESOP). All dividends associated with the Company contribution held in the ITT Industries Stock Fund in the Plan are immediately 100% vested. In addition, Members can make an election regarding the payment of their ESOP dividends. Members can elect to have their ESOP dividends either reinvested in the ITT Industries Stock Fund or paid to them in cash on a quarterly basis.

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The Company, or its designee, shall determine the amount of the Minimum Employer Contribution. The Minimum Employer Contribution for each Plan Year shall be deemed to be satisfied as of the date the aggregate amount of Before-Tax Savings Contributions, Matching Company Contributions, and Floor Company Contributions for each Taxable Year equals the amount of the Minimum Employer Contribution for such Plan Year.

INVESTMENT DIRECTION -- A Member may direct employee contributions and Company contributions, in any whole percentage, among any of twelve investment options, and the Member can change his/her future savings and reallocate his/her accumulated investments in 1% increments on a daily basis among the twelve funds. The twelve funds are as follows:

- ITT Industries Stock Fund
- Managed Equity Index Fund
- Stable Value Fund
- Balanced Fund
- Long Term Bond Fund

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- Equity Value Fund
- Aggressive Growth Fund
- Global Equity Fund
- Small Cap Equity Fund
- Asset Allocation Fund - Conservative
- Asset Allocation Fund - Moderate
- Asset Allocation Fund - Aggressive

MEMBER ACCOUNTS -- Each Member's account is credited with the Member's Contributions, Company Contributions and an allocation of Plan earnings, net of administrative expenses and investment management fees. Allocations are based on Member account balances, as defined in the Plan document. The benefit to which a Member is entitled is the benefit that can be provided from the Member's vested account.

Plan accounts are valued and reconciled between the trustee and recordkeeper daily. Members can initiate transactions by using the Plan's web site, the automated voice response system, or by speaking to a Plan representative at the ITT Industries Benefits Center.

A Member or Deferred Member may perform a maximum of four fund reallocations or transfers in any calendar month. A reallocation or a transfer shall be defined as a single reallocation or a single transfer, or as a series of reallocations and/or transfers taking place on a single business day.

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VESTING -- Members are immediately vested in their contributions and the Company Floor Contributions plus earnings thereon. Member's interests in Matching Company Contributions vest according to the following schedule, except as noted previously with respect to dividends on ESOP shares which are 100% vested:

| Years of Service<br>-----    | Non-forfeitable<br>Percentage<br>----- |
|------------------------------|--|
| Less than 1 year.....        | 0%                                     |
| 1 but less than 2 years..... | 20%                                    |
| 2 but less than 3 years..... | 40%                                    |
| 3 but less than 4 years..... | 60%                                    |
| 4 but less than 5 years..... | 80%                                    |
| 5 or more years.....         | 100%                                   |

As of December 31, 2004 and 2003, the cumulative Matching Company Contributions and Floor Company Contributions made on behalf of all Members, including a pro-rata share of investment income, were as follows:

|            | 2004<br>----- | 2003<br>----- |
|------------|---------------|---------------|
| Vested     | \$ 763,549    | \$ 705,452    |
| Non-vested | 6,072         | 6,302         |
|            | -----         | -----         |
|            | \$ 769,621    | \$ 711,754    |
|            | =====         | =====         |

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FORFEITURES -- Forfeitures of the non-vested portion of any Member's Matching Company Contributions are applied to reduce future Company Contributions. Forfeitures for the year ended December 31, 2004 were \$417.

MEMBER LOANS -- A Member may request a loan in any specified whole dollar amount which must be at least one thousand dollars but which may not exceed the lesser of 50% of the Vested Share, or fifty thousand dollars reduced by the Member's highest outstanding loan balance, if any, during the prior one-year period. The interest rate charged by the Plan is based on the prime rate plus 1%, set at the date of the loan origination, and remains the same throughout the term of the loan. General purpose loan terms range from one to sixty months. If the loan is used in the purchase of a primary residence, the loan term can be for a period of up to one hundred eighty months. Members may have two loans outstanding at the same time. Loans to Members at December 31, 2004 and 2003 were \$23,359 and \$22,267, respectively.

Effective January 6, 2003, a terminated Member may continue to make periodic repayment on their loans after separation by contacting the Plan's Benefits Center. However, no new loans can be requested after termination of employment.

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PAYMENT OF BENEFITS -- On termination of employment (including death, disability, or retirement), a Member or his/her surviving spouse beneficiary may elect to receive a lump-sum amount equal to the value of the Member's vested interest in his/her account paid in cash or as a rollover to another qualified plan or an IRA, or periodic payments under one of two alternative installment options. In either case, a Member or his/her surviving spouse beneficiary whose vested account balance is more than three thousand five hundred dollars (five thousand dollars effective January 1, 2005) may elect to keep his/her account balance in the Plan until the year in which the Member reaches/would have reached age 70 -1/2. Upon the death of a Member, with a non-spouse beneficiary, the distribution must be made within five years from the Member's date of death in the form of a lump sum payment or annual fixed period installments, provided that the number of installments does not extend beyond five years from the date of the Member's death.

Effective January 1, 2003, the Plan was amended to provided that all distributions from the Plan shall comply with the requirements of Section 401(1)(9) of the Internal Revenue Code.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING -- The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

USE OF ESTIMATES -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates. The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

INVESTMENT VALUATION AND INCOME RECOGNITION -- The Plan's investments are stated

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at fair value except for its benefit-responsive investment contract investments which are stated at contract value (Note 6). Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

EXPENSES -- The Plan pays for the administrative expenses of the Plan up to 0.25% of the market value of trust assets. In 2004, these expenses amounted to 0.23% of trust assets. These expenses are limited to services provided by unrelated vendors. The Company pays Plan administrative expenses which are not paid by the Plan. In addition to the administrative expense charge, an investment management fee is charged to each investment fund except for the ITT Industries Stock Fund.

PAYMENT OF BENEFITS -- Benefit payments to Members are recorded upon distribution. Amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid were \$117 and \$272 at December 31, 2004 and 2003 respectively.

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### 3. INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's assets:

|  | December 31 |            |
|--|-------------|------------|
|  | 2004        | 2003       |
| *ITT Industries Common Stock, 7,440,879 and 7,833,063 shares respectively, at fair value | \$ 628,382  | \$ 581,000 |
| Investment Contract with Monumental Life Insurance Company, at contract value            | \$ 187,669  | \$ 186,000 |
| Investment Contract with Caisse des Depots et Consignations, at contract value           | \$ 193,597  | \$ 184,000 |
| JP Morgan Index Fund, 8,631,803 and 8,875,652 shares respectively, at fair value         | \$ 196,028  | \$ 180,000 |
| Investment Contract with Bank of America, at contract value                              | \$ 179,353  | \$ 161,000 |

-----  
\* Permitted party-in-interest

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$141,756, as follows:

|                |           |
|----------------|-----------|
| Mutual Funds   | \$ 35,279 |
| Common Stock   | 106,735   |
| Corporate Bond | (15)      |



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|                        |            |
|------------------------|------------|
| U.S. Bonds             | (344)      |
| U.S. Notes             | 94         |
| Other Federal Agencies | 7          |
|                        | -----      |
| Net appreciation       | \$ 141,756 |
|                        | =====      |

#### 4. PLAN TRUSTEE

State Street Bank and Trust Company served as the Plan's Trustee for the period from January 1, 2004 to December 31, 2004. Fees paid by the Plan for Trustee services provided by State Street Bank and Trust Company amounted to \$346 for the year ended December 31, 2004.

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#### 5. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated February 12, 2004 that the Plan and related trust are designed in accordance with applicable sections of the Code. The Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

#### 6. INVESTMENT CONTRACTS WITH INSURANCE AND OTHER FINANCIAL INSTITUTIONS.

The Plan has entered into numerous group annuity contracts with five regulated insurance companies and other financial institutions. These contracts, which are classified as part of the Stable Value Fund, are included in the financial statements at contract value because they are fully benefit responsive. Contract value represents contributions made under the contract, plus earnings and less Plan withdrawals and administrative expenses. The fair value of the investment contracts at December 31, 2004 and 2003 was \$622,473 and \$617,206, respectively. The aggregate fair value of these contracts was in excess of the book value at December 31, 2004 by approximately \$12,220 and \$17,958 at December 31, 2003.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The average yield of the investment contracts at December 31, 2004 and for the year ended December 31, 2004 was 4.43% and 4.45% respectively. The crediting interest rate for the investment contracts ranged from 4.30% to 4.52% at December 31, 2004 and from 3.18% to 6.17% at December 31, 2003. The crediting interest rates are based on an agreed-upon formula with the issuers, but cannot be less than zero. The investment contracts have scheduled maturities from March 30, 2006 to May 31, 2018.

#### 7. RELATED PARTY TRANSACTIONS

At December 31, 2004 and 2003, the Plan held 7,440,879 and 7,833,063 shares, respectively, of common stock of ITT Industries, Inc., the sponsoring employer, with a cost basis of \$288,205 and \$273,028, respectively. During the year ended December 31, 2004, the Plan recorded related dividend income of \$5,165.

Certain administrative functions are performed by the officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan.

These transactions are not deemed prohibited party-in-interest transactions, because they are covered by statutory or administrative exemptions from the Code and ERISA's rules on prohibited transactions.

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### 8. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Members will become 100% vested in their accounts.

### 9. ASSET TRANSFERS

During 2004, assets in the amount of \$71 were transferred to the Plan from the C&K Components, Inc. Profit Sharing Plan and Trust.

### 10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits according to the financial statements to the Plan's Form 5500:

|  | As of<br>December 31 |              |
|--|----------------------|--------------|
|  | 2004                 | 2003         |
| Net assets available for benefits per the financial statements | \$ 1,915,317         | \$ 1,740,000 |
| Amounts allocated to withdrawing Members                       | (117)                |              |
|  | \$ 1,915,200         | \$ 1,740,000 |
| Net assets available for benefits per the Form 5500            | \$ 1,915,200         | \$ 1,740,000 |
|  | \$ 1,915,200         | \$ 1,740,000 |

The following is a reconciliation of benefits paid (withdrawals) to Members according to the financial statements to the Form 5500:

|   | Year Ended<br>December 31, 2004 |  |
|---|---------------------------------|--|
| Benefits paid to Members per the financial statements               | \$ 100,531                      |  |
| Add: Amounts allocated to withdrawing Members at December 31, 2004  | 117                             |  |
| Less: Amounts allocated to withdrawing Members at December 31, 2003 | (272)                           |  |
|   | \$ 100,376                      |  |
| Benefits paid to Members per the Form 5500                          | \$ 100,376                      |  |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
SCHEDULE H, ITEM 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2004

EIN: 13-5158950  
PN: 100

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| (a) | (b) IDENTITY OF ISSUER, BORROWER,<br>LESSOR OR SIMILAR PARTY | (c) DESCRIPTION OF INVESTMENT, INCLUDING MA<br>RATE OF INTEREST, COLLATERAL PAR<br>MATURITY VALUE |
|-----|--|---|
| *   | State Street Bank + Trust Co Short Term<br>Investment Fund   | Interest Bearing Cash   |
|     | FNMA Pool 481585   | US Government Agency<br>Maturity 2/1/29, Interest 6%  |
|     | FNMA Pool 491783   | US Government Agency<br>Maturity 3/1/14, Interest 6%  |
|     | United States Treasury Bonds                                 | US Government Security<br>Maturity 8/15/13, Interest 12   |
|     | United States Treasury Notes                                 | US Government Security<br>Maturity 3/31/05, Interest 1.   |
|     | United States Treasury Notes                                 | US Government Security<br>Maturity 8/31/05, Interest 2%   |
|     | United States Treasury Notes                                 | US Government Security<br>Maturity 7/15/09, Interest 3.   |
|     | Associates Corp North America                                | Corporate Debt Instrument<br>Maturity 1/15/05, Interest 6.  |
|     | Assured Guaranty Ltd   | Common Stock  |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
 SCHEDULE H, ITEM 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 AS OF DECEMBER 31, 2004

EIN: 13-5158950  
 PN: 100

| (a) | (b) IDENTITY OF ISSUER, BORROWER,<br>LESSOR OR SIMILAR PARTY | (c) DESCRIPTION OF INVESTMENT, INCLUDING MA<br>RATE OF INTEREST, COLLATERAL PAR<br>MATURITY VALUE |
|-----|--|---|
|     | Axis Capital Holdings Ltd                                    | Common Stock  |
|     | Cooper Industries Ltd  | Common Stock  |
|     | Willis Group Holdings Ltd                                    | Common Stock  |
|     | XL Capital Ltd   | Common Stock  |
|     | Flextronics International Ltd                                | Common Stock  |

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|                                  |              |
|----------------------------------|--------------|
| ADC Telecommunications Inc       | Common Stock |
| Agilent Technologies Inc         | Common Stock |
| Alcoa Inc                        | Common Stock |
| Altria Group Inc                 | Common Stock |
| Aluminum Corp China Ltd          | Common Stock |
| American Electric Power Inc      | Common Stock |
| American International Group Inc | Common Stock |
| Aquila Inc.                      | Common Stock |
| Arrow Electronics Inc            | Common Stock |
| Avnet Inc                        | Common Stock |
| Bp Plc                           | Common Stock |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
 SCHEDULE H, ITEM 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 AS OF DECEMBER 31, 2004

| (a) | (b) IDENTITY OF ISSUER, BORROWER,<br>LESSOR OR SIMILAR PARTY | (c) DESCRIPTION OF INVESTMENT, INCLUDING<br>MATURITY DATE, RATE OF INTEREST,<br>COLLATERAL PAR OR MATURITY VALUE | (d) COS |
|-----|--|--|---------|
|     | Bank America Corp  | Common Stock   | **      |
|     | Bank of New York Inc   | Common Stock   | **      |
|     | Boeing Co  | Common Stock   | **      |
|     | Borg Warner Inc  | Common Stock   | **      |
|     | Burlington Northern Santa Fe Corporaion                      | Common Stock   | **      |
|     | Cigna Corp   | Common Stock   | **      |
|     | CSX Corp.  | Common Stock   | **      |
|     | Chevrontexaco Corp   | Common Stock   | **      |
|     | Chubb Corp   | Common Stock   | **      |
|     | Citigroup Inc  | Common Stock   | **      |
|     | Comcast Corp New   | Common Stock   | **      |

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|                              |              |    |
|------------------------------|--------------|----|
| Community Health Systems Inc | Common Stock | ** |
| Companhia Vale Do Rio Doce   | Common Stock | ** |
| Conocophillips               | Common Stock | ** |
| Conseco Inc                  | Common Stock | ** |
| Cooper Cameron Corp          | Common Stock | ** |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
 SCHEDULE H, ITEM 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 AS OF DECEMBER 31, 2004

| (a) | (b) IDENTITY OF ISSUER, BORROWER,<br>LESSOR OR SIMILAR PARTY | (c) DESCRIPTION OF INVESTMENT, INCLUDING<br>MATURITY DATE, RATE OF INTEREST,<br>COLLATERAL PAR OR MATURITY VALUE | (d) COS |
|-----|--|--|---------|
|     | Cooper Tire and Rubber Company                               | Common Stock   | **      |
|     | Directv Group Inc  | Common Stock   | **      |
|     | Du Pont EI De Nemours and Company                            | Common Stock   | **      |
|     | Eaton Vance Corp   | Common Stock   | **      |
|     | Education Management Corp                                    | Common Stock   | **      |
|     | Entergy Corp.  | Common Stock   | **      |
|     | Federal Home Loan Mortgage Corp.                             | Common Stock   | **      |
|     | Federal National Mortgage Association                        | Common Stock   | **      |
|     | Federated Department Stores Inc.                             | Common Stock   | **      |
|     | Firstenergy Corp   | Common Stock   | **      |
|     | General Electric Co  | Common Stock   | **      |
|     | Glaxosmithkline Plc  | Common Stock   | **      |
|     | Goldman Sachs Group Inc                                      | Common Stock   | **      |
|     | Graftech International Ltd                                   | Common Stock   | **      |
|     | Great Lakes Chemical Corp                                    | Common Stock   | **      |
|     | Harmony Gold Mng Ltd   | Common Stock   | **      |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
 SCHEDULE H, ITEM 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 AS OF DECEMBER 31, 2004

EI

| (a) | (b) IDENTITY OF ISSUER, BORROWER,<br>LESSOR OR SIMILAR PARTY | (c) DESCRIPTION OF INVESTMENT, INCLUDING<br>MATURITY DATE, RATE OF INTEREST,<br>COLLATERAL PAR OR MATURITY VALUE | (d) COS |
|-----|--|--|---------|
|     | Hartford Financial Services Group                            | Common Stock   | **      |
|     | Hewitt Associates Inc  | Common Stock   | **      |
|     | Hewlett Packard Co   | Common Stock   | **      |
|     | IDT Corp   | Common Stock   | **      |
|     | IAC/Interactive Space Corp                                   | Common Stock   | **      |
|     | ITT Educational Services Inc.                                | Common Stock   | **      |
| *   | ITT Industries, Inc.   | Common Stock   | **      |
|     | Ingram Micro Inc   | Common Stock   | **      |
|     | International Paper Co                                       | Common Stock   | **      |
|     | Interpublic Group Co. Inc                                    | Common Stock   | **      |
|     | Janus Capital Group Inc                                      | Common Stock   | **      |
|     | Jones Apparel Group Inc                                      | Common Stock   | **      |
|     | Kimberly Clark Corp  | Common Stock   | **      |
|     | Kroger Co  | Common Stock   | **      |
|     | Lear Corp  | Common Stock   | **      |
|     | Lehman Brothers Holdings Inc.                                | Common Stock   | **      |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
 SCHEDULE H, ITEM 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 AS OF DECEMBER 31, 2004

EI

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|-----|---|--|---------|
|     | Lilly Eli & Co.   | Common Stock   | **      |
|     | Lockheed Martin Corp  | Common Stock   | **      |
|     | Lyondell Chemical Co  | Common Stock   | **      |
|     | Magna International Inc                                     | Common Stock   | **      |
|     | Manhattan Associates Inc                                    | Common Stock   | **      |
|     | Manpower Inc.   | Common Stock   | **      |
|     | McDonalds Corp  | Common Stock   | **      |
|     | Meadwestvaco Corp   | Common Stock   | **      |
|     | Medco Health Solutions Inc                                  | Common Stock   | **      |
|     | Medimmune Inc   | Common Stock   | **      |
|     | Mellon Financial Corp                                       | Common Stock   | **      |
|     | Merck & Co Inc  | Common Stock   | **      |
|     | Merrill Lynch & Co Inc                                      | Common Stock   | **      |
|     | Metlife Inc   | Common Stock   | **      |
|     | Microsoft Corp  | Common Stock   | **      |
|     | Nalco Holding Co.   | Common Stock   | **      |

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|-----|---|--|---------|
|     | National City Corp  | Common Stock   | **      |
|     | National Financial Partners Corp                            | Common Stock   | **      |
|     | National Oilwell Inc  | Common Stock   | **      |
|     | Navistar International Corp Inc                             | Common Stock   | **      |

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|                           |              |    |
|---------------------------|--------------|----|
| Nokia Corp                | Common Stock | ** |
| Norfolk Southern Corp     | Common Stock | ** |
| Nortel Networks Corp      | Common Stock | ** |
| Occidental Petroleum Corp | Common Stock | ** |
| Office Depot Inc          | Common Stock | ** |
| Olin Corp                 | Common Stock | ** |
| Parker Hannifin Corp      | Common Stock | ** |
| Pepsico Inc               | Common Stock | ** |
| Pfizer Inc                | Common Stock | ** |
| Polo Ralph Lauren Corp    | Common Stock | ** |
| Principal Financial Group | Common Stock | ** |
| Procter And Gamble Co     | Common Stock | ** |

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|-------|--|--|
| ----- | -----  | -----  |
|       | Radio One Inc  | Common Stock   |
|       | Rowan Cos Inc  | Common Stock   |
|       | SBC Communications Inc                                       | Common Stock   |
|       | Safeway Inc  | Common Stock   |
|       | The St Paul Travelers Companies Inc                          | Common Stock   |
|       | Sanmina Sci Corp   | Common Stock   |
|       | Schlumberger Ltd   | Common Stock   |
|       | Schwab Charles Corp  | Common Stock   |
|       | Sempra Energy  | Common Stock   |
|       | Smurfit Stone Container Corp                                 | Common Stock   |



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|                         |              |
|-------------------------|--------------|
| Solectron Corp          | Common Stock |
| Sprint Corp             | Common Stock |
| Suntrust Banks Inc      | Common Stock |
| Symbol Technologies Inc | Common Stock |
| Target Corp             | Common Stock |
| Tech Data Corp          | Common Stock |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
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|-------|--|--|
| ----- |  |  |
|       | Tellabs Inc  | Common Stock   |
|       | Tenet Healthcare Corp  | Common Stock   |
|       | Textron Inc  | Common Stock   |
|       | Time Warner Inc  | Common Stock   |
|       | Todco  | Common Stock   |
|       | Torchmark Inc  | Common Stock   |
|       | Toys R Us Inc  | Common Stock   |
|       | Unilever N V   | Common Stock   |
|       | Unumprovident Corp   | Common Stock   |
|       | Viacom Inc   | Common Stock   |
|       | Wachovia Corp  | Common Stock   |
|       | Watson Pharmaceuticals Inc                                   | Common Stock   |
|       | Westwood One Inc   | Common Stock   |
|       | Wisconsin Energy Corp  | Common Stock   |
| *     | Participants Loans   | Participant Loans<br>The Loan interest rate ranges varied fr   |

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|   |                         |
|---|-------------------------|
| JP Morgan Chase Public Bonds Fund               | Common/Collective Trust |
| JP Morgan Chase Mortgage Private Placement Fund | Common/Collective Trust |
| Morgan Guaranty Trust Co Of NY Liquidity Fund   | Common/Collective Trust |
| JP Morgan Special Sit Property Fund             | Common/Collective Trust |

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ITT INDUSTRIES INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES  
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|-------|--|--|
| ----- |  |  |
|       | JP Morgan International Bond Fund                            | Common/Collective Trust  |
|       | JP Morgan Corporate High Yield<br>Opportunity Fund           | Common/Collective Trust  |
|       | JP Morgan Chase Macs Equity                                  | Common/Collective Trust  |
|       | ITT Emerging Markets Fund-JP Morgan<br>Aggressive Fund       | Common/Collective Trust  |
|       | JP Morgan Chase + Co   | Common/Collective Trust  |
|       | JP Morgan Chase US Act Fixed Core                            | Common/Collective Trust  |
|       | JP Morgan Chase US Real Estate Sec                           | Common/Collective Trust  |
|       | JP Morgan Chase Disc Eq Fund                                 | Common/Collective Trust  |
|       | JP Morgan Chase Strat Small Comp Eq                          | Common/Collective Trust  |
|       | JP Morgan Emerging Markets Eq Foc<br>Fund                    | Common/Collective Trust  |
|       | JP Morgan Index  | Common/Collective Trust  |
|       | JP Morgan Chase Strategic Property<br>Fund                   | Common/Collective Trust  |
|       | JP Morgan Chase Eafe Equal<br>Opportunity Fund               | Common/Collective Trust  |
|       | JP Morgan Chase US Aalyst Fund                               | Common/Collective Trust  |

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JP Morgan Chase Emerging Markets  
Fixed Income

Common/Collective Trust

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|-----|---|--|
|     | JP Morgan Chase Eafe Plus Fund                                      | Common/Collective Trust  |
|     | American Century Quantitative Small<br>Capital Quantitative Fund    | Registered Investment Company  |
|     | American Century Mutual Funds Inc -<br>Twentieth Century Ultra Fund | Registered Investment Company  |
|     | New Perspective Fund Inc  | Registered Investment Company  |
|     | Bank Of America   | Insurance Company General Account<br>Maturity 6/30/06, Interest 3.910%                                       |
|     | Business Mens Assurance Co  | Insurance Company General Account<br>Maturity 3/30/06, Interest 4.8%   |
|     | Caisse Des Depots Et Consignations                                  | Insurance Company General Account<br>Maturity 4/1/08, Interest 1%  |
|     | JP Morgan Chase Bank  | Insurance Company General Account<br>Maturity 12/31/05, Interest 3.180%                                      |
|     | Monumental  | Insurance Company General Account<br>Maturity 4/1/15, Interest 5.133%  |
|     |   | TOTAL  |

\* Party-in-interest to the Plan

\*\* Cost information is not required for participant directed investments and,  
therefore, is not included.

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