

ITT CORP
Form 11-K
July 14, 2009

**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, 2008

OR

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

Commission File Number 1-5672

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

ITT SALARIED INVESTMENT AND SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

ITT CORPORATION

1133 WESTCHESTER AVENUE, WHITE PLAINS, NY 10604

ITT SALARIED INVESTMENT AND SAVINGS PLAN

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| All 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 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, 2008.

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 SALARIED INVESTMENT AND SAVINGS PLAN

BY: /s/ Geovanna Chan

(Geovanna Chan, Director Benefits Administration & Financial
Reporting)

July 14, 2009
(Date)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Members of the
ITT Salaried Investment and Savings Plan
White Plains, NY

We have audited the accompanying statements of net assets available for benefits of the ITT Salaried Investment and Savings Plan (the Plan) as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. 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, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Our audits were conducted for the purpose of forming an opinion on the basic 2008 financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2008 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. The supplemental schedule is the responsibility of the Plan's management. Such supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic 2008 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2008 financial statements taken as a whole.

/s/ Deloitte & Touche LLP
New York, New York
July 14, 2009

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ITT SALARIED INVESTMENT AND SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(\$ IN THOUSANDS)

| | December 31, | |
|--|--------------|-----------|
| | 2008 | 2007 |
| Assets: | | |
| Investments: | | |
| Cash and cash equivalents | \$ 21,972 | \$ 43,635 |
| Equities | 670,162 | 1,057,772 |
| Mutual funds | 142,787 | 253,897 |
| U.S. government securities | 18,243 | 31,785 |
| Corporate bonds | 21,140 | 8,416 |
| Guaranteed investment contracts | 642,142 | 622,053 |
| Common collective trusts | 253,542 | 352,015 |
| Brokerage account | 5,389 | 7,020 |
| Member loans | 26,583 | 25,389 |
| Total investments | 1,801,960 | 2,401,982 |
| Receivables: | | |
| Dividends | 2,195 | 1,944 |
| Interest | 423 | 681 |
| Unsettled security sales | 439 | 1,249 |
| Total receivables | 3,057 | 3,874 |
| Collateral held under securities lending agreement | 82,313 | 170,862 |
| Total assets | 1,887,330 | 2,576,718 |
| Liabilities: | | |
| Liability to return collateral held under securities lending agreement | 92,702 | 170,862 |
| Accrued financial services expense | 769 | 1,165 |
| Accrued administrative expense | 187 | |
| Unsettled security purchases | 893 | 3,828 |
| Total liabilities | 94,551 | 175,855 |
| NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE | 1,792,779 | 2,400,863 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 44,833 | (3,282) |

| | | |
|-----------------------------------|--------------|--------------|
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 1,837,612 | \$ 2,397,581 |
|-----------------------------------|--------------|--------------|

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

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

| | Year ended December 31, 2008 |
|---|------------------------------------|
| Investment (loss)/income: | |
| Net depreciation in fair value of investments | \$ (570,797) |
| Dividends | 23,685 |
| Interest | 35,410 |
| | |
| Total investment (loss) | (511,702) |
| | |
| Contributions: | |
| Participants | 82,761 |
| Employer | 26,648 |
| | |
| Total contributions | 109,409 |
| | |
| Asset rollovers | 7,760 |
| | |
| DEDUCTIONS: | |
| | |
| Withdrawals and distributions | (160,152) |
| Corrective distributions | (82) |
| Investment management and administrative expenses | (5,202) |
| | |
| Total deductions | (165,436) |
| | |
| DECREASE IN NET ASSETS | (559,969) |
| | |
| NET ASSETS AVAILABLE FOR BENEFITS: | |
| Beginning of year | 2,397,581 |
| | |
| End of year | \$ 1,837,612 |

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

ITT SALARIED INVESTMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008 AND 2007, AND
FOR THE YEAR ENDED DECEMBER 31, 2008
(\$ IN THOUSANDS)

1. DESCRIPTION OF THE PLAN

The following description of the ITT Salaried Investment and Savings Plan (the Plan) is provided for general information purposes only. Members 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 Corporation (the Company). Employees are eligible to join the Plan on the first day of the calendar month following completion of one month of service. Part time /temporary employees are eligible as of the first of the month following the completion of at least 1,000 hours of service in an anniversary year. 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 may designate his/her savings as Before-Tax Savings, After-Tax Savings, or any combination of the two. A Member who is considered a Highly Compensated Employee under the Plan may elect Plan savings up to a maximum of 14% of base salary as either Before-Tax Savings, After-Tax Savings, or any combination. Member contributions are subject to the dollar limitation contained in Section 402(g) of the Internal Revenue Code (the Code). All salaried employees who first satisfy the eligibility requirements for participation in the Plan on or after January 1, 2006 and who have not elected a contribution rate, shall be deemed to have elected a 2% before-tax employee contribution rate, provided however, that at any time, such employee may elect to contribute at a different rate, including 0%, in accordance with the terms of the Plan.

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, to each eligible Member. All Members have the ability to invest their Company contributions in any of the Plan's investment options.

Any contributions (employee and/or Company) directed by Members into the ITT Stock Fund, including future contributions to the Plan, are deposited into the Employee Stock Ownership account (ESOP). All dividends associated with the contributions held in the ESOP 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 Stock Fund or paid to them in cash on a quarterly basis.

The Plan limits the amount that may be held in the ITT Stock Fund to 20% of a Member's total account balance. Members who hold 20% or more of their total account balance in the ITT Stock Fund at the end of any calendar quarter, will not be permitted to designate any future contributions (employee and Company) to the ITT Stock Fund, or transfer balances into that Fund, for the following calendar quarter. Members who hold less than 20% of their total account balance in the ITT Stock Fund may designate up to 20% of their future contributions (employee and Company) to the ITT Stock Fund, and may transfer balances into that Fund, provided that the balance in the ITT Stock Fund does not exceed 20% of the Member's total account balance after the transfer.

The Plan also limits the amount that may be held in the Schwab Personal Choice Retirement Account to 20% of a Member's total account balance.

Investment Direction A Member may direct employee contributions and Company contributions, in any whole percentage, among any of twenty four 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 twenty four funds, however, limited to a maximum of four fund reallocations or transfers in any calendar month, as defined below. The twenty four funds are as follows:

Stable Value Fund
Long Term Bond Fund
JPMCB SmartRetirement Income Fund
JPMCB SmartRetirement Fund 2010
JPMCB SmartRetirement Fund 2015
JPMCB SmartRetirement Fund 2020
JPMCB SmartRetirement Fund 2025
JPMCB SmartRetirement Fund 2030
JPMCB SmartRetirement Fund 2035
JPMCB SmartRetirement Fund 2040
JPMCB SmartRetirement Fund 2045
JPMCB SmartRetirement Fund 2050
Balanced Fund
Enhanced Equity Index Fund
Large Cap Core Plus Fund
Large Cap Value Fund
Large Cap Growth Fund
Global Equity Fund
International Equity Fund
Small Cap Core Fund
Small Cap Value Fund
Small Cap Growth Fund
ITT Stock Fund
Schwab Personal Choice Retirement Account (PCRA)

Member Accounts Each Member's account is credited with the Member's contributions, Company contributions and an allocation of Plan earnings, withdrawals and Plan losses, 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 record keeper daily. Members can initiate transactions by using the Plan's web site or by speaking to a Plan representative at the ITT Benefits Center (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.

A deferred Member is a Member who has terminated employment with the Company and has elected to either defer his account or did not make any election and therefore, his account was automatically deferred, the spouse beneficiary of a deceased Member or deferred Member, or an alternate payee designated as such pursuant to a domestic relations order as qualified by the Plan.

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 | Non-forfeitable Percentage |
|-------------------------|----------------------------|
| 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% |

Forfeitures At December 31, 2008 and 2007, forfeited nonvested accounts totaled \$729 and \$704, respectively. During the year ended December 31, 2008, the forfeitures of \$729 were used to reduce employer contributions to the Plan.

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 account balance 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%, as published in the Wall Street Journal on the first business day of the month in which the loan is originated, 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, 2008 and 2007 were \$26,583 and \$25,389, respectively. The loans are secured by the balance in the Member's account.

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.

In 2009, it was determined that a number of outstanding loans were delinquent during 2008 and not defaulted in a timely manner. The Plan has filed a Voluntary Correction Program (VCP) application with the Internal Revenue Service (IRS) to inform them of this, and the Plan has taken corrective actions to notify the affected Members and to consider these funds as distributed. The VCP has been approved and accepted by the IRS.

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 Individual Retirement Account (IRA), or periodic payments under one of two alternative installment options. In any case, a Member or his/her surviving spouse beneficiary whose vested account balance is more than five thousand dollars 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.

Direct Rollover of Certain Distributions If a Member leaves the Company for any reason, the Member is entitled to receive a distribution of the total vested value of his/her account. The distribution can be in the form of a rollover as follows:

- (1) **Elective Rollover** A Member may elect a rollover distribution paid directly to not more than two eligible retirement plans as specified by the Member.
- (2) **Mandatory Rollover**
 - (A) If a Member's account balance is greater than \$1,000 but less than \$5,001 and the Member fails to make an affirmative election to either receive the lump sum payment or have it directly rolled over to another qualified plan or an IRA within the election period, the account balance will be automatically rolled over to an IRA established in the Member's name.
 - (B) If a Member's account balance is \$1,000 or less and the Member fails to make an affirmative election to either receive the lump sum payment or have it directly rolled over to another qualified plan or an IRA within the election period, the account balance will be automatically paid out to the Member.

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. Certain amounts have been reclassified to conform to current year presentation.

Use of Estimates, Risks and Uncertainties 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. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Further, the Plan's valuation methods may produce a fair value estimate that may not be indicative of net realizable value or reflective of future fair values. While the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to estimate fair value could result in a different measure of fair value at the measurement date which could materially affect the amounts reported in the financial statements.

Income Recognition 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.

New Accounting Pronouncement The financial statements reflect the prospective adoption of FASB Statement No. 157 (Statement 157), *Fair Value Measurements*, as of January 1, 2008. Statement 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about assets and liabilities measured at fair value. Statement 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The adoption of Statement 157 did not have a material impact on the Plan's financial statements.

Statement 157 also establishes a fair value hierarchy that categorizes and prioritizes the inputs used to estimate fair value into three levels. The fair value hierarchy is based on maximizing the use of observable inputs and minimizing the use of unobservable inputs when measuring fair value. Classification within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are defined as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices (in non-active markets or in active markets for similar assets or liabilities), inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the assets or liabilities.

In certain instances, fair value is estimated using quoted market prices obtained from an external pricing service. In obtaining such data from the pricing service, the Plan has evaluated the methodologies used to develop the estimate of fair value in order to evaluate whether such valuations are representative of fair value. Additionally, in certain circumstances, the Plan may adjust the net asset value (NAV) reported by an asset manager when it has sufficient evidence to support applying such adjustments. No adjustments to reported NAV have been recorded. The Plan's investments are stated at fair value except for its benefit-responsive investment contract investments, which are stated at fair value and then adjusted to contract value (Note 7). The following is a description of the valuation methodologies and inputs used to measure fair value.

Cash and cash equivalents Fair value is measured at the closing price of the security reported on the major market on which the security is traded.

Equities Common and preferred stock is valued at the closing price reported on the major market on which the individual securities are traded at the measurement date. ITT Stock Fund invests primarily in ITT Corporation common stock, which is traded on the New York Stock Exchange (NYSE) under the ticker symbol (ITT) and is valued at its NAV. The NAV of the ITT Stock Fund is computed based on the closing price of ITT common stock reported by the NYSE at the measurement date, plus the NAV of the short-term money market included in the ITT Stock Fund, divided by the number of units outstanding. The money market portion of the ITT Stock Fund provides liquidity, which enables the Plan Members to transfer money daily among all investment choices.

Mutual funds Units of participation in mutual funds are valued at the NAV, based on quoted prices in active markets, of shares held by the Plan at the measurement date.

U.S. government securities and corporate bonds U.S. government securities are generally valued using matrix pricing or fair value was estimated using quoted prices of securities with similar characteristics. Corporate bonds are generally valued by using pricing models (e.g., discounted cash flows), quoted prices of securities with similar characteristics or broker quotes.

Guaranteed investment contracts The stable value fund includes traditional and synthetic guaranteed investment contracts (GICs). For a traditional GIC, the issuer of the GIC takes a deposit from the Plan and purchases investments that are held in the issuer's general accounts. In return, the issuer of the GIC is obligated to repay the principal and specified interest guaranteed to the Plan. The fair value of a traditional GIC is generally estimated by discounting the related cash flows based on current yields of similar instruments with comparable durations. In a synthetic GIC structure, there are two components, an underlying investment and a wrapper contract. The underlying investments remain owned by the Plan and are measured at fair value and reported in the fair value hierarchy based on the nature of the individual security. The fair value of wrapper contracts is generally estimated using the discounted replacement cost approach which incorporates the difference between current market rates for the identical wrapper and wrap fees currently being charged by market participants.

Common collective trusts (CCTs) Fair value is estimated based on NAV. While NAV for a CCT is quoted in a market that is not active; classification in the fair value hierarchy is based on the observability of the investments held in the CCT. Accordingly, the Plan has classified CCTs based on the lowest level input that is significant to NAV.

Brokerage Account Securities held in the Brokerage account are valued at the closing price reported on the major market on which the individual securities are traded at the measurement date and are classified in Level 1 of the fair value hierarchy.

Member loans Loans to plan Members, all of which are secured by vested account balances of borrowing Members, are valued at their outstanding balances, which approximates fair value.

Fair Value Measurement The following table sets forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2008.

Fair Value Measurements at December 31, 2008

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|--|---|---|--|---------------------|
| Cash and cash equivalents | \$ 21,972 | | | \$ 21,972 |
| Equities | 675,551 | | | 675,551 |
| Mutual funds | 142,787 | | | 142,787 |
| U.S. government securities | | \$ 18,243 | | 18,243 |
| Corporate bonds | | 21,140 | | 21,140 |
| Guaranteed investment contracts | 20,407 | 594,584 | \$ 27,151 | 642,142 |
| Common collective trusts | | 150,664 | 102,878 | 253,542 |
| Member loans | | | 26,583 | 26,583 |
| Subtotal | 860,717 | 784,631 | 156,612 | 1,801,960 |
| Collateral held under securities lending agreement | 36,834 | 42,726 | 2,753 | 82,313 |
| Total | \$ 897,551 | \$ 827,357 | \$ 159,365 | \$ 1,884,273 |

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3):

| | Guaranteed Investment Contracts | Common Collective Trusts | Member Loans | Collateral Held Under Securities Lending Agreement | Total |
|---|---------------------------------------|--------------------------------|-----------------|---|------------|
| Beginning balance - January 1, 2008 | \$ 46,221 | \$ 124,204 | \$ 25,389 | \$ | \$ 195,814 |
| Realized (loss) | (3,304) | (232) | | | (3,536) |
| Unrealized (loss) | (2,200) | (30,960) | | (765) | (33,925) |
| Purchases, sales, issuance, and settlements, net | (13,566) | 13,396 | 1,194 | (163) | 861 |
| Transfers in and/or out of Level 3 | | (3,530) | | 3,681 | 151 |
| Ending balance - December 31, 2008 | \$ 27,151 | \$ 102,878 | \$ 26,583 | \$ 2,753 | \$ 159,365 |

Expenses The Plan pays for the administrative expenses of the Plan up to 0.25% of the market value of trust assets. In 2008, these expenses amounted to 0.12% 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 Stock Fund and the Schwab Personal Choice Retirement Account. These investment management fees totaled \$3,689 and are reflected as a component of Investment Management and Administrative expense on the Statement of Changes in Net Assets Available For Benefits.

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 \$177 and \$229 at December 31, 2008 and 2007, respectively.

Corrective Distribution The Plan is required to retain contributions received during the plan year in excess of IRC limits.

3. INVESTMENTS

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

| | December 31, | |
|--|--------------|-----------|
| | 2008 | 2007 |
| ITT Corporation Common Stock, 10,077,932 and 10,803,822 shares, respectively, at fair value | \$463,484 | \$713,484 |
| Pyramid Enhanced Intermediate Fixed Income Fund* | \$274,198 | \$276,186 |
| Pyramid Short Managed Maturing Fund* | \$104,351 | \$119,830 |
| American Global New Perspective Fund (Global Equity Fund), 5,340,014 and 5,385,671 shares, respectively, at fair value | \$100,819 | \$182,790 |
| Pyramid Intermediate Managed Maturing Fund* | \$ 99,756 | ** |

* These investment contracts are part of the Stable Value fund investment option

** This investment did not represent 5% or more of the Plan assets in 2007

During the year ended December 31, 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated/(depreciated) in value by \$(570,797), as follows:

| | |
|----------------------------|--------------|
| Equities | \$ (356,372) |
| Mutual funds | (105,095) |
| U.S. government securities | 2,649 |
| Corporate bonds | (6,864) |
| Common collective trusts | (103,441) |
| Other | (1,674) |
| Net depreciation | \$ (570,797) |

4. SECURITIES LENDING

The Plan participates in a securities lending program through the trustee. Under this program, the Plan's investment securities are loaned to investment brokers for a fee. At December 31, 2008 and 2007, \$90,662 and \$167,431, respectively, of the Plan's securities were loaned through the securities lending program. The value of the collateral received for securities on loan at December 31, 2008 and 2007 was \$92,702 and \$170,862, respectively. The fair value of invested collateral was \$82,313 and \$170,862 at December 31, 2008 and 2007, respectively. The net investment loss from the invested collateral was \$10,389 and fee income from the securities lending program was \$355 for the year ended December 31, 2008. The investment loss and fee income are recorded in net depreciation in fair value of investments on the statement of changes in net assets available for benefits. As of December 31, 2008, no plan Member had realized a loss as a result of the \$10,389 collateral deficiency. The Plan intends to exit the securities lending program and the Company will fund any collateral deficiency.

Plan assets on loan under the securities lending agreement at December 31, 2008 and 2007 are as follows:

| | 2008 | 2007 |
|----------------------------|---------------|----------------|
| Equities | \$ 29,018 | \$ 116,643 |
| Mutual funds | | 985 |
| U.S. government securities | 49,516 | 40,176 |
| Corporate bonds | 12,128 | 9,627 |
| Total | \$ 90,662 | \$ 167,431 |

5. PLAN TRUSTEE

Fees paid by the Plan for trustee services provided by Wells Fargo Bank, NA amounted to \$378 for the year ended December 31, 2008.

6. FEDERAL INCOME TAX STATUS

The IRS 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 has been amended since receiving the determination letter. However, 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 and the Plan and the related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

7. INVESTMENT CONTRACTS WITH INSURANCE AND OTHER FINANCIAL INSTITUTIONS

The Plan provides a self managed stable value investment option to Members that includes synthetic GICs which simulate the performance of a GIC through an issuer’s guarantee of a specific interest rate (the wrapper contract) and a portfolio of financial instruments that are owned by the Plan. The synthetic GIC includes underlying assets which are held in trust owned by the Plan and utilizes benefit-responsive wrapper contracts issued by Bank of America, N.A., Natixis Financial Products, Inc., JP Morgan Chase Bank and Monumental Life Insurance Co. The contracts provide that the Members execute plan transactions at contract value. Contract value represents contributions made to the fund, plus earnings, less Member withdrawals.

The following investments are the underlying categories in the guaranteed investment contracts as of December 31, 2008 and 2007:

| | 2008 | 2007 |
|----------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 20,407 | \$ 9,889 |
| U.S. government securities | 78,092 | 53,871 |
| Corporate bonds | 33,051 | 64,802 |
| Investment contracts | 5,136 | 68 |
| Common collective trusts | 478,305 | 480,247 |
| Other | 27,151 | 13,176 |
| Total | \$ 642,142 | \$ 622,053 |

The interest rates are reset quarterly based on market rates of other similar investments, the current yield of the underlying investments and the spread between the market value and contract value. The rate cannot be less than 2%. Certain events such as plan termination or a Plan merger initiated by the Company may limit the ability of the Plan to transact at contract value or may allow for the termination of the wrapper contract at less than current value. The Company does not believe that any events that may limit the ability of the Plan to transact at contract value are probable.

| | 2008 | 2007 |
|---|-------|-------|
| Average yields: | | |
| Based on year-end average yield of investment (1) | 6.83% | 5.16% |
| Based on average yield credited to Members (2) | 3.68% | 5.36% |

(1) Computed by market value sum of the funds holding times their respective yields, divided by the sum of the holdings as of the stated reporting date.

(2) Computed by the sum of the book value holdings times the crediting

rate for the fund
divided by the
market value of
the fund.

In accordance with FASB Staff Position, FSP No. AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*, the statement of net assets available for benefits presents investment contracts at fair value, as well as providing an additional line item showing an adjustment of fully benefit contracts from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract value basis.

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8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

At December 31, 2008 and 2007, the Plan held 10,077,932 and 10,803,822 shares outstanding, respectively, of common stock of the Company, the Plan sponsor, with a cost basis of \$236,646 and \$253,100, respectively. During the year ended December 31, 2008, the Plan recorded related dividend income of \$6,872 and net depreciation of \$207,253.

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

Wells Fargo Bank, NA maintained short-term investments of \$44,336 as of December 31, 2008.

Fees paid by the Plan for the investment management services were \$3,689 for the year-ended December 31, 2008. 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.

9. 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.

10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

| | As of December 31, | |
|--|-----------------------|--------------|
| | 2008 | 2007 |
| Net assets available for benefits per the financial statements | \$ 1,837,612 | \$ 2,397,581 |
| Amounts allocated to withdrawing Members | (177) | (229) |
| Adjustment from fair value to contract value for fully benefit responsive investment contracts | (44,833) | 3,282 |
| Net assets available for benefits per the Form 5500 | \$ 1,792,602 | \$ 2,400,634 |

| | As of December 31, 2008 |
|--|-------------------------------|
| Decrease in net assets per financial statements | \$ (559,969) |
| Adjustment from fair value to contract value for fully benefit responsive investment contracts | (48,115) |
| Add: Amounts allocated to withdrawing Members at December 31, 2007 | 229 |
| Less: Amounts allocated to withdrawing Members at December 31, 2008 | (177) |
| Net income per Form 5500 | \$ (608,032) |

The following is a reconciliation of withdrawals and distributions to Members according to the financial statements to the Form 5500:

| | Year Ended December 31, 2008 |
|---|------------------------------------|
| Withdrawals and distributions per the financial statements | \$ 160,152 |
| Add: Amounts allocated to withdrawing Members at December 31, 2008 | 177 |
| Less: Amounts allocated to withdrawing Members at December 31, 2007 | (229) |
| Less: Amounts deemed distributed for tax purposes in 2008 | (432) |
| Withdrawals and distributions per the Form 5500 | \$ 159,668 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
PN: 100**

| Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Value |
|---|--|----------|-----------|
| h | Cash | ** | 4,2 |
| ateral Cash Held at Broker | Cash Equivalent | ** | 6 |
| Bank of New York Cash Reserve Fund | Cash | ** | 2 |
| ted States Dollars | Cash - US Dollars | ** | |
| ker Japanese Yen | Cash - Japanese Yen | ** | |
| ker Pound Sterling | Cash - British Pound Sterling | ** | |
| ker Canadian Dollar | Cash - Canadian Dollar | ** | |
| ker Australian Dollar | Cash - Australian Dollar | ** | |
| ker Euro | Cash - Euro | ** | |
| ls Fargo Short Term Investment Fund | Money Market | ** | 17,7 |
| ls Fargo Short Term Investment Fund | Money Market | ** | 8 |
| ls Fargo Advantage Government | Money Market | ** | 25,7 |
| erican Honda Finance | Finance Comp. 3.26 Feb-05-2009 | ** | 6 |
| k of America Corp | Cash Equivalent 5.88 Feb-15-2009 | ** | 2 |
| k of Ireland Stamford | Cash Equivalent 2.26 Feb-03-2009 | ** | 6 |
| group Funding Inc | Cash Equivalent 2.4 Mar-02-2009 | ** | 5 |
| ncast Corp | Cash Equivalent 5.12 Jan-14-2009 | ** | 4 |
| ntrywide Financial Corp | Cash Equivalent 1.69 Mar-24-2009 | ** | |
| S Caremark Corp | Cash Equivalent 2.5 Mar-02-2009 | ** | 4 |
| tsche Bank NY | Cash Equivalent 2.45 Mar-18-2009 | ** | 4 |
| geo Finance BV | Cash Equivalent 1.59 Mar-30-2009 | ** | 3 |

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ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008

EIN: 13-5158950
PN: 100

| (a) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Cost |
|---|---|----------|----------|
| annie Mae | Cash Equivalent 6.38 Jun-15-2009 | ** | 1 |
| Goldman Sachs Group Inc | Cash Equivalent 1.57 Mar-30-2009 | ** | 5 |
| Hewlett-Packard Co | Cash Equivalent 2.62 Mar-03-2009 | ** | 5 |
| Home Depot Inc | Cash Equivalent 2.05 Mar-16-2009 | ** | 2 |
| Industrial Bank of Korea | Cash Equivalent 4 May-19-2009 | ** | 1 |
| Investment Management Glob Fund II | Cash Equivalent 3.9 Jun-15-2009 | ** | 2 |
| J.P. Morgan Stanley | Cash Equivalent 2.5 Feb-09-2009 | ** | 3 |
| Ohio Power Company | Cash Equivalent 4.39 Apr-06-2009 | ** | 3 |
| Telefonica Emisões de Sa | Cash Equivalent 1.83 Mar-20-2009 | ** | 5 |
| Treasury Dollar | Overdraft Jan-02-2009 | ** | (7,5 |
| Treasury N/B | Cash Equivalent 4.62 Jul-31-2009 | ** | 7 |
| Treasury N/B | Cash Equivalent 4.88 May-31-2009 | ** | 6 |
| Verizon Wireless Inc | Cash Equivalent 2.27 Mar-16-2009 | ** | 2 |
| Wells Fargo Bank | Cash Equivalent 5.75 Mar-13-2009 | ** | 6 |
| MT 2005-R8 A2C | Asset Backed Security-Home Equity Loans 0.73 Jan-26-2009 | ** | |
| MT 2005-1 5A2 | Collateralized Mortgage Obligation - Floater 0.8 Jan-26-2009 | ** | |
| MT 2005-12 5A1 | Collateralized Mortgage Obligation - Floater 0.72 Jan-26-2009 | ** | |
| MT 2005-4 7A2 | Collateralized Mortgage Obligation - Floater 0.7 Jan-26-2009 | ** | |
| MT 2005-5 6A21 | Collateralized Mortgage Obligation - Floater 0.7 Jan-26-2009 | ** | |
| MT 2006-A A3 | Asset Backed Security-Auto Prime Qual Tranc 5.13 Sep-27-2010 | ** | 1 |
| MT 2006-2 A3 | Asset Backed Security-Auto Prime Qual Tranc 5.15 Feb-15-2011 | ** | 2 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
PN: 100**

| (a) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| CIT 2006-C4 C4 | Asset Backed Security-Card 2.1 Jan-07-2009 | ** | 4 |
| H 2005-A A4A | Asset Backed Security-Truck/Equipment Loans 1.24 Jan-15-2009 | ** | 1 |
| AFT 2006-A A3 | Asset Backed Security-Auto Non Pri Qu Tranc 5.33 Nov-15-2010 | ** | 0 |
| met 2006-B2 B | Asset Backed Security-Card 1.28 Jan-15-2009 | ** | 3 |
| met 2007-A9 A9 | Asset Backed Security-Card 4.95 Oct-15-2009 | ** | 1,7 |
| par 2005-1 A4 | Asset Backed Security-Auto Prime Qual Tranc 1.22 Jan-15-2009 | ** | 1 |
| WALT 2006-OA6 1A2 | Collateralized Mortgage Obligation - Floater 0.68 Jan-26-2009 | ** | 1 |
| WALT 2006-OA9 1A1 | Collateralized Mortgage Obligation - Floater 0.71 Jan-20-2009 | ** | 1 |
| WHEL 2004-I A | Asset Backed Security-HELOC 1.49 Jan-15-2009 | ** | 2 |
| WHEL 2004-T 2A | Asset Backed Security-HELOC 1.43 Jan-15-2009 | ** | 2 |
| VL 2003-5 MF1 | Asset Backed Security-Home Equity Loans 5.41 Jan-25-1934 | ** | 2 |
| VL 2004-1 3A | Asset Backed Security-Home Equity Loans 0.75 Jan-26-2009 | ** | |
| VL 2004-13 MV1 | Asset Backed Security-Home Equity Loans 0.97 Jan-26-2009 | ** | 1 |
| ML 2006-FF7 2A3 | Asset Backed Security-Home Equity Loans 0.62 Jan-26-2009 | ** | 3 |
| LT 2006-1 2A3 | Asset Backed Security-Home Equity Loans 0.65 Jan-26-2009 | ** | 5 |
| R 2006-43 G | Collateralized Mortgage Obligation - Sequential 6.5 Sep-25-1933 | ** | 3 |
| R 2006-63 AE | Collateralized Mortgage Obligation - Sequential 6.5 Oct-25-1933 | ** | 2 |
| R 2006-78 BC | Collateralized Mortgage Obligation - Sequential 6.5 Jan-25-1934 | ** | 2 |
| MLT 2005-13 2A11 | Collateralized Mortgage Obligation - Floater 0.86 Jan-20-2009 | ** | 1 |
| l Lease Finance Corp | Finance Comp. 2.37 Feb-24-2009 | ** | 1 |
| EDL 2005-2G A | Asset Backed Security-Global Residential Mtge 2.19 Feb-23-2009 | ** | 2 |

ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008

EIN: 13-5158950
PN: 100

| (a) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|----------|-------------------|
| Atl Agri Coop Fed(NACF) | Foreign Agency 5.75 Jun-18-2009 | ** | 2 |
| DMLT 2003-4 A2 | Asset Backed Security-Home Equity Loans 0.79 Jan-26-2009 | ** | |
| DMLT 2005-4 A3 | Asset Backed Security-Home Equity Loans 0.73 Jan-26-2009 | ** | |
| DMLT 2007-4 2A1 | Asset Backed Security-Home Equity Loans 0.56 Jan-26-2009 | ** | 1 |
| B SVC ELEC & GAS | Cash Equivalent 2.97 Mar-12-2009 | ** | 4 |
| AMP 2005-EFC6 M1 | Asset Backed Security-Home Equity Loans 0.88 Jan-26-2009 | ** | |
| AMP 2006-EFC1 A2 | Asset Backed Security-Home Equity Loans 0.67 Jan-26-2009 | ** | 1 |
| ASC 2002-KS4 AIIB | Asset Backed Security-Home Equity Loans 0.97 Jan-26-2009 | ** | |
| ASC 2004-KS12 M1 | Asset Backed Security-Home Equity Loans 1 Jan-26-2009 | ** | 1 |
| MI 2005-AR2 2A1 | Collateralized Mortgage Obligation - Floater 0.7 Jan-25-2009 | ** | 1 |
| MT 2007-3 1A1 | Collateralized Mortgage Obligation - Floater 0.71 Jan-20-2009 | ** | 4 |
| AMU 2005-AR1 A2A1 | Collateralized Mortgage Obligation - Floater 0.81 Jan-25-2009 | ** | |
| AMU 2005-AR15 A1A1 | Collateralized Mortgage Obligation - Floater 0.73 Jan-25-2009 | ** | 1 |
| AMU 2005-AR2 2A21 | Collateralized Mortgage Obligation - Floater 0.8 Jan-25-2009 | ** | |
| ASI 2003-HE3 A | Asset Backed Security-HELOC 0.72 Jan-26-2009 | ** | |
| FMBS 2005-AR10 2A14 | Collateralized Mortgage Obligation - Floater 4.23 Jun-25-1935 | ** | 1 |
| DOART 2006-B A3 | Asset Backed Security-Auto Prime Qual Tranc 5.15 Nov-15-2010 | ** | 2 |
| achovia Bank Commercial Mortgage Trust | Mortgage pass through, April 15, 2034, 6.287% | ** | 8,2 |
| Treasury Inflation Index | US Government Security, Par - 6,376,395.800 Maturity 1/15/2015, Yield 1.625 % | ** | 5,9 |
| Treasury Bond | US Government Security, Par - 3,475,000.000 Maturity 11/15/2021, Interest 8.000% | ** | 5,2 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
 PN: 100**

| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| Treasury Note | US Government Security, Par - 4,171,000.000 Maturity 11/30/2009, Interest 3.125% | ** | 4,2 |
| Treasury Note | US Government Security, Par - 1,065,000.000 Maturity 11/30/2012, Interest 3.375% | ** | 1,1 |
| Treasury Note | US Government Security, Par - 1,475,000.000 Maturity 12/31/2012, Interest 3.625% | ** | 1,6 |
| Y INFL IX N/B | Inflation-Indexed Security 1.38 Jul-15-2018 | ** | 8 |
| Treasury N/B | US Treasury 2 Nov-30-2013 | ** | 4 |
| Treasury N/B | US Treasury 1.25 Nov-30-2010 | ** | 5,7 |
| Treasury N/B | US Treasury 3.75 Nov-15-2018 | ** | 4 |
| Treasury N/B | US Treasury 1.75 Nov-15-2011 | ** | 3 |
| Treasury N/B | US Treasury 2.75 Oct-31-2013 | ** | 7 |
| Treasury N/B | US Treasury 3.12 Sep-30-2013 | ** | 5,5 |
| Treasury N/B | US Treasury 4 Aug-15-2018 | ** | 3 |
| Treasury N/B | US Treasury 2.88 Jun-30-2010 | ** | 1,1 |
| Treasury N/B | US Treasury 3.5 May-31-2013 | ** | 1,9 |
| Treasury N/B | US Treasury 2.62 May-31-2010 | ** | 6,1 |
| Treasury N/B | US Treasury 3.88 May-15-2018 | ** | 3,4 |
| Treasury N/B | US Treasury 4.75 Aug-15-2017 | ** | 1,4 |
| Treasury N/B | US Treasury 4.62 Jul-31-2012 | ** | 1 |
| Treasury N/B | US Treasury 4.5 May-15-2017 | ** | |
| Treasury N/B | US Treasury 4.5 May-15-2010 | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
PN: 100**

| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| Treasury N/B | US Treasury 4.62 Feb-15-2017 | ** | 2 |
| Treasury N/B | US Treasury 4.75 Jan-31-2012 | ** | |
| Treasury N/B | US Treasury 4.62 Aug-31-2011 | ** | |
| Treasury N/B | US Treasury 4.88 Jul-31-2011 | ** | 3 |
| Treasury N/B | US Treasury 4.88 May-31-2011 | ** | 8 |
| Treasury N/B | US Treasury 5.12 May-15-2016 | ** | |
| Treasury N/B | US Treasury 4.88 Apr-30-2011 | ** | 1,6 |
| Treasury N/B | US Treasury 4.88 Feb-15-2012 | ** | 1 |
| Treasury N/B | US Treasury 6.12 Nov-15-2027 | ** | |
| Treasury N/B | US Treasury 6.38 Aug-15-2027 | ** | 3 |
| Treasury N/B | US Treasury 6.62 Feb-15-2027 | ** | 3 |
| Treasury Bill | Short-Term US Treasury | ** | 4 |
| Treasury Bill | Short-Term US Treasury | ** | |
| bott Laboratories | Corporate Bond, Par - 2,075,000 Maturity 11/30/12, Interest 5.150% | ** | 2,2 |
| ria Group Inc. | Corporate Bond, Par - 1,975,000 Maturity 11/10/2018, Interest 9.700% | ** | 2,1 |
| merican Express Credit | Med Term Note Ser C 740,000 | ** | 7 |
| Pont | Corporate Bond, Par - 2,120,000 Maturity 12/15/2016, Interest 5.250% | ** | 2,1 |
| OG Resources Inc | Corporate Bond, Par - 2,180,000 Maturity 09/15/2017, Interest 5.875% | ** | 2,2 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
 PN: 100**

| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Value |
|---|---|----------|-----------|
| Home Depot | Corporate Bond, Par - 2,390,000 Maturity 03/01/2016, Interest 5.400% | ** | 2,1 |
| Order System Inc. | Med Term Note 1,325,000 | ** | 1,0 |
| Home Warner | Corporate Bond, Par - 2,340,000 Maturity 11/15/2016, Interest 5.875% | ** | 2,0 |
| Union Pacific Corporation | Corporate Bond, Par - 2,075,000 Maturity 01/31/2013, Interest 5.450% | ** | 2,0 |
| Wal-Mart Stores, Inc. | Corporate Bond, Par - 2,050,000 Maturity 02/15/2018, Interest 5.800% | ** | 2,2 |
| EO Energy Inc | Corporate Bond, Par - 2,180,000 Maturity 12/15/2018, Interest 6.500% | ** | 2,1 |
| Fannie Mae | Federal National Mortgage Association 3.88 Jul-12-2013 | ** | 5 |
| Fannie Mae | Federal National Mortgage Association 4.75 Mar-12-2010 | ** | 1,2 |
| Fannie Mae | Federal National Mortgage Association 4.88 Dec-15-2016 | ** | 5 |
| Fannie Mae | Federal National Mortgage Association 4.12 Apr-15-2014 | ** | 2 |
| Fannie Mae | Federal National Mortgage Association 4.62 May-01-2013 | ** | 9 |
| Fannie Mae | Federal National Mortgage Association 5.25 Aug-01-2012 | ** | 1,1 |
| Fannie Mae | Federal National Mortgage Association 6.25 Feb-01-2011 | ** | 2,9 |
| Farmer Mac GTD TR 07-01 | Federal Agricultural Mortgage Corporation 5.12 Apr-19-2017 | ** | 1,3 |
| Freddie Mac | Federal Home Loan Corporation 4.88 Jun-13-2018 | ** | 6,3 |
| Freddie Mac | Federal Home Loan Corporation 5.12 Oct-18-2016 | ** | 5 |
| Freddie Mac | Federal Home Loan Corporation 5 Jul-15-2014 | ** | 2 |
| Goldman Sachs Group Inc | Government Guaranteed 3.25 Jun-15-2012 | ** | 6 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
PN: 100**

| b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|--|---|----------|---------|
| ITT Company | Corporate Bond 4.38 Aug-15-2013 | ** | 66 |
| First State LF GLB FN Turst | Corporate Bond 5.38 Apr-30-2013 | ** | 40 |
| Centria Group Inc | Corporate Bond 8.5 Nov-10-2013 | ** | 48 |
| American Intl Group | Corporate Bond 8.25 Aug-15-2018 | ** | 19 |
| ITT&T Inc | Corporate Bond 6.7 Nov-15-2013 | ** | 38 |
| ITT&T Inc | Corporate Bond 4.95 Jan-15-2013 | ** | 57 |
| Bank of America Corp | Corporate Bond 5.65 May-01-2018 | ** | 45 |
| Barclays Bank PLC | Corporate Bond 7.43 Dec-15-2017 | ** | 6 |
| Barclays Bank PLC | Corporate Bond 5.93 Dec-15-2016 | ** | 7 |
| Berkshire Hathaway Fin | Corporate Bond 4.5 Jan-15-2013 | ** | 57 |
| Canadian Natl Resources | Corporate Bond 5.7 May-15-2017 | ** | 16 |
| Caterpillar Fin Serv Corp | Corporate Bond 5.45 Apr-15-2018 | ** | 6 |
| Centigroup Inc | Corporate Bond 5.5 Apr-11-2013 | ** | 38 |
| Centigroup Inc | Corporate Bond 6 Aug-15-2017 | ** | 33 |
| Coca-Cola Enterprises | Corporate Bond 7.38 Mar-03-2014 | ** | 31 |
| Comcast Corp | Corporate Bond 6.3 Nov-15-2017 | ** | 26 |
| Credit Suisse USA Inc | Corporate Bond 5.5 Aug-16-2011 | ** | 12 |
| CSX Corp | Corporate Bond 6.25 Apr-01-2015 | ** | 48 |
| Gegeo Capital PLC | Corporate Bond 5.2 Jan-30-2013 | ** | 23 |
| Imperial Dominion Resources Inc | Corporate Bond 5.15 Jul-15-2015 | ** | 16 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
 PN: 100**

| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Value |
|--|--|-----------------|--------------|
| Pepper Snapple Group | Corporate Bond 6.82 May-01-2018 | ** | 20 |
| ON Intl Finance BV | Corporate Bond 5.8 Apr-30-2018 | ** | 18 |
| Enterprise Products Oper | Corporate Bond 6.3 Sep-15-2017 | ** | 22 |
| General Electric Capital Corp | Corporate Bond 5.62 May-01-2018 | ** | 24 |
| General Electric Capital Corp | Corporate Bond 5.25 Oct-19-2012 | ** | 95 |
| General Electric Co | Corporate Bond 5.25 Dec-06-2017 | ** | 23 |
| Glaxosmithkline Cap Inc | Corporate Bond 4.85 May-15-2013 | ** | 56 |
| Goldman Sachs Capital II | Corporate Bond 5.79 Jun-01-2012 | ** | 10 |
| Goldman Sachs Group Inc | Corporate Bond 5.95 Jan-18-2018 | ** | 54 |
| Hewlett-Packard Co | Corporate Bond 4.5 Mar-01-2013 | ** | 45 |
| Home Depot Inc | Corporate Bond 5.25 Dec-16-2013 | ** | 37 |
| SBC Bank USA | Corporate Bond 4.62 Apr-01-2014 | ** | 37 |
| M Corp | Corporate Bond 7.62 Oct-15-2018 | ** | 43 |
| Intl Lease Finance Corp | Corporate Bond 4.88 Sep-01-2010 | ** | 19 |
| John Deere Capital Corp | Corporate Bond 4.5 Apr-03-2013 | ** | 30 |
| Kinder Morgan Ener Part | Corporate Bond 5.85 Sep-15-2012 | ** | 33 |
| Kraft Foods Inc | Corporate Bond 6 Feb-11-2013 | ** | 37 |
| Kroger Co | Corporate Bond 6.15 Jan-15-2020 | ** | 17 |
| Kroger Co | Corporate Bond 6.4 Aug-15-2017 | ** | 16 |
| Lincoln National Corp | Corporate Bond 7 May-17-2016 | ** | 19 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
 PN: 100**

| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| McDonald's Corp | Corporate Bond 5.8 Oct-15-2017 | ** | 22 |
| Merrill Lynch & Co | Corporate Bond 6.05 Aug-15-2012 | ** | 15 |
| Met Life Glob Funding I | Corporate Bond 5.12 Apr-10-2013 | ** | 26 |
| Midamerican Energy Co | Corporate Bond 5.95 Jul-15-2017 | ** | 12 |
| Morgan Stanley | Corporate Bond 5.45 Jan-09-2017 | ** | 6 |
| Morgan Stanley | Corporate Bond 5.62 Jan-09-2012 | ** | 9 |
| National Rural Util Coop | Corporate Bond 10.38 Nov-01-2018 | ** | 27 |
| New Cingular Wireless SV | Corporate Bond 8.12 May-01-2012 | ** | 32 |
| New Cingular Wireless SV | Corporate Bond 7.88 Mar-01-2011 | ** | 13 |
| Northern Trust Company | Corporate Bond 6.5 Aug-15-2018 | ** | 33 |
| Orthrop Grumman Systems | Corporate Bond 7.12 Feb-15-2011 | ** | 19 |
| Panjo Power Company | Corporate Bond 6 Jun-01-2016 | ** | 31 |
| Peacock Partners LP | Corporate Bond 5.9 Apr-01-2012 | ** | 15 |
| Pinnacle Corp | Corporate Bond 5.75 Apr-15-2018 | ** | 39 |
| Pacific Corp | Corporate Bond 5.65 Jul-15-2018 | ** | 38 |
| Philip Morris Intl Inc | Corporate Bond 4.88 May-16-2013 | ** | 47 |
| Principal Life Inc Fdg | Corporate Bond 5.3 Apr-24-2013 | ** | 26 |
| QBE Insurance Group LTD | Corporate Bond 9.75 Mar-14-2014 | ** | 12 |
| QBE Insurance Group of America | Corporate Bond 6.75 Dec-15-2015 | ** | 8 |
| Qo Tinto Fin USA LTD | Corporate Bond 5.88 Jul-15-2013 | ** | 48 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
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| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Value |
|--|--|-----------------|--------------|
| Loggers Communications | Corporate Bond 6.8 Aug-15-2018 | ** | 18 |
| Loggers Wireless Inc | Corporate Bond 6.38 Mar-01-2014 | ** | 25 |
| Royal Bank Scotland Group PLC | Corporate Bond 7.64 Sep-29-2017 | ** | 8 |
| Safeway Inc | Corporate Bond 6.35 Aug-15-2017 | ** | 2 |
| Saninsei Finance II | Corporate Bond 7.16 Jul-25-2016 | ** | 15 |
| Standard Chartered PLC | Corporate Bond 6.41 Jan-30-2017 | ** | 11 |
| Teneco Energy Inc | Corporate Bond 6.1 Jun-01-2018 | ** | 19 |
| Triaxis Re Capital I LP | Corporate Bond 6.85 May-25-2016 | ** | 15 |
| Telefonica Emisiones SAU | Corporate Bond 5.86 Feb-04-2013 | ** | 47 |
| The Mony Group Inc | Corporate Bond 8.35 Mar-15-2010 | ** | 33 |
| Transocean LTD | Corporate Bond 5.25 Mar-15-2013 | ** | 19 |
| United Parcel Service | Corporate Bond 4.5 Jan-15-2013 | ** | 56 |
| Verolia Environment | Corporate Bond 6 Jun-01-2018 | ** | 10 |
| Verizon Communications | Corporate Bond 5.25 Apr-15-2013 | ** | 41 |
| Verizon Communications | Corporate Bond 4.35 Feb-15-2013 | ** | 44 |
| Verizon Communications | Corporate Bond 5.35 Feb-15-2011 | ** | 19 |
| Verizon Wireless | Corporate Bond 8.5 Nov-15-2018 | ** | 21 |
| Virginia Electric & Power Co | Corporate Bond 5.1 Nov-30-2012 | ** | 27 |
| Virginia Electric & Power Co | Corporate Bond 4.5 Dec-15-2010 | ** | 26 |
| Wal-Mart Stores Inc | Corporate Bond 5.8 Feb-15-2018 | ** | 20 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
PN: 100**

| (a) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| Wal-Mart Stores Inc | Corporate Bond 5.38 Apr-05-2017 | ** | 2 |
| EO Energy Inc | Corporate Bond 5.75 Dec-15-2013 | ** | 1 |
| EO Energy Inc | Corporate Bond 4.62 Jun-15-2013 | ** | 5 |
| S Finance USA Trust II | Corporate Bond 6.45 Jun-15-2016 | ** | 2 |
| Wainwright Bank HF | Corporate Bond 4.75 Oct-15-2010 | ** | |
| Man Bros Cap Tr VII | Corporate Bond 5.86 May-31-2012 | ** | |
| SIF 2005-D B4 | Asset Backed Security-Prime Mortgage 1.89 Jan-15-2009 | ** | |
| FB 2004-AR8 2A1 | Private Placement 4.6 Sep-25-1934 | ** | 1 |
| A29420 | Federal Home Loan Mortgage Corporation 30 Year 6 Jan-01-1933 | ** | 1 |
| G03150 | Federal Home Loan Mortgage Corporation Gold 30 Year 5.5 Jan-01-1937 | ** | 2,0 |
| G03269 | Federal Home Loan Mortgage Corporation Gold 30 Year 5.5 Jan-01-1937 | ** | 7 |
| G04222 | Federal Home Loan Mortgage Corporation Gold 30 Year 5.5 Jan-01-1937 | ** | 1,2 |
| LMC 5.5 1/09 | Federal Home Loan Mortgage Corporation Gold 30 Year 5.5 Jun-01-1938 | ** | 4,8 |
| LMC 6 1/09 | Federal Home Loan Mortgage Corporation Gold 30 Year 6 Jul-01-1938 | ** | 3 |
| 1B3170 | Federal National Mortgage Association 7Y Hybrid ARM 5.53 Dec-01-2011 | ** | 9 |
| 1G1999 | Federal Home Loan Mortgage Corporation 7Y Hybrid ARM 5.42 Jul-01-2014 | ** | |
| 1G2061 | Federal Home Loan Mortgage Corporation 7Y Hybrid ARM 5.46 Jul-01-2014 | ** | |
| 1J0453 | Federal Home Loan Mortgage Corporation 7Y Hybrid ARM 5.57 Jun-01-2014 | ** | |
| 1J1749 | Federal Home Loan Mortgage Corporation 7Y Hybrid ARM 5.51 Jun-01-2014 | ** | 3 |
| 782758 | Federal National Mortgage Association 7Y Hybrid ARM 5.74 Nov-01-2013 | ** | 6 |
| R 2475 F | Collateralized Mortgage Obligation - Floater 2.19 Jan-15-2009 | ** | 5 |

ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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|---|---|----------|-------------------|
| R 2766 SW | Collateralized Mortgage Obligation - INV IO 6.01 Jan-15-2009 | ** | 2 |
| R 2931 GA | Collateralized Mortgage Obligation - PAC 5 Nov-15-2028 | ** | 40 |
| R 3036 NS | Collateralized Mortgage Obligation - INV IO 6.01 Jan-15-2009 | ** | 3 |
| R 3349 MY | Collateralized Mortgage Obligation - Sequential 5.5 Jul-15-1937 | ** | 1,14 |
| S 237 S22 | Collateralized Mortgage Obligation - INV IO 5.95 Jan-15-2009 | ** | 18 |
| S 237 S23 | Collateralized Mortgage Obligation - INV IO 5.91 Jan-15-2009 | ** | 7 |
| S 240 S22 | Collateralized Mortgage Obligation - INV IO 5.95 Jan-15-2009 | ** | 20 |
| 745327 | Federal National Mortgage Association 30 Year 6 May-01-1935 | ** | 1,20 |
| 831679 | Federal National Mortgage Association 30 Year 6.5 Mar-01-1936 | ** | 20 |
| 888890 | Federal National Mortgage Association 30 Year 6.5 Apr-01-1936 | ** | 20 |
| 889072 | Federal National Mortgage Association 30 Year 6.5 Feb-01-1937 | ** | 2,40 |
| 908854 | Federal National Mortgage Association 30 Year 6.5 Sep-01-1936 | ** | 20 |
| 962871 | Federal National Mortgage Association 15 Year 4.5 Feb-01-2023 | ** | 17 |
| 981359 | Federal National Mortgage Association 15 Year 4.5 Jan-01-2023 | ** | 9 |
| CI 4.5 1/09 | Federal National Mortgage Association 15 Year 4.5 Nov-01-2022 | ** | 2,10 |
| CI 5 1/09 | Federal National Mortgage Association 15 Year 5 Jan-01-2023 | ** | 4 |
| CI 6 1/09 | Federal National Mortgage Association 15 Year 6 Jun-01-2023 | ** | 30 |
| CL 4.5 1/09 | Federal National Mortgage Association 30 Year 4.5 Sep-01-1937 | ** | 50 |
| CL 5.5 1/09 | Federal National Mortgage Association 30 Year 5.5 Jun-01-1938 | ** | 1,90 |
| CL 6 1/09 | Federal National Mortgage Association 30 Year 6 Jul-01-1938 | ** | 1,10 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|---|---|----------|----|-------|
| RR 2002-81 SJ | Collateralized Mortgage Obligation - INV IO 7.03 Jan-25-2009 | ** | | |
| RR 2006-59 DA | Collateralized Mortgage Obligation - Sequential 6.5 Dec-25-1933 | ** | | 29 |
| RR 2006-63 AB | Collateralized Mortgage Obligation - Sequential 6.5 Oct-25-1933 | ** | | 29 |
| RW 2003-W6 1A41 | Collateralized Mortgage Obligation - Sequential 5.4 Oct-25-1942 | ** | | 30 |
| USF 6 1/09 | Government National Mortgage Association 30 Year 6 Jul-01-1938 | ** | | 1,800 |
| USF 6.5 1/09 | Government National Mortgage Association 30 Year 6.5 Jul-01-1938 | ** | | 1,400 |
| FMBS 2003-2 A6 | Collateralized Mortgage Obligation - PAC 5.25 Feb-25-2018 | ** | | 1,100 |
| FMBS 2006-AR3 A1 | Private Placement 5.7 Jan-11-2009 | ** | | 2,200 |
| FMBS 2007-11 A96 | Whole Loan 30 Year 6 Aug-25-1937 | ** | | 4,400 |
| FMBS 2007-7 A1 | Whole Loan 30 Year 6 Jun-25-1937 | ** | | 4,400 |
| Bank of Scotland PLC | Covered Bond 5.25 Feb-21-2017 | ** | | 4,400 |
| CMBS 2004-PWR6 A4 | Commercial Mortgage Backed Security 4.52 Dec-11-2011 | ** | | 2,200 |
| CFB 2001-CK1 A3 | Commercial Mortgage Backed Security 6.38 Dec-18-2010 | ** | | 2,200 |
| PFA ACS BANK | Covered Bond 5.12 Mar-16-1937 | ** | | 3,300 |
| CMC 2002-1A A3 | Commercial Mortgage Backed Security 6.27 Apr-10-2012 | ** | | 7,700 |
| UBS 2006-C4 A4 | Commercial Mortgage Backed Security 5.88 May-15-2016 | ** | | 2,200 |
| DWC 2002-TOP7 A2 | Commercial Mortgage Backed Security 5.98 May-15-2012 | ** | | 1,200 |
| DWC 2003-HQ2 A2 | Commercial Mortgage Backed Security 4.92 Feb-12-2013 | ** | | 2,200 |
| Bankel KGAA | Non Voting Preferred Stock | ** | | 700 |
| Company | Common Stock | ** | | 4,400 |
| Abbott Laboratories | Common Stock | ** | | 1,200 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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|--|--|----------|---------|
| Accenture LTD | Common Stock | ** | 27 |
| ace Limited | Common Stock | ** | 9 |
| acerinox SA Euro 0.25 | Common Stock | ** | 3 |
| Activision Blizzard Inc | Common Stock | ** | 26 |
| adobe Sys. Inc. | Common Stock | ** | 17 |
| adtran Inc | Common Stock | ** | 8 |
| Advanced Med Optics, Inc. | Common Stock | ** | 47 |
| Advanced Semiconductor Engineering Inc | Sponsored ADR | ** | |
| AES Corporation | Common Stock | ** | 5 |
| etna Inc.-New | Common Stock | ** | 9 |
| FLAC | Common Stock | ** | 11 |
| igent Technologies Inc | Common Stock | ** | 6 |
| gnico Eael Mine Ltd. | Common Stock | ** | 11 |
| ircastle Ltd. | Common Stock | ** | 42 |
| lcatel-Lucent | Common Stock | ** | 7 |
| lcon Inc | Common Stock | ** | 96 |
| lign Technology Inc | Common Stock | ** | 13 |
| llegheny Energy | Common Stock | ** | 5 |
| llergan Inc | Common Stock | ** | 18 |
| llianz AG DEM5 Regdvinkuliert | Common Stock | ** | 4 |
| llscripts Healthcare Solutions | Common Stock | ** | 2 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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 AS OF DECEMBER 31, 2008**

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| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Value |
|---|---|----------|-------|
| State Corp. | Common Stock | ** | 1,1 |
| ria Group Inc | Common Stock | ** | 1,0 |
| amazon.com Inc | Common Stock | ** | 7 |
| ndocs Limited | Common Stock | ** | |
| merican Eagle Outfitters Inc. NEW | Common Stock | ** | |
| merican Electric Power Inc | Common Stock | ** | 6 |
| merican Express Company | Common Stock | ** | 1 |
| merican International Group Inc | Common Stock | ** | 1 |
| merican Medical Systems Holdings Inc | Common Stock | ** | |
| merican Tower Systems Corporation Class A | Common Stock | ** | 4 |
| meriprise Financial Inc | Common Stock | ** | 1 |
| merisourceBergen Corp | Common Stock | ** | 1 |
| meristar Casinos Inc | Common Stock | ** | |
| ngen Inc | Common Stock | ** | 1,7 |
| nylin Pharmaceuticals Inc | Common Stock | ** | 1 |
| alog Devices Inc | Common Stock | ** | |
| glo American PLC USD 0.54 | Common Stock | ** | |
| heuser Busch Inbev SA, Bruxell NPV | Common Stock | ** | |
| heuser Busch Inbev SA, Strip VVPR | Common Stock | ** | |
| n Corporation | Common Stock | ** | 2 |
| ache Corp. | Common Stock | ** | 1,3 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
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| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| ollo Group Inc | Common Stock | ** | 1 |
| ple Inc | Common Stock | ** | 1,4 |
| plied Material Inc | Common Stock | ** | 3 |
| cher Daniels Midland Co | Common Stock | ** | |
| cent Media Corp | Common Stock | ** | |
| surant Inc | Common Stock | ** | |
| F&T | Common Stock | ** | 4,9 |
| odesk Inc. | Common Stock | ** | 3 |
| toliv Inc. | Common Stock | ** | 2 |
| Automatic Data Processing Inc | Common Stock | ** | 2 |
| on Products Inc | Common Stock | ** | 2 |
| KA EUR 2.29 | Common Stock | ** | |
| is Capital Holdings Ltd | Common Stock | ** | 7 |
| & T Corp. | Common Stock | ** | |
| ker Hughes Inc | Common Stock | ** | 1 |
| lly Technologies | Common Stock | ** | 3 |
| nk of New York Mellon Corp | Common Stock | ** | 5 |
| nk of America Corp | Common Stock | ** | 1,4 |
| rclays | Common Stock | ** | |
| rd C R Inc | Common Stock | ** | |
| rrick Gold Corp | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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| (a) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| axter International Inc | Common Stock | ** | 1,1 |
| cton Dickinson & Co | Common Stock | ** | 1 |
| d Bath & Beyond Inc | Common Stock | ** | 3 |
| ogen Idec Inc. | Common Stock | ** | 1 |
| Services Company | Common Stock | ** | |
| ack & Decker Manufacturing, Inc | Common Stock | ** | 5 |
| &R Block, Inc | Common Stock | ** | 1,1 |
| IP Paribas Eur 2.0 | Common Stock | ** | |
| eing Co | Common Stock | ** | 2 |
| mbardier Inc | Common Stock | ** | |
| ston Private Financial Holdings Inc | Common Stock | ** | |
| ston Properties Inc | Common Stock | ** | |
| ston Scientific Corp. | Common Stock | ** | 1 |
| PLC - ADR | Sponsored ADR | ** | 1,2 |
| istol Myers Squibb Co | Common Stock | ** | 1,2 |
| itish Sky Broadcasting Group plc | Common Stock | ** | |
| oadcom Corporation | Common Stock | ** | |
| nge Limited | Common Stock | ** | 5 |
| rlington Northern Santa Fe Corp | Common Stock | ** | 1 |
| V Gas Ltd. NPV | Common Stock | ** | |
| I Robinson Worldwide Inc | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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|---|---|----------|---------|
| blevision NY Group Class A | Common Stock | ** | |
| bot Microelectronics Corp | Common Stock | ** | |
| bot Oil & Gas Corp. CL A | Common Stock | ** | |
| ci International Inc Class A | Common Stock | ** | 6 |
| dbury PLC Sponsored | Common Stock | ** | 1,2 |
| nadian National Railway Company | Common Stock | ** | |
| pital One Financial Corp | Common Stock | ** | 1 |
| rdinal Health Inc | Common Stock | ** | 1,2 |
| reer Education Corporation | Common Stock | ** | 8 |
| terpillar Inc | Common Stock | ** | 2 |
| BS Corp Class B | Common Stock | ** | 5 |
| lgene Corp | Common Stock | ** | 3 |
| nterpoint Energy Inc | Common Stock | ** | |
| phalon Inc | Common Stock | ** | |
| arles River Laboratories | Common Stock | ** | |
| ck Point Software Technologies LTD | Common Stock | ** | 9 |
| esapeake Energy Corp. | Common Stock | ** | 2 |
| euang Kong Holdings | Common Stock | ** | |
| evron Corp | Common Stock | ** | 3,6 |
| ristopher & Banks Corp | Common Stock | ** | |
| ubb Corp | Common Stock | ** | 2 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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|---|---|----------|-------|
| Agna Corp | Common Stock | ** | |
| isco Systems Inc. | Common Stock | ** | 2,2 |
| igroup Inc | Common Stock | ** | 9 |
| orox Co | Common Stock | ** | |
| ME Group, Inc | Common Stock | ** | 3 |
| ach Inc | Common Stock | ** | |
| ca Cola Co. | Common Stock | ** | 1,6 |
| ca Cola Enterprises, Inc. | Common Stock | ** | 1 |
| ldwater Creek Inc | Common Stock | ** | |
| lgate Palmolive Co | Common Stock | ** | 1 |
| mputer Sciences Corp | Common Stock | ** | |
| nagra Foods Inc. | Common Stock | ** | 1,2 |
| nocoPhillips | Common Stock | ** | 2,6 |
| nsol Energy Inc | Common Stock | ** | 1 |
| rinthian Colleges Inc | Common Stock | ** | 1 |
| rning Inc. | Common Stock | ** | 4 |
| san | Common Stock | ** | |
| stco Wholesale Corp | Common Stock | ** | 2 |
| vance Inc | Common Stock | ** | |
| viden LTD | Common Stock | ** | 7 |
| edit Suisse Group AG | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|---|---|----------|---------|
| ee, Inc | Common Stock | ** | |
| own Castle Intl Corp | Common Stock | ** | 1 |
| X | Common Stock | ** | 1 |
| S/Caremark Corporation | Common Stock | ** | 4 |
| naher Corp | Common Stock | ** | 5 |
| vita Inc. | Common Stock | ** | |
| ere & Co | Common Stock | ** | 2 |
| ll Inc | Common Stock | ** | 2 |
| lta Air Lines Inc | Common Stock | ** | 1,7 |
| nso Corpnpv | Common Stock | ** | |
| ntsply Intl Inc. Com | Common Stock | ** | |
| nway Motors Ltd | Common Stock | ** | |
| utsche Bank AG | Registered Shares | ** | 7 |
| utsche Boerse Ag NPV | Common Stock | ** | |
| utsche Telekom AG | Common Stock | ** | |
| von Energy Corporation | Common Stock | ** | 1,5 |
| Vry Inc | Common Stock | ** | |
| ebold Inc. | Common Stock | ** | 8 |
| sccovery Communications Inc. | Common Stock | ** | 1,1 |
| sccovery Communications Inc. | Common Stock | ** | |
| lby Laboratories Inc | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|---|---|----------|---------|
| minion Res Inc VA | Common Stock | ** | 2 |
| mtar Corp | Common Stock | ** | |
| ver Corp | Common Stock | ** | 8 |
| w Chemical | Common Stock | ** | |
| . Pepper Snapple Group Inc. | Common Stock | ** | 1 |
| Pont EI De Nemours & Co | Common Stock | ** | 1,1 |
| negy Inc Class A | Common Stock | ** | |
| IC Corporation Mass | Common Stock | ** | 1 |
| stman Chem Co. | Common Stock | ** | 4 |
| ton Vance Corp Non Voting | Common Stock | ** | 3 |
| olab Inc. | Common Stock | ** | |
| ectronic Arts Inc | Common Stock | ** | |
| Lilly & Co | Common Stock | ** | 3 |
| erson Electric Co | Common Stock | ** | 3 |
| esign Energy Svcs Inc. NPV | Common Stock | ** | |
| ergy Corp New Com | Common Stock | ** | 2 |
| terprise Inns PLC | Common Stock | ** | |
| OG Resources, Inc | Common Stock | ** | 3 |
| uity Residential Property Trust | Common Stock | ** | 1 |
| icsson Lm Telephone Company - ADR | Common Stock | ** | 5 |
| ropean Aeronautic | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|---|---|----------|---------|
| elon Corporation | Common Stock | ** | 3 |
| edia Inc | Common Stock | ** | |
| editors International of Washington Inc | Common Stock | ** | 1 |
| perian PLC | Common Stock | ** | |
| press Scripts Inc | Common Stock | ** | 6 |
| xon Mobil Corp | Common Stock | ** | 6,4 |
| Networks Inc. | Common Stock | ** | |
| irchild Semiconductor International | Common Stock | ** | |
| elity National Financial Inc | Common Stock | ** | 3 |
| th Third Bancorp | Common stock | ** | 5 |
| st Horizon National Corp | Common Stock | ** | |
| st Solar Inc | Common Stock | ** | 3 |
| stenergy Corp | Common Stock | ** | 2 |
| stservice Corp | Common Stock | ** | |
| stservice Corp | Common Stock | ** | |
| erv Inc | Common Stock | ** | |
| electronics International Ltd | Common Stock | ** | |
| or Corp New | Common Stock | ** | |
| IC Technologies Inc | Common Stock | ** | 1 |
| rmfactor Inc. | Common Stock | ** | |
| rtune Brands Inc | Common Stock | ** | 1 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|---|---|----------|-------|
| Sters Group Limited | Common Stock | ** | |
| L Group inc. | Common Stock | ** | 2 |
| ance Telecom | Common Stock | ** | |
| anklin Resources Inc | Common Stock | ** | |
| eeport-McMoran Copper & Gold Inc | Common Stock | ** | 1 |
| esenius Medical Care AG | Common Stock | ** | |
| nnett Inc. | Common Stock | ** | 2 |
| mentech Inc. | Common Stock | ** | |
| neral Dynamics Corp | Common Stock | ** | 2 |
| neral Electric Co | Common Stock | ** | 1,7 |
| neral Mills Inc | Common Stock | ** | 6 |
| neral Motors Corp | Common Stock | ** | |
| nerale Eur5 (Tokyo List) | Common Stock | ** | |
| ntex Corp | Common Stock | ** | 9 |
| nworth Financial Inc Class A | Common Stock | ** | 1 |
| nzyme Corp | Common Stock | ** | |
| lead Science Inc | Common Stock | ** | 1,4 |
| ldcorp Inc. New | Common Stock | ** | 8 |
| ldman Sachs Group Inc | Common Stock | ** | 2,4 |
| odrich Corporation | Common Stock | ** | |
| odyear Tire & Rubber Co. | Common Stock | ** | 3 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|---|---|----------|---------|
| Google Inc | Common Stock | ** | 1,1 |
| Harley Davidson Inc | Common Stock | ** | 1 |
| Harman International Industries Inc | Common Stock | ** | |
| Hartford Financial Services Group | Common Stock | ** | 4 |
| Hidrick & Struggles International Inc | Common Stock | ** | |
| Hewlett Packard Co | Common Stock | ** | 1,4 |
| Intel Corp New Com | Common Stock | ** | 3 |
| Home Depot | Common Stock | ** | 7 |
| Honeywell International Inc. | Common Stock | ** | 1,2 |
| Inspira Inc. | Common Stock | ** | |
| IBC Holdings | Common Stock | ** | |
| IN Inc. | Common Stock | ** | 1 |
| Imana Inc | Common Stock | ** | 1,0 |
| InterActiveCorp | Common Stock | ** | 7 |
| ICI Bank Ltd. - ADR | Common Stock | ** | |
| EX Corp. | Common Stock | ** | 6 |
| Illinois Tool Works Inc | Common Stock | ** | 1 |
| Inneon Technologies AG | Common Stock | ** | |
| Intel Corp | Common Stock | ** | 3 |
| Intercontinental Exchange Inc | Common Stock | ** | |
| VeriSign Network Services | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|--|--|-----------------|------------------|
| International Business Machines Corp | Common Stock | ** | |
| International Flavors & Fragrances | Common Stock | ** | |
| International Game Technology | Common Stock | ** | |
| International Paper Co | Common Stock | ** | |
| International Power PLC | Common Stock | ** | |
| Inovative Surgical Inc | Common Stock | ** | |
| Intesco Limited | Common Stock | ** | |
| Intelligent Corporation | Common Stock | ** | 463, |
| International Educational Services Inc | Common Stock | ** | |
| International an Excellent Inc. | Common Stock | ** | |
| International line Matheson Holdings | Common Stock | ** | |
| International Uniphase Corp | Common Stock | ** | |
| International lue Airways Corp | Common Stock | ** | 1, |
| International Smucker Co. | Common Stock | ** | |
| International nson & Johnson | Common Stock | ** | 1, |
| International nson Controls Inc | Common Stock | ** | |
| International Morgan Chase & Co | Common Stock | ** | 4, |
| International iper Networks Inc | Common Stock | ** | |
| International Homes | Common Stock | ** | |
| International corp New | Common Stock | ** | |
| International berley Clark Corporation | Common Stock | ** | 1, |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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**EIN: 13-5158950
 PN: 100**

| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|--|----------|---------|
| la-Tencor Corp. | Common Stock | ** | 4 |
| not Inc | Common Stock | ** | 2 |
| ohls Corp | Common Stock | ** | 36 |
| orn Ferry International | Common Stock | ** | 5 |
| raft Foods Inc | Common Stock | ** | 45 |
| roger Co | Common Stock | ** | 9 |
| amar Advertising Co Class A | Common Stock | ** | 3 |
| azard Ltd | Common Stock | ** | 68 |
| ennar Corporation Class A | Common Stock | ** | 7 |
| iberty Global Inc | Common Stock | ** | 55 |
| iberty Media Corp - Entertain | Common Stock | ** | 1 |
| ife Time Fitness Inc | Common Stock | ** | 4 |
| imited Brands, Inc. | Common Stock | ** | 9 |
| incoln National Corp | Common Stock | ** | 2 |
| nde AG | Common Stock | ** | 7 |
| ons Gate Entertainment Corp | Common Stock | ** | 2 |
| ockheed Martin Corp | Common Stock | ** | 33 |
| oews Corp | Common Stock | ** | 10 |
| oopnet Inc | Common Stock | ** | 1 |
| orillard Inc. | Common Stock | ** | 14 |
| owes Cos Inc. | Common Stock | ** | 78 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
YEAR)
AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
PN: 100**

| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| ney's Inc | Common Stock | ** | 5 |
| agna Intl Inc. CL A | Common Stock | ** | |
| akita Corp | Common Stock | ** | |
| nhattan Associates Inc | Common Stock | ** | 4 |
| arathon Oil Corp | Common Stock | ** | 6 |
| arketaxess Hldgs. Inc. | Common Stock | ** | |
| arriott International Inc Class A | Common Stock | ** | 2 |
| arsh & McLennan Cos Inc | Common Stock | ** | |
| arshall & Ilsley Corp | Common Stock | ** | 1 |
| arvell Technology Group | Common Stock | ** | 1 |
| asco Corp | Common Stock | ** | 1 |
| asterCard Inc Class A | Common Stock | ** | 5 |
| attel | Common Stock | ** | |
| EDermott International Inc | Common Stock | ** | |
| EDonalds Corp | Common Stock | ** | 1,2 |
| EGraw-Hill Companies Inc | Common Stock | ** | |
| EKesson Corp | Common Stock | ** | 3 |
| eadwestvaco Corp | Common Stock | ** | |
| edco Health Solutions Inc | Common Stock | ** | 3 |
| edics Pharmaceutical Corp Class A | Common Stock | ** | |
| edtronic Inc | Common Stock | ** | 3 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
 PN: 100**

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|---|---|----------|-------|
| 3M Electronic Materials Inc | Common Stock | ** | |
| 3M Mentor Corp | Common Stock | ** | 1 |
| 3M Merck & Co Inc | Common Stock | ** | 2,8 |
| 3M Merrill Lynch & Co Inc | Common Stock | ** | 3 |
| 3M MetLife Inc | Common Stock | ** | 1,7 |
| 3M Tropics Communications Inc | Common Stock | ** | 2 |
| 3M GM Mirage Inc | Common Stock | ** | |
| 3M Micron Technology Inc. | Common Stock | ** | |
| 3M Microsoft Corp | Common Stock | ** | 1,6 |
| 3M Mizumo Financial Group | Common Stock | ** | |
| 3M KS Instruments Inc | Common Stock | ** | 1 |
| 3M Monsanto Co | Common Stock | ** | 6 |
| 3M Monster Worldwide Inc | Common Stock | ** | |
| 3M Modys Corp | Common Stock | ** | |
| 3M Morgan Stanley | Common Stock | ** | 1,4 |
| 3M Morrison W Supermarket | Common Stock | ** | |
| 3M Mosaic Co. | Common Stock | ** | |
| 3M Motorola Inc | Common Stock | ** | 1,2 |
| 3M GE Aero Engines Holding | Common Stock | ** | |
| 3M Murphy Oil Corp | Common Stock | ** | 2 |
| 3M Bors Industries LTD | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
 PN: 100**

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|---|--|----------|---------|
| lco Holding Co | Common Stock | ** | 4 |
| ational City Corp. | Common Stock | ** | |
| ational Instruments Corp | Common Stock | ** | |
| ational Oilwell Varco Inc | Common Stock | ** | 7 |
| ational Semiconductor Corp | Common Stock | ** | 1 |
| vigant Consulting Co | Common Stock | ** | |
| opost Eur 1-0 | Common Stock | ** | |
| ustar Inc. | Common Stock | ** | |
| wfield Exploration Company | Common Stock | ** | 7 |
| wmont Mining | Common Stock | ** | 1 |
| ws Corp | Common Stock | ** | 5 |
| dec Corporation | Common Stock | ** | |
| I Holdings | Common Stock | ** | |
| ke Inc Class B | Common Stock | ** | 6 |
| source Inc | Common Stock | ** | |
| bel Biocare Holding Ag | Common Stock | ** | |
| kia Corp | Sponsored ADR | ** | 1,8 |
| rfolk Southern Corp | Common Stock | ** | |
| rthern Trust Corp | Common Stock | ** | 1 |
| rthrop Grumman Corp | Common Stock | ** | 1 |
| vartis AG | Sponsored ADR | ** | 6 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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 AS OF DECEMBER 31, 2008**

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 PN: 100**

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|---|---|----------|-------|
| Novartis AG | Common Stock | | |
| NRG Energy Inc. | Common Stock | ** | 1,2 |
| Amcor Corp | Common Stock | ** | 1 |
| Amidia Corp | Common Stock | ** | 4 |
| Occidental Petroleum Corp | Common Stock | ** | 1,3 |
| Annicom Group | Common Stock | ** | 1 |
| Ford Industries Inc | Common Stock | ** | |
| Chang's China Bistro Inc | Common Stock | ** | 1 |
| Genera Bread Company Class A | Common Stock | ** | 1 |
| Psychex Inc. | Common Stock | ** | |
| Labody Energy Corporation | Common Stock | ** | 4 |
| Carson PLC | Sponsored ADR | ** | 3 |
| Manney J C Inc. | Common Stock | ** | 8 |
| Pepsi Bottling Group Inc. | Common Stock | ** | 1 |
| PepsiCo Inc. | Common Stock | ** | 9 |
| Reizer Inc | Common Stock | ** | 3,9 |
| W&E Corp Com | Common Stock | ** | 1 |
| Pharmaceutical Product Development Inc | Common Stock | ** | 1 |
| Philip Morris International In | Common Stock | ** | 2,1 |
| Ang An Insurance Group Co | Common Stock | *8 | |
| Manac Entertainment Inc. | Common Stock | ** | 1,3 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
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| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| annacle West Cap Corp | Common Stock | ** | |
| IC Financial Services Group | Common Stock | ** | 5 |
| tash Corp of Saskatchewan | Common Stock | ** | |
| L Corporation | Common Stock | ** | 2 |
| axair Inc | Common Stock | ** | 3 |
| ecision Castparts Corp | Common Stock | ** | |
| ivatebancorp Inc | Common Stock | ** | |
| octer & Gamble Co | Common Stock | ** | 1,5 |
| ogress Energy | Common Stock | ** | |
| ologis SHS of Beneficial Interest | Common Stock | ** | |
| udential Financial Inc | Common Stock | ** | |
| S World Medical Inc | Common Stock | ** | |
| ublic Service Enterprise Group Inc | Common Stock | ** | 2 |
| ublicis Eur | Common Stock | ** | |
| nch Taverns PLC | Common Stock | ** | |
| alcomm Inc | Common Stock | ** | 1,2 |
| anta Services Inc | Common Stock | ** | |
| nge Res Corp | Common Stock | ** | |
| ytheon Co | Common Stock | ** | 1 |
| d Hat Inc | Common Stock | ** | 2 |
| liant Energy, Inc | Common Stock | ** | 1 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
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| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|--|----------|---------|
| public Services Inc Class A | Common Stock | ** | 1,7 |
| oen Klinikum AG | Common Stock | ** | |
| coch Company Ltd. | Common Stock | ** | |
| bert Half International Inc | Common Stock | ** | |
| che Hldgs Ag Genussscheine | Common Stock | ** | |
| ckwell Collins Inc | Common Stock | ** | 1 |
| oyal Dutch Shell PLC | Sponsored ADR | ** | 1,2 |
| oyal Dutch Shell PLC Eur A SHS | Common Stock | ** | |
| C Holdings Inc. | Common Stock | ** | 1,0 |
| anair Holdings PLC - ADP | Sponsored ADR | ** | |
| land Group Inc | Common Stock | ** | 7 |
| feway Inc. New | Common Stock | ** | 1,1 |
| lesforce Com Inc. | Common Stock | ** | 1 |
| ndisk Corp. Com | Common Stock | ** | |
| mmina-Sci Corp | Common Stock | ** | |
| ra Lee Corp | Common Stock | ** | 1 |
| I Holdings | Common Stock | ** | |
| nering Plough Corp | Common Stock | ** | 8 |
| lumberger Ltd | Common Stock | ** | 1,3 |
| nwab Charles Corp | Common Stock | ** | 1,2 |
| ripps Howard Inc | Common Stock | ** | |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

**EIN: 13-5158950
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| b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|--|--|----------|---------|
| ecom Co | Common Stock | ** | 8 |
| emptra Energy | Common Stock | ** | 25 |
| emtech Corp | Common Stock | ** | 9 |
| even & I Holdings Co Ltd | Common Stock | ** | 5 |
| hanghai Electric Group Co. | Common Stock | ** | 3 |
| erwin Williams Co | Common Stock | ** | 4 |
| ire PLC | Common Stock | ** | 88 |
| emens AG | Common Stock | ** | 3 |
| igma Aldrich Corp | Common Stock | ** | 4 |
| agnet Jewelers Limited | Common Stock | ** | 1 |
| iliconware Precision Industries Co., Ltd | Sponsored ADR | ** | 2 |
| mon Property Group Inc | Common Stock | ** | 18 |
| rius XM Radio Inc. | Common Stock | ** | |
| LM Corp | Common Stock | ** | 98 |
| nith Intl Inc. Com | Common Stock | ** | 4 |
| murfit-Stone Container Corp | Common Stock | ** | 5 |
| ony Corporation | Sponsored ADR | ** | 61 |
| outhwest Airlines Co | Common Stock | ** | 5 |
| pectra Energy Corp | Common Stock | ** | 14 |
| rint Nextel Corp | Common Stock | ** | 95 |
| T Jude Medical Inc | Common Stock | ** | 17 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
 AS OF DECEMBER 31, 2008**

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| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Cu V |
|---|---|----------|---------|
| ada Arzneimittel Eur | Common Stock | ** | |
| ancorp Financial Group Inc | Common Stock | ** | 9 |
| anley Works | Common Stock | ** | |
| arbucks Corp | Common Stock | ** | 1 |
| ate Street Corp | Common Stock | ** | 5 |
| ericycle Inc Com | Common Stock | ** | |
| yker Corp | Common Stock | ** | 1 |
| mitomo Mitsui Financial Group | Common Stock | ** | |
| ndrug Co Ltd | Common Stock | ** | |
| noco Inc | Common Stock | ** | 1 |
| pervalu Inc | Common Stock | ** | 2 |
| mantec Corp | Common Stock | ** | 1,7 |
| mrise AG | Common Stock | ** | |
| sco Corp | Common Stock | ** | 1 |
| iwan Semiconductor Manufacturing Co | Common Stock | ** | |
| chnip SA | Common Stock | ** | |
| co Energy Inc | Common Stock | ** | |
| lestra Corporation Ltd | Common Stock | ** | |
| rex Corp | Common Stock | ** | |
| va Pharmaceutical Industries | Sponsored ADR | ** | |
| xas Instruments Inc. | Common Stock | ** | 2 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
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| (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | Value |
|---|---|----------|-------|
| Permo Fisher Scientific Inc. | Common Stock | ** | 3 |
| Planetmester Entertainment Inc. | Common Stock | ** | 5 |
| Time Warner Cable Inc. | Common Stock | ** | 1,6 |
| Time Warner, Inc. | Common Stock | ** | 1,8 |
| Time X Cos. Inc. | Common Stock | ** | 3 |
| Toyota S. A. | Sponsored ADR | ** | |
| Toyota Motor Corporation - ADR | Sponsored ADR | ** | 5 |
| Transocean Ordinary Shares | Common Stock | ** | 3 |
| Travelers Companies, Inc. | Common Stock | ** | 1,6 |
| Verico Electronics Ltd. | Common Stock | ** | 2 |
| Verico International Ltd. | Common Stock | ** | 5 |
| Wm. S. Watson Foods Inc. CL A DEL | Common Stock | ** | 6 |
| WSP IDX Linked NTS | Common Stock | ** | |
| Wincredito Italian ITL 500 | Common Stock | ** | |
| Wm. Wrigley Chewing Gum Co. NV Eur | Common Stock | ** | |
| World Pacific Corp. | Common Stock | ** | 7 |
| Worldwide Parcel Service | Common Stock | ** | 5 |
| Worldwide STS Stl Corp | Common Stock | ** | |
| Worldwide Technologies Corp. | Common Stock | ** | 1,0 |
| WorldwideHealth Group Inc | Common Stock | ** | 2 |
| Worldwide Outfitters Incorporated | Common Stock | ** | 3 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, PART IV, LEVEL 4i SCHEDULE OF ASSETS (HELD AT END OF
 YEAR)
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|---|---|----------|-------|
| Bancorp Del | Common Stock | ** | 3 |
| Enbridge Energy Corp. | Common Stock | ** | 1 |
| Verisign Inc. | Common Stock | ** | 1 |
| Verizon Communications | Common Stock | ** | 9 |
| Vericom Inc | Common Stock | ** | 1,0 |
| VeriSign Inc. Class A Shrs | Common Stock | ** | 5 |
| Vodafone Group Plc | Common Stock | ** | |
| Vodafone Group Plc | Common Stock | ** | 3 |
| Veeva Systems Inc | Common Stock | ** | 1 |
| Waddell & Reed Financial Inc. | Common Stock | ** | 1 |
| Wal-Mart Stores Inc | Common Stock | ** | 2,9 |
| Walgreen Co. | Common Stock | ** | 1 |
| Walt Disney Co. | Common Stock | ** | 2 |
| Warner Chilcott Ltd. Class A | Common Stock | ** | |
| Warner Music Group Corp. | Common Stock | ** | 3 |
| Waste Management Inc | Common Stock | ** | 6 |
| Waters Corp | Common Stock | ** | |
| Watson Pharmaceuticals Inc | Common Stock | ** | 9 |
| Weight Watchers Intl. Inc. | Common Stock | ** | 6 |
| Wellpoint, Inc. | Common Stock | ** | 3 |
| Wells Fargo & Co. | Common Stock | ** | 1,6 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|---|---|----------|---------|
| Western Digital | Common Stock | ** | 5 |
| Western Union | Common Stock | ** | 4 |
| Weyerhaeuser Co. | Common Stock | ** | 2 |
| Warf (Holdings) Hkd 1.0 | Common Stock | ** | |
| White Mountains Insurance Group Inc. | Common Stock | ** | 6 |
| Whole Foods Mkt. Inc. | Common Stock | ** | |
| Williams Cos Inc. | Common Stock | ** | |
| Winnebago Inds. Inc. | Common Stock | ** | |
| Wisconsin Energy Corp | Common Stock | ** | 5 |
| WMS Inds. Inc. | Common Stock | ** | 1 |
| World Medical Group Inc. | Common Stock | ** | |
| Wyeth | Common Stock | ** | 2,5 |
| Wynn Resorts Ltd | Common Stock | ** | |
| Xcel Energy Inc. | Common Stock | ** | |
| Xerox Inc. | Common Stock | ** | |
| Xcel Capital Ltd | Common Stock | ** | 2 |
| Xcel Energy Inc. | Common Stock | ** | 1,0 |
| Yamada Denki Co | Common Stock | ** | |
| Yum Brands | Common Stock | ** | 2 |
| Yunnan Expressway Co. Ltd. | Common Stock | ** | |
| Yonkers Bancorp | Common Stock | ** | |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|--|--|----------|-------------|
| BlackRock Institutional Large Cap | Common Collective Trust | ** | 22,000,000 |
| BlackRock ICB Long-Term Bond Fund | Common Collective Trust | ** | 48,000,000 |
| BlackRock ICB Smart Index Fund | Common Collective Trust | ** | 70,000,000 |
| BlackRock ICB Smart Retirement 2010 Fund | Common Collective Trust | ** | 16,000,000 |
| BlackRock ICB Smart Retirement 2015 Fund | Common Collective Trust | ** | 21,000,000 |
| BlackRock ICB Smart Retirement 2020 Fund | Common Collective Trust | ** | 32,000,000 |
| BlackRock ICB Smart Retirement 2025 Fund | Common Collective Trust | ** | 2,000,000 |
| BlackRock ICB Smart Retirement 2030 Fund | Common Collective Trust | ** | 20,000,000 |
| BlackRock ICB Smart Retirement 2035 Fund | Common Collective Trust | ** | 1,000,000 |
| BlackRock ICB Smart Retirement 2040 Fund | Common Collective Trust | ** | 1,000,000 |
| BlackRock ICB Smart Retirement 2045 Fund | Common Collective Trust | ** | 800,000 |
| BlackRock ICB Smart Retirement 2050 Fund | Common Collective Trust | ** | 1,000,000 |
| BlackRock ICB Smart Retirement Income Fund | Common Collective Trust | ** | 9,000,000 |
| BlackRock iStreet Global Advisors | Common Collective Trust | ** | 3,000,000 |
| BlackRock iMid Short Managed Maturing Fund | Common Collective Trust | ** | 104,000,000 |
| BlackRock iMid Intermediate Managed Maturing Fund | Common Collective Trust | ** | 99,000,000 |
| BlackRock iMid Enhanced Intermediate Fixed Income Fund | Common Collective Trust | ** | 274,000,000 |
| BlackRock American Century Small Companies | Registered Investment Company | ** | 37,000,000 |
| BlackRock American New Perspective Fund | Registered Investment Company | ** | 100,000,000 |
| BlackRock iShares Russell 2000 Value Index | Registered Investment Company | ** | 1,000,000 |
| BlackRock iMorgan U. S. Large Cap Core Plus-S | Registered Investment Company | ** | 2,000,000 |

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**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|--|--|-----------------|------------------|
| Table Value Fund Investments and Wrapper Contracts: | | | |
| Bank of America | Bank Investment Contract Interest 3.51% | ** | 6 |
| IC/Natixis | Guaranteed Investment Contract Insurance Company General Account Interest 3.34% | ** | 1 |
| ixis Financial Products Inc. | Guaranteed Investment Contract Insurance Company General Account Interest 3.94% | ** | 6 |
| ackson National Life Insurance CO. | Guaranteed Investment Contract Insurance Company General Account Interest 5.16% | ** | 5,1 |
| Morgan Chase Bank | Traditional Guaranteed Investment Contract Bank Investment Contract Interest 2.98% | ** | 1 |
| l Stl 01/21/09 USD/GBP Long USD | Guaranteed Investment Contract Forward Contract - US Dollar | ** | 1,1 |
| l Stl 01/21/09 USD/CAD Long USD | Forward Contract - US Dollar | ** | 2 |
| l Stl 01/21/09 USD/AUD Long USD | Forward Contract - US Dollar | ** | 9 |
| l Stl 01/21/09 USD/NOK Long USD | Forward Contract - US Dollar | ** | 2,7 |
| l Stl 01/21/09 JPY/USD Short USD | Forward Contract - US Dollar | ** | (3 |
| l Stl 01/21/09 SEK/USD Short USD | Forward Contract - US Dollar | ** | (1,5 |
| l Stl 01/21/09 SGD/USD Short USD | Forward Contract - US Dollar | ** | (2,8 |
| l Stl 01/21/09 EUR/USD Short USD | Forward Contract - US Dollar | ** | (3,3 |
| l Stl 01/21/09 USD/GBP Short GBP | Forward Contract - British Pound Sterling | ** | (1,1 |
| l Stl 01/21/09 USD/CAD Short CAD | Forward Contract - Canadian Dollar | ** | (2 |

**ITT CORPORATION SALARIED INVESTMENT AND SAVINGS PLAN
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|--|--|-----------------|--------------------|
| Std 01/21/09 USD/CHF Short CHF | Forward Contract - Swiss Franc | ** | (1 |
| Std 01/21/09 USD/AUD Short AUD | Forward Contract - Australian Dollar | ** | 0 |
| Std 01/21/09 USD/NOK Short NOK | Forward Contract - Norwegian Krone | ** | (2 |
| Std 01/21/09 JPY/USD Long JPY | Forward Contract - Japanese Yen | ** | |
| Std 01/21/09 SEK/USD Long SEK | Forward Contract - Swedish Krona | ** | 1 |
| Std 01/21/09 SGD/USD Long SGD | Forward Contract - Singapore Dollar | ** | 3 |
| Std 01/21/09 EUR/USD Long EUR | Forward Contract - Euro | ** | 3 |
| Std 01/21/09 USD/CHF Long USD | Forward Contract - Swiss Franc | ** | 1 |
| Brokerage Window | Other | ** | 5 |
| Participant Loans | The Loan interest rate ranges varied from 5% - 10.5%, with scheduled maturity dates from 9/1/07 - 10/31/2028 | ** | 26 |
| AL | | | 1,801 |

* **Party-in-interest
to the Plan**

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

*** **All or a portion
of this security
is participating
in the securities
lending
program.**