



## **ITT reorganizes \$6.3B defense unit**

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ITT Corp. has realigned its defense segment, including its information technology business, by consolidating seven business units into three.

The moves will help the company align with customer demands for increasingly integrated and network-centric solutions and technologies, company officials said today.

The new defense segment will be called ITT Defense and Information Solutions. David Melcher, who joined ITT about 16 months ago, will lead the new division as president. The restructuring was driven in part by shifts in defense priorities and budgets and the customer's demands for more integrated and network-centric solutions, he said.

“We are positioning ITT to be in a better position than ever to support our customers’ emerging technology needs, while also greatly enhancing our ability to stake out new markets,” Steve Loranger, ITT’s chairman, president and chief executive officer, said in a statement. “This move will also allow ITT to achieve greater operating efficiencies and optimize our cost structure, which will help drive successful business strategies for continued top line growth.”

The three business units under the ITT Defense and Information Solutions umbrella are:

- \* Electronic Systems, which includes the electronic systems and communications systems divisions, and portions of the intelligence and information warfare division. The new division will focus on advanced protection measures that will help customers defend their networks and disable enemy networks. The division will work on networked communications, sensors, surveillance and reconnaissance technologies that work across the spectrum of electronic warfare, the company said. Christopher Bernhardt will lead the division.

- \* Geospatial Systems will merge space systems and night vision divisions. The focus will be on networked sensors, such as next generation imaging. ITT will be moving into image processing and distribution across networks. Chris Young will lead the division.

- \* Information Systems will take in the advanced electronics and sciences and systems divisions and portions of the intelligence and information warfare division. The new division will focus on networked decision support solutions. Capabilities include information integration and protection, such as next generation air traffic management solutions, national intelligence networks and cyber security. Mike Wilson will lead the division.



# ITT

“This reorganization is a strategic action to better address the evolving needs of our customers, the cyclical nature of defense spending and the need to continue to deliver value to our shareholders, while maintaining ITT’s most critical investments and competencies,” Melcher said.

The reorganization marks ITT's recognition that it needs to approach the market less as a product company and more as a systems and solutions provider, he said.

The company has been making this shift for several years, but the reduction of business units from seven to three will accelerate the process and allow it to pursue more systems integration type contracts such as the FAA Automatic Dependent Surveillance - Broadcast contract. "That showed we have the capability and we see numerous opportunities like that ahead," he said.

Melcher's piece of ITT has about \$6.3 billion in annual revenue, with the electronics business and information systems each bringing in between \$2.5 billion and \$2.6 billion, and the geospatial bringing in about \$1.2 billion, he said.

ITT is ranked No. 11 on Washington Technology's 2009 Top 100 list of the largest government contractors.