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First Quarter 2007

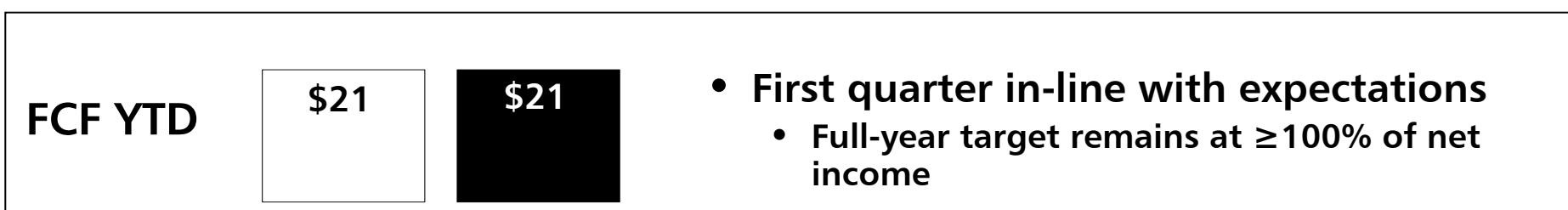
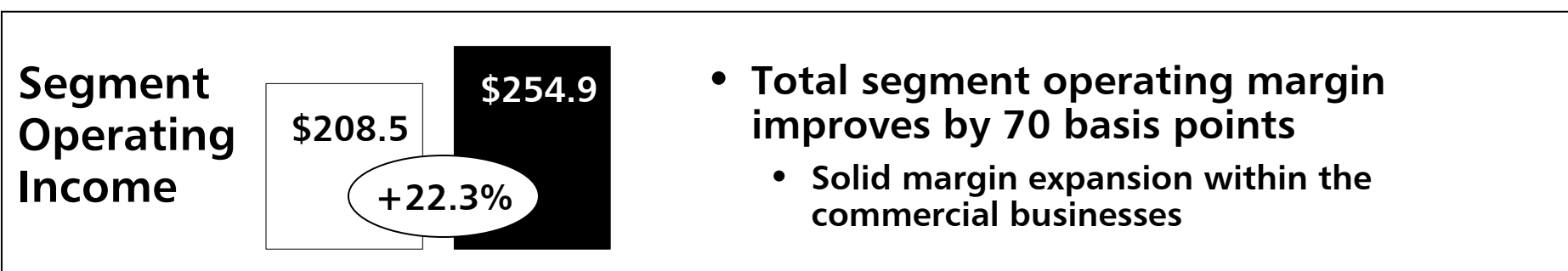
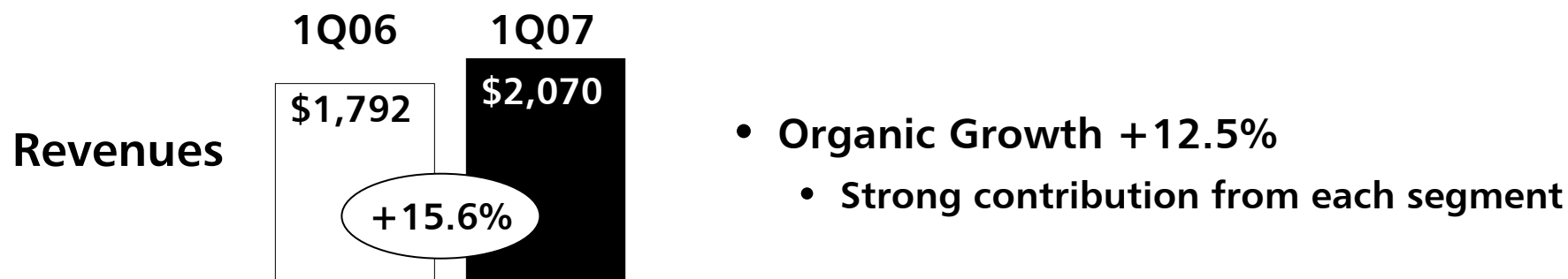
Investor Review

April 27, 2007

1Q Highlights

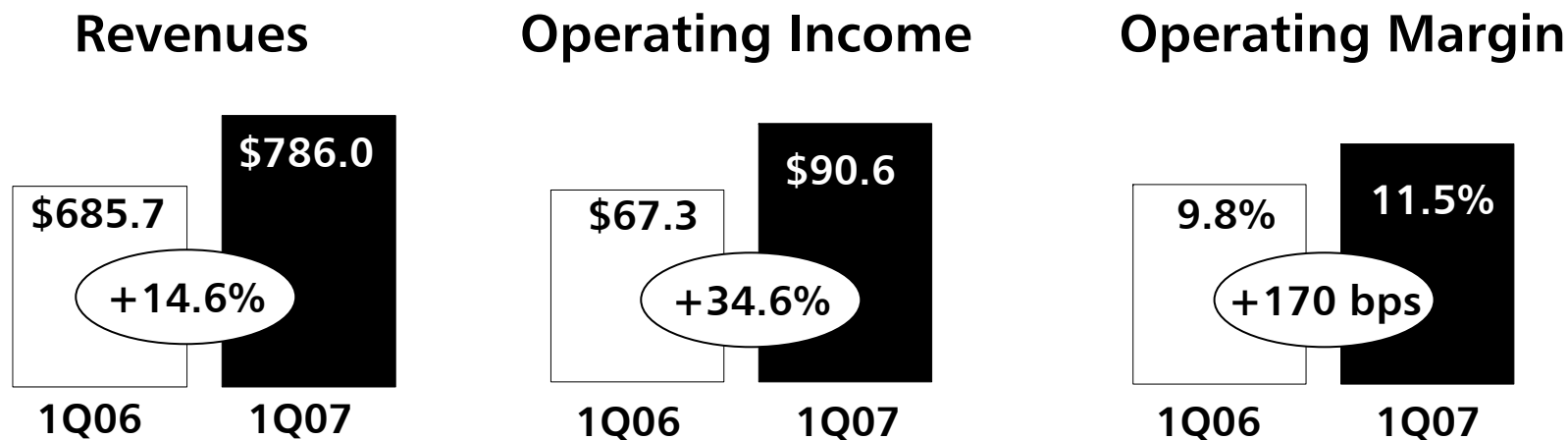
- **Strong 1Q operational performance +12.5% organic revenue growth**
 - **Defense delivers strong well-balanced revenue growth**
 - **Commercial businesses deliver solid revenue gains and margin improvement**
- **\$1B share repurchase program moves forward**
 - **Approximately \$250M of repurchases since October 2006 announcement**
- **Raising full-year guidance**

Financial Results – As Adjusted



Free Cash Flow = Cash from operations (before discretionary pension contributions net of tax) less capital expenditures
For non-GAAP reconciliations, refer to slides 8 and 9

Fluid Technology

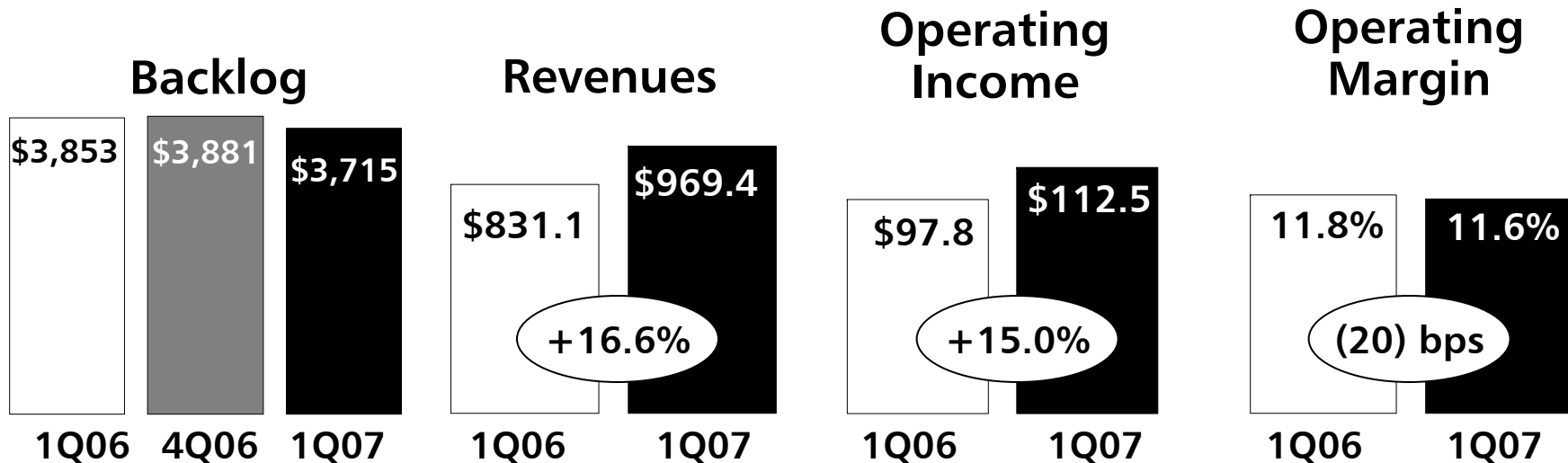


Q1 Highlights

- Organic Revenue Growth +9%
 - Wastewater +18%
 - Industrial +10%
 - R&CW + 5%
- Organic Order Growth +11%
 - Contributions by all value centers
- Margin expansion driven by volume increases and operational initiatives
- Wastewater continues market share gains
 - Strong “large pump” sales
 - Continued strength in Dewatering
- Industrial group experienced strong international growth
- R&CW – strength in commercial offset by softness in residential



Defense Electronics & Services

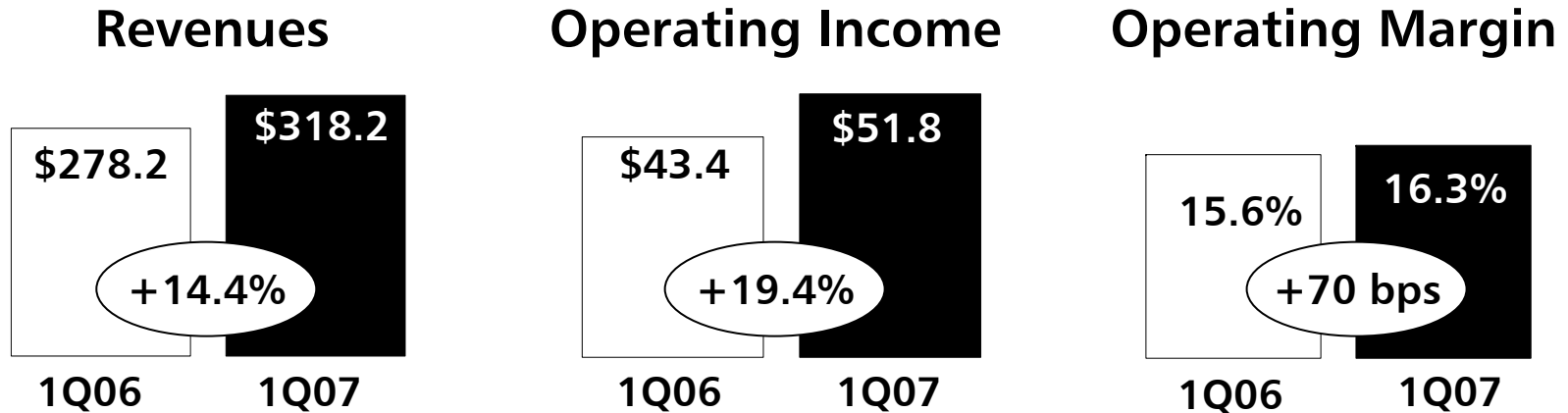


Q1 Highlights

- Organic Revenue Growth +17%
 - Night Vision +57%
 - Electronic Systems +33%
 - Adv. Engineering & Sciences +33%
 - Aerospace/Comm. Division (2%)
- Backlog down 4% from year-end
 - 2007 year-end backlog expected to be in-line with 2006 year-end level
- Revenue growth well-balanced between products and services
- Aerospace/Comm. Division revenue decline due to timing on international radio sales
- Outlook for our defense products and services remains strong



Motion & Flow Control



Q1 Highlights

- Organic Revenue Growth +9%
 - Connectors +13%
 - Friction Materials +10%
 - KONI +8%
- Organic Order Growth +6%
- Margin improvement from volume and ongoing footprint realignment
- Segment continues to benefit from solid aftermarket business
- Friction benefits from strong OEM platform wins
- Connectors revenue strong in transportation and general industrial markets



2007 Earnings Outlook *(\$ in Millions except EPS)*

	<u>2Q07</u>	<u>yr/yr growth*</u>	<u>FY07</u>	<u>yr/yr growth*</u>
Revenue	\$ 2,050 - \$ 2,150	6.9%	\$ 8,445 - \$ 8,550	8.8%
Segment OI Margin	13.5% - 13.8%	65 bps	13.1% - 13.3%	70 bps
EPS	\$ 0.88 - \$ 0.90	17.1%	\$ 3.44 - \$ 3.50	21.8%
FCF Conversion	≥100% Net Income			

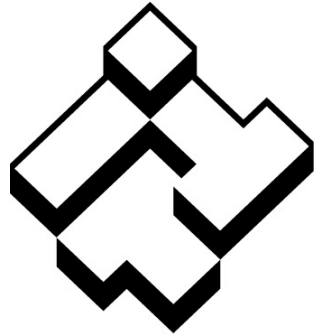
<u>Segment</u>	<u>FY07</u>	<u>yr/yr growth*</u>
Fluid Technology - Revenue	\$ 3,320 - \$ 3,360	8.8%
OI Margin	13.7% - 13.9%	90 bps
Defense Electronics - Revenue	\$ 3,975 - \$ 4,025	9.3%
OI Margin	11.8% - 12.0%	70 bps
Motion & Flow Control - Revenue	\$ 1,150 - \$ 1,180	6.6%
OI Margin	15.6% - 16.0%	60 bps

* Based on guidance midpoints

Note: Earnings outlook reflects continuing ops, excluding special items

Free Cash Flow = Cash from operations (before discretionary pension contributions net of tax) less capital expenditures





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Appendix

Non-GAAP Reconciliations - EPS

	1Q06	1Q07
<i>Adjusted EPS from Continuing Ops.</i>	\$ 0.59	\$ 0.76
Restructuring, Net	\$ (0.04)	\$ (0.02)
<i>EPS from Continuing Ops.</i>	\$ 0.55	\$ 0.74
Discontinued Ops.	\$ 0.28	\$ 0.02
<i>Reported EPS</i>	\$ 0.83	\$ 0.76

Non-GAAP Reconciliations – Segment Operating Income

	1Q06	1Q07
Defense Electronics & Services		
<i>Op. Income, as adj</i>	\$ 97.8	\$ 112.5
Restructuring	\$ (2.0)	\$ (2.1)
<i>Op. Income, as reported</i>	\$ 95.8	\$ 110.4
Fluid Technology		
<i>Op. Income, as adj</i>	\$ 67.3	\$ 90.6
Restructuring	\$ (4.0)	\$ (3.5)
<i>Op. Income, as reported</i>	\$ 63.3	\$ 87.1
Motion & Flow Control		
<i>Op. Income, as adj</i>	\$ 43.4	\$ 51.8
Restructuring	\$ (5.8)	\$ (0.8)
<i>Op. Income, as reported</i>	\$ 37.6	\$ 51.0
Combined Segments		
<i>Op. Income, as adj</i>	\$ 208.5	\$ 254.9
Restructuring	\$ (11.8)	\$ (6.4)
<i>Op. Income, as reported</i>	\$ 196.7	\$ 248.5