



ITT

Engineered for life

First Quarter 2008

Investor Review

April 25, 2008

Solid Organic Revenue Growth

- Total Growth Across All Segments
- Strong International Growth

Commercial Margin Expansion

- Operational Initiatives

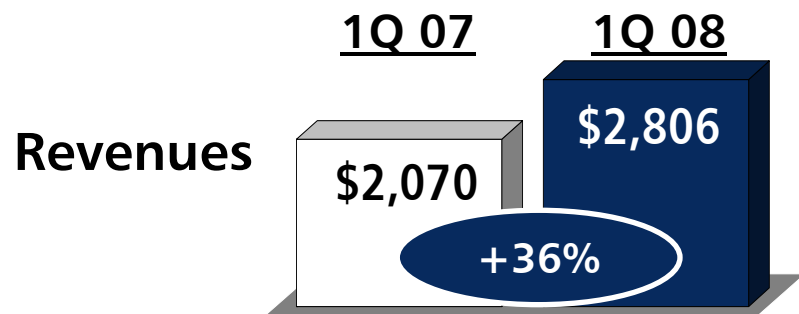
25% EPS Growth

Raising Full-Year Guidance by \$0.18

Record Free Cash Flow Generation

Focused Strategic Investments

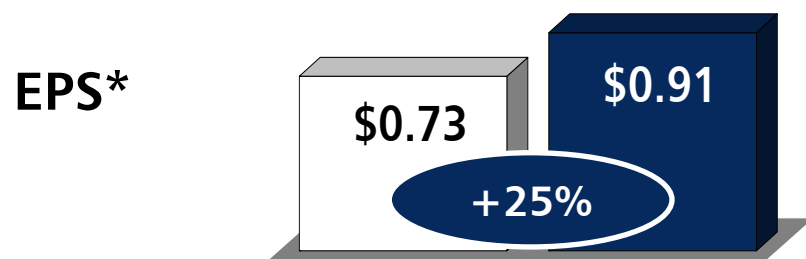
ITT Business Results



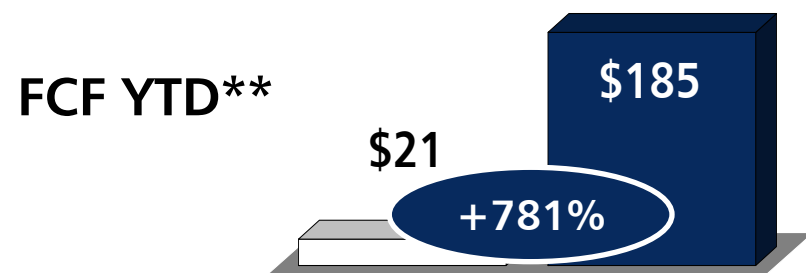
- +9% Organic Growth
 - Defense +13%
 - International sales drive Fluid +6% and Motion and Flow +7%



- Acquisitions Over-delivering
- Segment Operating Margin Down 50 bps
 - Favorable productivity and pension offset by acquisitions and FX



- Top-line Growth, Productivity Improvements, and Acquisition Performance



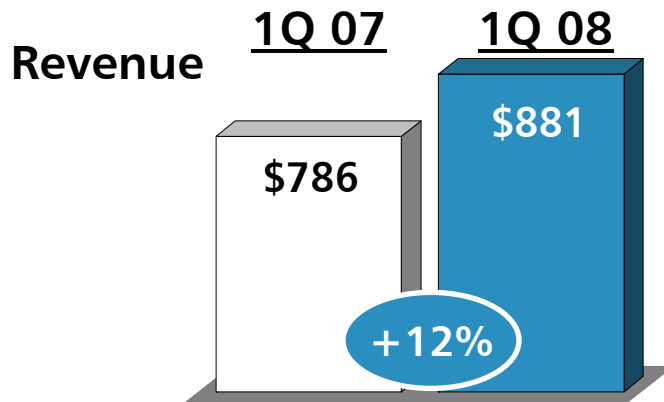
- Record Q1 Free Cash Flow Generation

* EPS excludes net benefit of tax settlement/other.

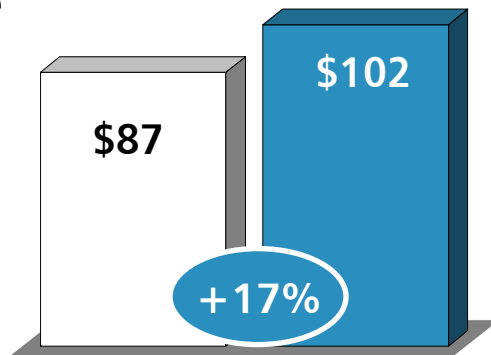
** Free Cash Flow = Cash from operations (before discretionary pension contributions in '07 net of tax) less capital expenditures.

For non-GAAP reconciliations, refer to slide 10

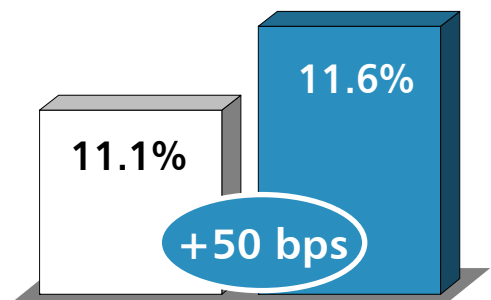
Fluid Technology



Operating Income



Operating Margin



* YOY growth rates may not calculate due to rounding

Fluid Technology

- +6% Organic Revenue on Strong International
- +3% Organic Orders
- +50 bps Operating Margin
 - Volume & productivity partially offset by FX
 - Benefits from global footprint realignment

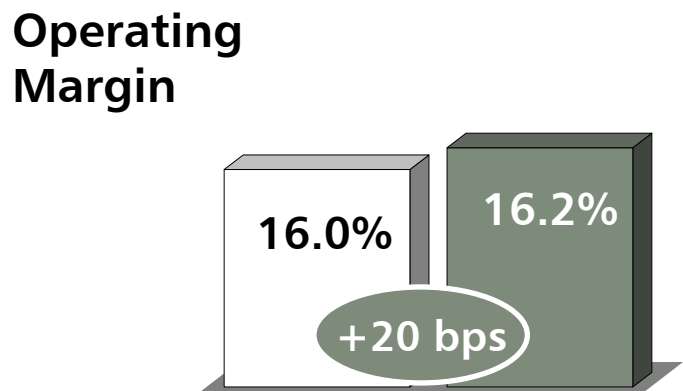
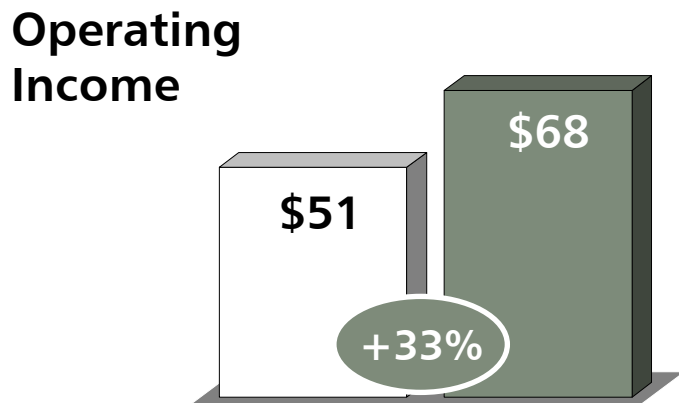
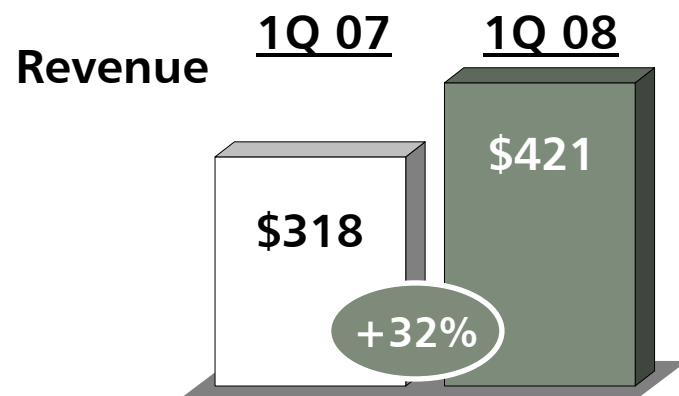
Organic Revenue

- +16% Industrial Process
 - Export-led growth; Oil & gas and mining
- +5% Residential & Commercial Water
 - Global commercial strong
 - Global residential weak
- +4% Water & Wastewater
 - Strong international
 - Offset by US municipal

Strategic Developments

- Fluid Investments in Global Footprint
- Industrial Process
 - Oil & gas and mining investments
- Water & Wastewater
 - Treatment integration & centers of excellence
 - Dewatering acquisitions

Motion & Flow Control



Motion & Flow Control

- +7% Organic Revenue Led By Friction and Aerospace
- +5% Organic Orders
- +20 bps Operating Margin
 - Volume, productivity & FX; offset by IMC
 - Benefits from footprint realignment actions

Organic Revenue

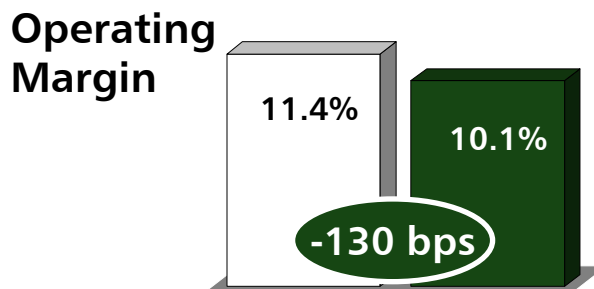
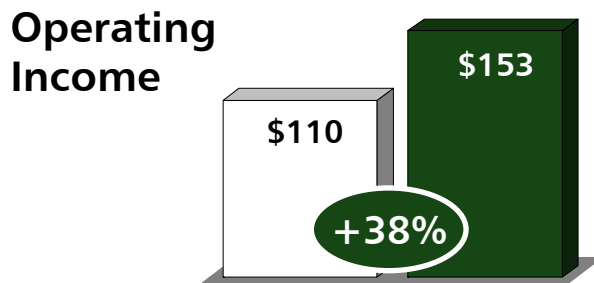
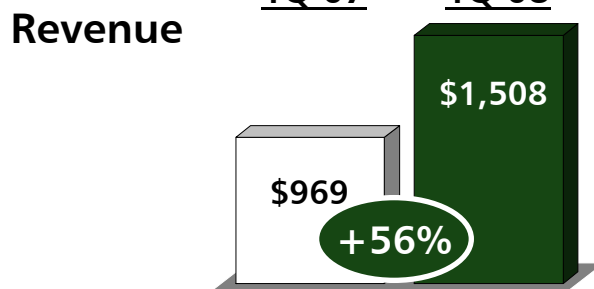
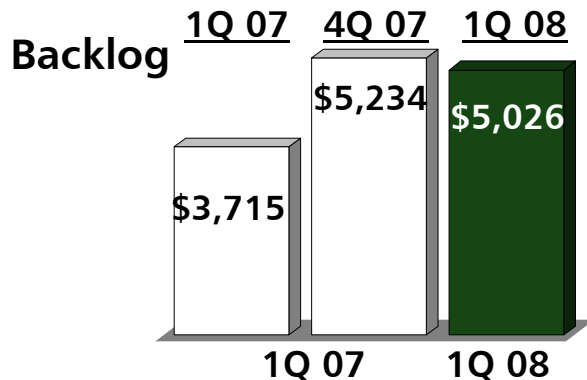
- +15% Aerospace Controls
 - Strong aftermarket
- +12% Friction Technologies
 - Balanced OEM & aftermarket
 - 6 new platform wins (Including India)
- +7% Interconnect Solutions
 - Driven by US military & industrial
- -5% Flow Control
 - Beverage and international strong
 - Pool and spa and marine weak

Strategic Developments

- Interconnect Solutions – Partnering with EDO
- New Programs and Products in Aerospace Markets
- Friction - Czech Facility Construction

* YOY growth rates may not calculate due to rounding

Defense Electronics & Services



* YOY growth rates may not calculate due to rounding

Defense Electronics & Services

- +13% Organic Revenue Driven By Balanced Performance
- +24% Organic Orders
 - \$175M Night Vision order
 - +48% Advanced Engineering and Sciences
- -130 bps Operating Margin
 - Reflects EDO purchase accounting

Organic Revenue

- +38% Communications Systems
 - International sales to Iraq
 - Satellite communications delivery
- +44% Advanced Engineering and Sciences
 - Joint Spectrum and classified contract performance
 - ADS-B contract performance
- +5% Systems
 - Balanced performance
- -6% Space
 - Impacted by timing

Strategic Developments

- See slide 7

2008 Earnings Outlook (\$ in Millions except EPS)



Second Quarter 2008 Consolidated Guidance

	<u>Q208</u>	<u>yr/yr Growth¹</u>
Revenue	\$ 2,900 - \$ 2,980	32%
Segment OI Margin	12.9% - 13.1%	-20 bps
Earnings Per Share	\$ 1.07 - \$ 1.13	28%

Full Year 2008 Guidance

	<u>2008</u>	<u>yr/yr Growth¹</u>
Segment Guidance		
Fluid Technology - Revenue	\$ 3,800 - \$ 3,850	9%
OI Margin	13.0% - 13.2%	80 bps
Defense Electronics - Revenue	\$ 6,000 - \$ 6,050	44%
OI Margin	11.3% - 11.5%	-60 bps
Motion & Flow Control - Revenue	\$ 1,600 - \$ 1,650	22%
OI Margin	14.4% - 14.6%	40 bps
Consolidated Guidance		
ITT - Revenue	\$ 11,375 - \$ 11,525	27%
ITT Segment OI Margin	12.3% - 12.5%	-10 bps
Earnings Per Share	\$ 4.00 - \$ 4.10	23%

¹ Based on guidance midpoints

Defense Electronics & Services

Strategic Developments & Recent Awards

- **Communications Systems**
 - **Strong International Pipeline (~\$4B)**
 - Iraq – Delivered radios
 - Bulgaria – Actively pursuing opportunity
 - **Active Negotiations with JTRS Team**

- **Night Vision**
 - **\$175 Million Award - Demand Remains High**
 - **Shipped NextGen NV Goggle - Sole Source Contract**

- **EDO**
 - **Integration Ahead of Schedule**
 - **CREW (Counter IED)**
 - Producing to customer fielding schedule
 - 900+ units ordered in 2008

- **Services** – **LOGCAP Confirmed**

- **ES** – **Strong Order Activity (Including International)**

- **AES** – **Solid FAA ADS-B Performance**



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Appendix

ITT Q1 2008 Margin Performance



Fluid Technology		Motion & Flow Control		Defense	
Q1 07	11.1%	Q1 07	16.0%	Q1 07	11.4%
Operational/Other	0.9%	Operational/Other	0.3%	Operational/Other	(0.1%)
Pension	0.4%	Pension	0.2%	Pension	0.5%
FX	(0.8%)	FX	0.1%	EDO Acquisition	(1.7%)
Q1 08	<u>11.6%</u>	IMC Acquisition	(0.4%)	Q1 08	<u>10.1%</u>
		Q1 08	<u>16.2%</u>		

Non-GAAP Reconciliations - EPS

	1Q07	1Q08
<i>Adjusted EPS from Continuing Ops.</i>	\$ 0.73	\$ 0.91
Tax Settlement/Other	\$ 0.01	\$ 0.02
<i>EPS from Continuing Ops.</i>	<u>\$ 0.74</u>	<u>\$ 0.93</u>
Discontinued Ops.	\$ 0.02	\$ 0.01
<i>Reported EPS</i>	<u><u>\$ 0.76</u></u>	<u><u>\$ 0.94</u></u>

2008 Guidance Roll-Forward

Original Full Year 2008 Guidance	<u>\$ 3.80</u>	<u>\$ 3.95</u>
Interest	~ \$ 0.09	
Base Business Performance	~ \$ 0.06	
EDO Performance	~ \$ 0.02	
Pension & Corporate	~ \$ 0.01	
Total Change vs mid-point	~ <u>\$ 0.18</u>	
Revised FY 2008 Guidance	<u><u>\$ 4.00</u></u>	<u><u>\$ 4.10</u></u>

- **“Safe Harbor Statement”** under the Private Securities Litigation Reform Act of 1995 (“the Act”):
 - Certain material presented herein includes forward-looking statements intended to qualify for the safe harbor from liability established by the Act. These forward-looking statements include statements that describe the Company’s business strategy, outlook, objectives, plans, intentions or goals, and any discussion of future operating or financial performance. Whenever used words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target" and other terms of similar meaning are intended to identify such forward-looking statements. Forward-looking statements are uncertain and to some extent unpredictable, and involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed in, or implied from, such forward-looking statements. Factors that could cause results to differ materially from those anticipated by the Company include general global economic conditions, decline in consumer spending, interest and foreign currency exchange rate fluctuations, availability of commodities, supplies and raw materials, competition, acquisitions or divestitures, changes in government defense budgets, employment and pension matters, contingencies related to actual or alleged environmental contamination, claims and concerns, intellectual property matters, personal injury claims, governmental investigations, tax obligations and income tax accounting and changes in generally accepted accounting principles. Other factors are more thoroughly set forth in Item 1. Business, Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements in the ITT Corporation, Annual Report on Form 10-K for the fiscal year ended December 31, 2007, and other of its filings with the Securities and Exchange Commission. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.