



ITT

Engineered for life

Second Quarter 2008

Investor Review

July 25, 2008

Q2 Highlights



Solid Organic Revenue Growth

- All Segments Contribute – Led by Fluid
- Strong Order Growth



Margin Expansion

- Net Cost Productivity and Pricing



+38% EPS Growth

- Acquisitions Contributing

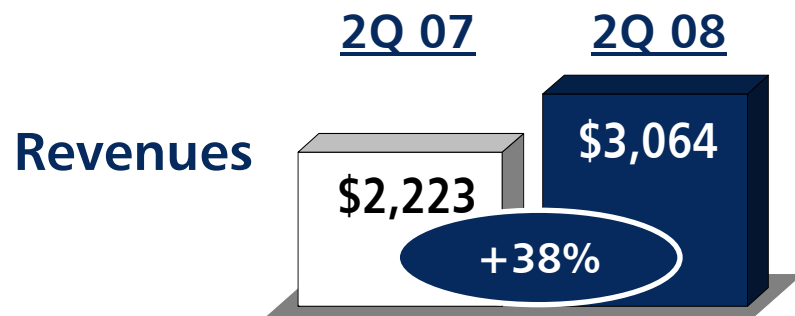


Raising Full-Year Guidance Midpoint \$0.09

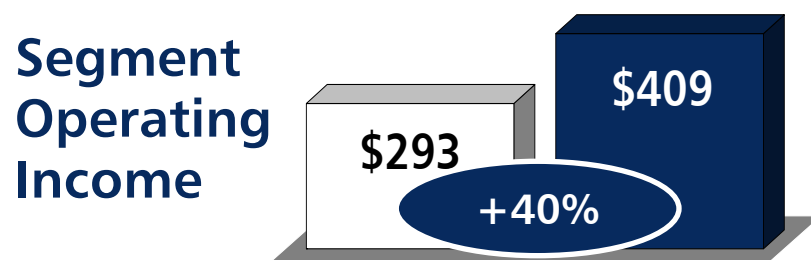


104% Free Cash Flow Conversion

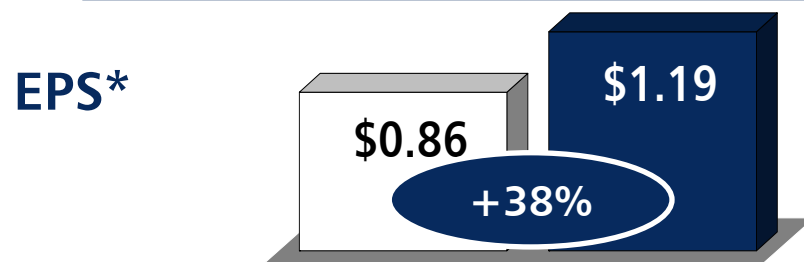
ITT Q2 Results



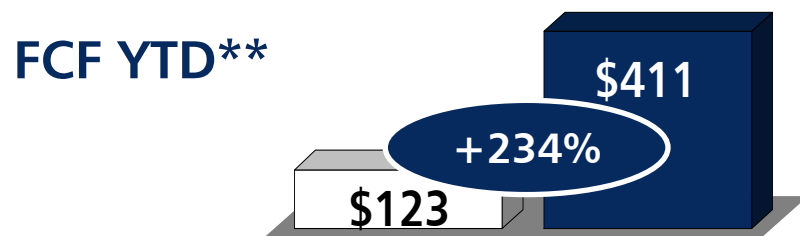
- +7% Organic Growth
 - Fluid +10%
 - Consolidated Orders +19%



- Acquisition Performance
- Segment Operating Margin +20 bps
 - Productivity, pricing offset acquisitions, material prices



- Organic Growth
- Acquisition Performance



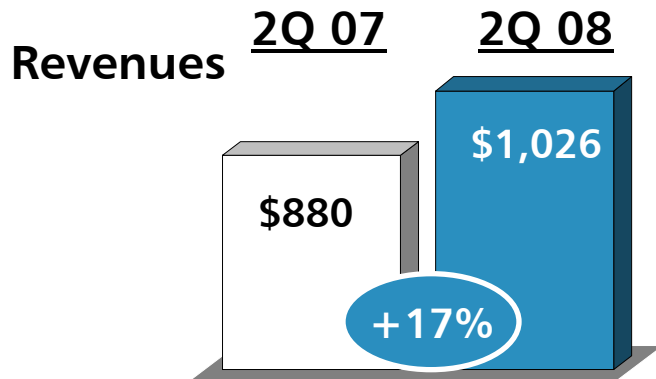
- Strong Q2 Free Cash Flow Generation

* EPS from Continuing Operations, excluding 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.

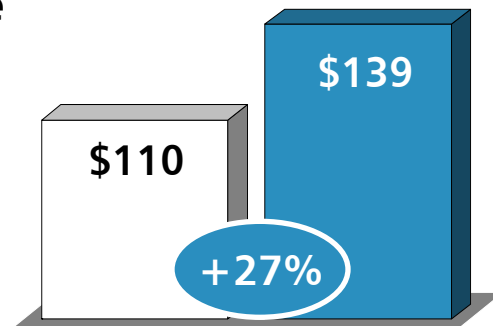
Fluid Technology



Fluid Technology

- +10% Organic Revenue
 - +7% North America; +12% International
- +18% Organic Orders
- +100 bps Operating Margin
 - Price, productivity offset FX, materials

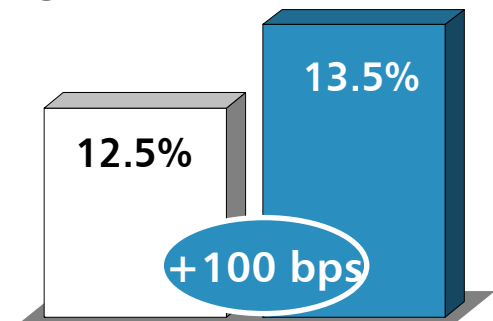
Operating Income



Organic Revenue

- +16% Industrial Process
 - Chemical, oil & gas and mining strong
- +10% Water & Wastewater
 - Global municipal & dewatering strong
 - Emerging markets +27%
- +7% Residential & Commercial Water
 - Global commercial, agriculture/irrigation strong
 - Global residential weak

Operating Margin

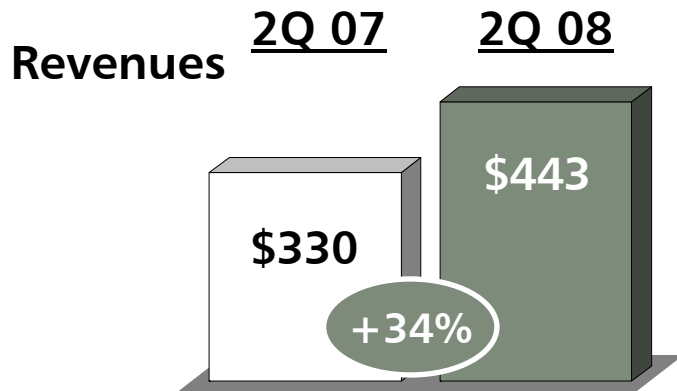


Strategic Developments

- Industrial Process
 - Record project wins
- Water & Wastewater
 - Ultraviolet – Energy efficient product introductions
 - Desalination projects

* YOY growth rates may not calculate due to rounding

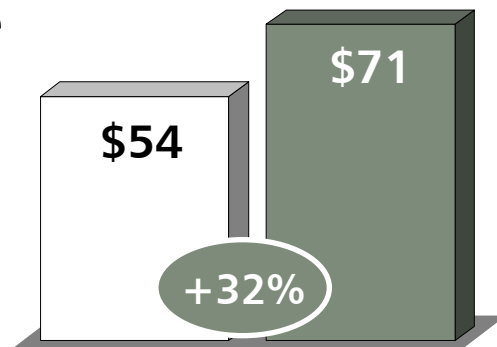
Motion & Flow Control



Motion & Flow Control

- +6% Organic Revenue
- +5% Organic Orders
- -30 bps Operating Margin
 - Investments in footprint, new product development and IMC acquisition

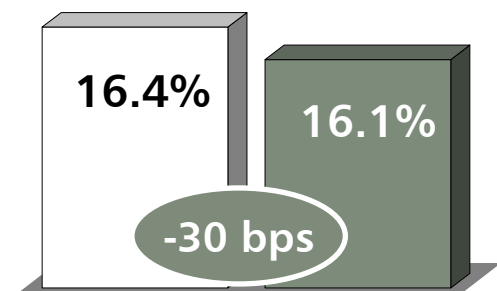
Operating Income



Organic Revenue

- +18% Aerospace Controls
 - Strong aftermarket
- +17% Friction Technologies
 - 4 new platform wins
- +1% Interconnect Solutions
 - US military & industrial offset European softness
- -5% Flow Control
 - Marine and Spa & Whirlpool weak
 - Beverage strong

Operating Margin

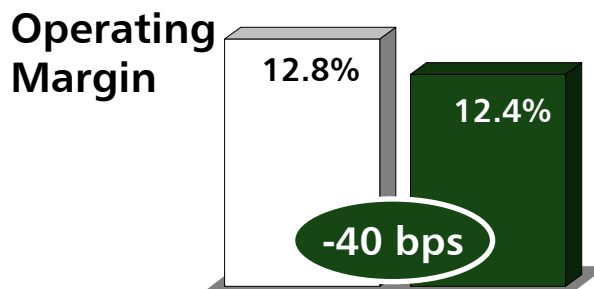
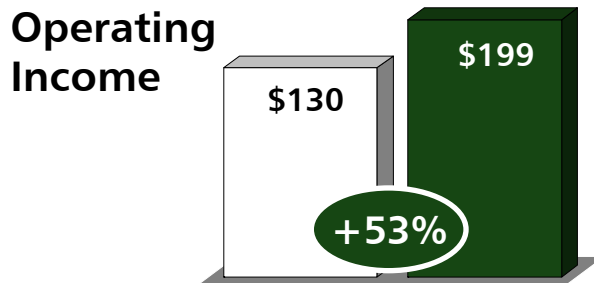
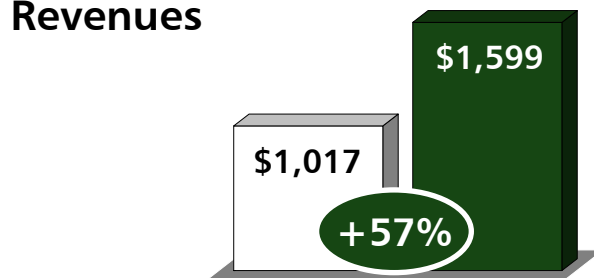
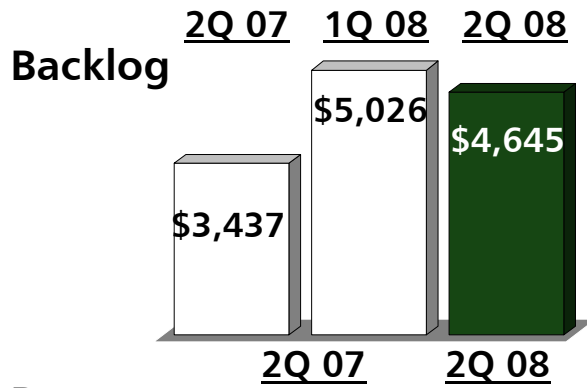


Strategic Developments

- ITT Railway Team
- Several Product Line Moves to LCR
- IMC Organic Growth +11%

* YOY growth rates may not calculate due to rounding

Defense Electronics & Services



Defense Electronics & Services

- Backlog projected at \$5 billion at year-end
- +5% Organic Revenue
 - +9% Year-to-date
- +26% Organic Orders
 - Products and services strong
- -40 bps Operating Margin
 - EDO acquisition impact

Organic Revenue

- +51% Advanced Engineering and Sciences
 - Joint Spectrum & ADS-B contract performance
- +6% Systems
 - Sensor program offsets lower middle east volume
- -9% Communications Systems
 - Timing of shipments; +13% Year-to-date
 - +125% Organic orders
- -12% Space Systems
 - Impacted by project timing

Strategic Developments

- See slide 7

* YOY growth rates may not calculate due to rounding

2008 Earnings Outlook (\$ in Millions except EPS)



Third Quarter 2008 Consolidated Guidance

	<u>Q308</u>	<u>yr/yr Growth¹</u>
Revenue	\$ 2,780 - \$ 2,840	29%
Segment OI Margin	13.0% - 13.2%	-30 bps
Earnings Per Share	\$ 1.03 - \$ 1.07	18%

Full Year 2008 Guidance

	<u>2008</u>	<u>yr/yr Growth¹</u>
Segment Guidance		
Fluid Technology - Revenue	\$ 3,900 - \$ 3,950	12%
OI Margin	12.8% - 13.0%	60 bps
Defense Electronics - Revenue	\$ 6,080 - \$ 6,120	46%
OI Margin	11.5% - 11.7%	-40 bps
Motion & Flow Control - Revenue	\$ 1,640 - \$ 1,660	24%
OI Margin	14.6% - 14.8%	60 bps
Consolidated Guidance		
ITT - Revenue	\$ 11,590 - \$ 11,710	29%
ITT Segment OI Margin	12.4% - 12.6%	0 bps
Earnings Per Share	\$ 4.11 - \$ 4.17	26%

¹ Based on guidance midpoints

Defense Developments & Awards



Communications Systems

- Official JTRS Team Member
- Strong International Pipeline
- Saudi Arabia – Shipments



Night Vision

- Strong Demand:
 - International Activity
 - Navy & Air Force Order
 - Homeland Security
 - Federal, State and Local Law Enforcement



Systems

- Counter-Drug Program Contract - Tethered Aerostat Radar System

Electronic Systems

- Sweden - Land-based Coastal Radar System
- CREW (Counter IED Jammers)
 - Strong 2008 Delivery Performance
 - Additional Awards Anticipated - Include Non-MRAP



Space Systems

- GPS III Team Win
- NASA – Global Climate Sensors

Defense Team Continuing to Deliver on Core Strategies



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Appendix

Q2 2008 Segment Operating Margins



Fluid Technology		Motion & Flow Control		Defense	
Q2 07	12.5%	Q2 07	16.4%	Q2 07	12.8%
Operational/Other	1.4%	Operational/Other	(0.8%)	Operational/Other	0.6%
Pension	0.3%	Pension	0.2%	Pension	0.5%
FX	(0.7%)	FX	0.7%	EDO Acquisition	(1.5%)
Q2 08	<u>13.5%</u>	IMC Acquisition	(0.4%)	Q2 08	<u>12.4%</u>
		Q2 08	<u>16.1%</u>		

Non-GAAP Reconciliations - EPS

	2Q07	2Q08
Reported EPS	\$ 1.16	\$ 1.20
Discontinued Ops.	\$ 0.08	\$ (0.02)
Reported EPS from Continuing Ops	<u>\$ 1.08</u>	<u>\$ 1.22</u>
Tax Settlement/Other	\$ 0.22	\$ 0.03
Adjusted EPS from Continuing Ops.	<u><u>\$ 0.86</u></u>	<u><u>\$ 1.19</u></u>

2008 EPS Guidance Roll-Forward*



	Low	MidPoint	High
Previous Full Year 2008 Guidance	<u>\$ 4.00</u>	<u>\$ 4.05</u>	<u>\$ 4.10</u>
Base Business Performance	~	\$ 0.10	
EDO Performance	~	\$ 0.02	
Corporate, Interest, Taxes	~	\$ (0.03)	
Total Change vs mid-point	~	<u>\$ 0.09</u>	
Revised FY 2008 Guidance	<u>\$ 4.11</u>	<u><u>\$ 4.14</u></u>	<u>\$ 4.17</u>

* Continuing EPS, excludes net benefit of tax settlement/other.

Safe Harbor

- **“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.