ITT

Fourth Quarter 2009 Investor Review

February 3, 2010

Engineered for life

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 Private Securities Litigation Reform Act of 1995. 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 include:

- Economic, political and social conditions in the countries in which we conduct our businesses;
- Changes in government defense budgets;
- Decline in consumer spending;
- Sales and revenues mix and pricing levels;
- Availability of adequate labor, commodities, supplies and raw materials;
- Interest and foreign currency exchange rate fluctuations;
- Competition and industry capacity and production rates;
- Ability of third parties, including our commercial partners, counterparties, financial institutions and insurers, to comply with their commitments to us;
- Our ability to borrow or refinance our existing indebtedness and availability of liquidity sufficient to meet our needs;
- Acquisitions or divestitures;
- Personal injury claims;
- Uncertainties with respect to our estimation of asbestos liability exposure and related insurance recoveries;
- Our ability to effect restructuring and cost reduction programs and realize savings from such actions;
- Government regulations and compliance therewith;
- Changes in technology;
- Intellectual property matters;
- Governmental investigations;
- Potential future employee benefit plan contributions and other employment and pension matters;
- Contingencies related to actual or alleged environmental contamination, claims and concerns;
- Changes in generally accepted accounting principles;
- Other factors set forth in our Annual Report on Form 10–K for the fiscal year ended December 31, 2008 and our other 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.

2009 ITT Highlights

Exceptional Operational & Strategic Execution

- ✓ Strong 2009 Performances
  - -6% Adjusted EPS
  - -5% Organic Revenue
  - +$500 Million Productivity Achieved
  - $1.1 Billion Record Free Cash Flow Generation
- ✓ Positioned for Future Growth
  - Maintained Strategic Investments
  - Proactive Restructuring & Realignment
  - Initiated Strategic Defense Realignment
  - Delivered Important Wins:
    - CREW 3.3; Japanese Satellite; India Irrigation; Brazil Oil & Gas; Desalination; Ford Focus & Escape; Beverage & Rail Expansion
  - Strengthened Balance Sheet

2010 ITT Strategic Overview

Investing in Growth

Strategic Execution

- ✓ Driving Above Market Growth
- ✓ Driving Incremental Productivity
- ✓ Targeting 100% Free Cash Flow Conversion

Differentiated Organic Growth

- ✓ Investing in Defense Diversification
- ✓ Investing in Customer Solutions
- ✓ Implementing Commercial Sales Excellence

Portfolio Alignment

- ✓ Aligning with Macro Growth Trends

Introducing…ITT Defense & Information Solutions

Improving Alignment & Operational Efficiency

We formed	By Combining these Value Centers	and these capabilities
Electronic Systems	▪ Electronic Systems ▪ Communication Systems ▪ IIW (EW & Coms)	➢ Electronic Warfare Systems ➢ Networked Communications ➢ Composite Structures ➢ Radar Systems
Geospatial Systems	▪ Night Vision ▪ Space Systems	➢ Tactical Night Vision ➢ Space-based Satellite Imaging ➢ Airborne Situational Awareness ➢ Positioning Navigation Systems
Information Systems	▪ Advanced Engineering & Sciences ▪ Systems ▪ IIW (Intel/Cyber)	➢ System Operation & Maintenance ➢ Networked Information / Cyber ➢ Engineering & Professional ➢ Next Gen Air-Traffic Control

- $20 - $30M Realignment Restructuring Expense
- Actions Self-Funded in 2010
- Incremental Margin Benefits Expected in 2011
- New Value Centers Will Be Reported in Q1 2010

2009 ITT Results

Strong Execution in Challenging Conditions

Results	Q4		Full-Year	
$ millions, except per share amounts	2009	vs 2008	2009	vs 2008
Revenues	$2,870	-3%	$10,904	-7%
Segment Operating Income	$328	+17%	$1,287	-7%
Segment Operating Margin	11.4%	+190 bps	11.8%	-10 bps
Adjusted EPS*	$0.97	+18%	$3.78	-6%

Q4 Performance

-5% Organic Revenue:

-13% Fluid; -1% Motion; -1% Defense

- In-line with Expectations
- +5% Sequentially – All segments contributing

+3% Organic Orders:

-2% Fluid; +7% Motion; +5% Defense

- +25% Sequentially – All segments contributing

+190 bps Operating Margin:

- Strong Productivity
- Favorable Restructuring & Realignment costs and FX

+18% Adjusted EPS:

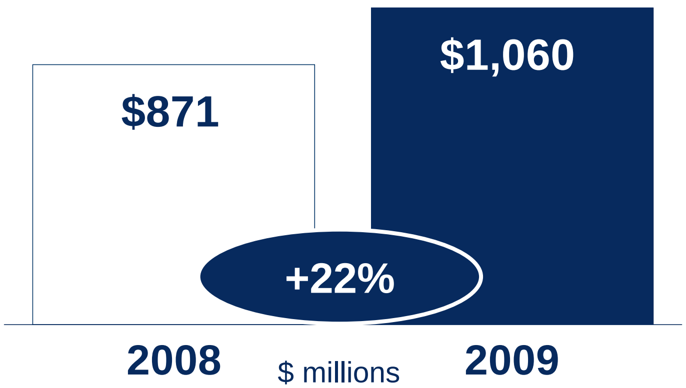
- Strong Productivity on Lower Volumes
- Lower Restructuring & Realignment vs Prior Year
- +$0.05 vs Prior Guidance

*Adjusted Continuing EPS excludes special items.

2009 ITT Financial Position

Record Free Cash Flow Generation

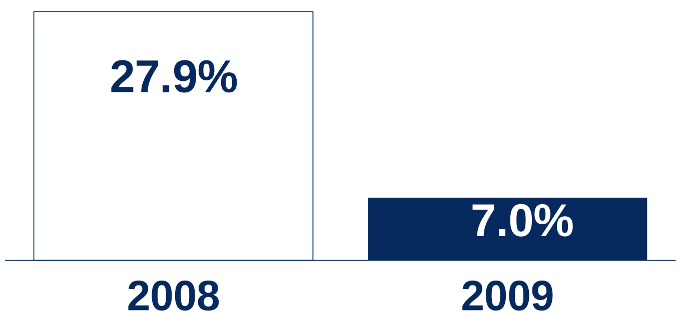
Free Cash Flow*



+146% YTD Free Cash Flow Conversion**

- $1.1B Record Performance
- 12.4% Working Capital % of Sales
  - +70 bps improvement vs PY
- Improved Receivable Collections

Net Debt to Net Capital



Significant Reduction in Net Debt to Net Capital Ratio

- $641M YTD Debt Reduction
  - Minimal Commercial Paper
- $1.2B Cash & Cash Equivalents
- Disciplined Capital Deployment

*Free Cash Flow = Cash from operations (before discretionary pension contributions, net of tax) less capital expenditures.
**Excludes non-cash special items.

Fluid Technology

Strong Productivity & Stabilizing Orders

Q4 Results		
$ millions	2009	vs 2008
Revenues	$924	-6%
Operating Income	$104	+9%
Operating Margin	11.3%	+160 bps
Restructuring & Realignment	-$11	$31

Q4 Performance

-13% Organic Revenue:

-2% WWW; -19% R&CW; -27% IP

- Continued Municipal strength
- Anticipated Industrial declines
- Weak Residential and Commercial

+160 bps Operating Margin:

- Strong productivity offsetting volume
- Favorable restructuring & realignment and FX

-2% Organic Orders:

+9% WWW; -8% R&CW; -10% IP

- Strong Municipal Treatment & Transport
- Global Commercial weakness
- Residential stabilizing
- Mining and Oil & Gas strong
  - $20M Brazil order
- Weak North American Industrial

Motion & Flow Control

Strong Productivity; Stabilizing Orders & Market Share Gains

Q4 Results		
$ millions	2009	vs 2008
Revenues	$332	+2%
Operating Income	$17	+564%
Operating Margin	5.0%	+610 bps
Restructuring & Realignment	-$26	$16

Q4 Performance

-1% Organic Revenue:

+20% Motion; -14% ICS; -20% Control

- Auto benefits from European stimulus
- Solid Rail in emerging markets
- Beverage & Marine share gains
- Global Aerospace & Industrial weakness

+610 bps Operating Margin:

- Strong productivity
- Favorable realignment costs

+7% Organic Orders:

+41% Flow; +20% Motion; -23% Control

- Share gains in Food and Beverage
- Significant Auto & Transportation wins:
  - Ford, Mercedes, Bombardier (China) and Siemens (China)
- Aerospace declines
- Industrial stabilizing at lower levels

Defense & Information Solutions

(Formerly Defense Electronics & Services)

Strong Productivity & Backlog

Q4 Results		
$ millions	2009	vs 2008
Revenues	$1,617	-1%
Operating Income	$207	+10%
Operating Margin	12.8%	+130 bps
Restructuring	$0	$9
Backlog	$5,188	-1%

Q4 Performance

-1% Organic Revenue:

- Growth in service contracts
  - Maxwell Air Force Base
  - Ft. Benning
  - FAA Next Gen Air Traffic Control (ADS-B)
- International Night Vision strength
- Lower SINCGARS volume
- Delayed timing of international communication shipments

+5% Organic Orders:

- Japanese weather satellite
- Growth in service contracts
- Lower ground electronic warfare

$5.2B Backlog:

- Product backlog flat to prior year

+130 bps Operating Margin:

- Strong productivity
- 3rd consecutive quarter OI >$200M

2010 ITT Earnings Outlook

Raising EPS Guidance on Strong Productivity; Stabilizing Markets

Full Year 2010 Guidance

$ billions, except per share data		vs 2009	
	2010 Midpoints	Total	Organic
Segment Revenue			
Fluid Technology	~$3.4	+2%	+1%
Motion & Flow Control	~$1.3	+1%	Flat
Defense & Information Solutions	~$6.5	+4%	+3% to +4%
Consolidated Guidance			
ITT - Revenues	~$11.2	+3%	+2%
Segment Margin	~12.2%	+40 bps	
Adjusted EPS* Range	$3.90 - $4.10	+6%	

First Quarter 2010 Consolidated Guidance

$ billions, except per share data		vs 2009	
	Q1 Midpoints	Total	Organic
ITT - Revenues	~$2.5	-1%	-3%
Adjusted EPS* Range	$0.73 - $0.75	+3%	

*Adjusted Continuing EPS excludes special items.

Appendix

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Q4 2009 ITT Segment Performance

	Fluid	Motion & Flow	Defense	ITT
Q4 '09 Total Revenue vs PY	**-6.1%**	**1.7%**	**-1.2%**	**-2.6%**
FX	-5.7%	-5.3%	0.0%	-2.5%
Acquisition/Disposition	-1.3%	2.6%	0.0%	-0.1%
Q4 '09 Organic Revenue vs PY	**-13.1%**	**-1.0%**	**-1.2%**	**-5.2%**
Q4 '08 Margin	**9.7%**	**-1.1%**	**11.5%**	**9.5%**
Operational, Investments, Other	-2.4%	2.3%	1.2%	0.2%
Restructuring & Realignment Expense	3.3%	4.7%	0.6%	1.9%
Pension	-0.4%	-0.4%	-0.5%	-0.5%
FX	1.4%	-1.5%	0.0%	0.2%
Acquisition/Disposition	-0.3%	1.0%	0.0%	0.1%
Q4 '09 Margin	**11.3%**	**5.0%**	**12.8%**	**11.4%**

Non-GAAP Reconciliations - EPS & FCF

EPS - Reconciliation	Q4 2008	Q4 2009	Full Year 2008	Full Year 2009
Reported EPS	$ 1.01	$ 1.08	$ 4.32	$ 3.50
Discontinued Ops.	$ (0.05)	$ (0.02)	$ (0.11)	$ 0.04
Reported EPS - Continuing Ops.	$ 0.96	$ 1.06	$ 4.21	$ 3.54
Special Items:				
Tax Settlements & Other Adjustments	$ (0.14)	$ (0.09)	$ (0.18)	$ (0.47)
Future Asbestos Claims Net Liability	$ -	$ -	$ -	$ 0.71
Adjusted EPS - Continuing Ops.	**$ 0.82**	**$ 0.97**	**$ 4.03**	**$ 3.78**

FCF - Reconciliation $ millions	Full Year 2008	Full Year 2009
Net Cash - Operating Activities	$ 1,120	$ 1,270
Capital Expenditures	$ (249)	$ (272)
Discretionary Pension Contributions, net of tax	-	$ 62
Free Cash Flow	**$ 871**	**$ 1,060**
Income from Continuing Operations	$ 775	$ 651
Non-Cash Special Items	-	$ 77
Income from Continuing Ops Excluding Non-Cash Special Tax Item	**$ 775**	**$ 728**
Adjusted Free Cash Flow Conversion	**112%**	**146%**

2009 ITT Adjusted EPS* Guidance Roll-Forward

		2009 Adjusted EPS
Previous FY 2009 Guidance *(Dec 18, 2009)*	**$**	**3.73**
Q4 Operating Performance	$	0.01
Q4 Incremental Restructuring & Realignment	$	(0.02)
Q4 Corporate, Taxes & Other	$	0.06
Total Q4 Performance	**$**	**0.05**
2009 Adjusted EPS*	**$**	**3.78**

Strong Operating Performances; Aggressive Restructuring

*Adjusted Continuing EPS excludes special items.