



ITT Corporation

Q1 2010

Investor Review



April 30, 2010

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, but are not limited to:

- Economic, political and social conditions in the countries in which we conduct our businesses;
- Changes in U.S. or International 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 and changes in local government regulations;
- Competition, industry capacity & 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;
- Changes in the value of goodwill or intangible assets;
- 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; and
- Other factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 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.



Q1 ITT Strategic Overview

Focused Execution Driving Strategic Growth

■ Strategic Execution

- ✓ \$0.84 Adjusted EPS +17% vs PY
- ✓ Commercial Op Income & Margin Expansion
- ✓ Productivity Initiatives Ahead of Schedule
- ✓ Raising 2010 Adjusted EPS and Organic Revenue Guidance

■ Differentiated Organic Growth

- ✓ +1% Organic Revenue
 - +25% Motion & Flow Control
 - +9% Commercial Emerging Markets
 - +40% International Defense
- ✓ Important Strategic Wins

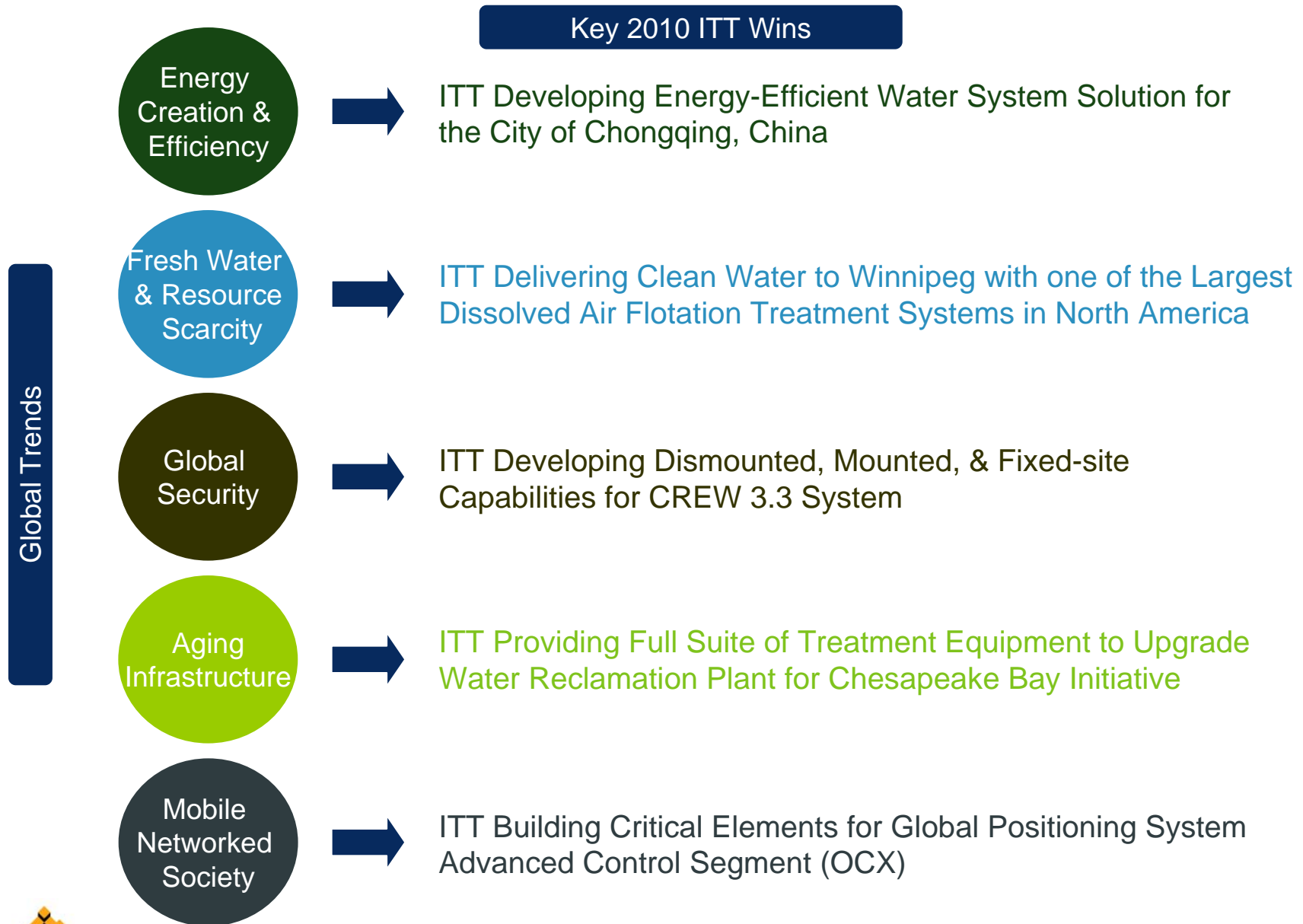
■ Portfolio Alignment & Capital Deployment

- ✓ Nova Analytics Acquisition
- ✓ 18% Dividend Increase

*Continuing EPS, excludes net impact of the Healthcare Reform Act and other special tax items.



Driving Long-Term Growth



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Q1 ITT Results

Exceptional Commercial Productivity

Q1 Results		
\$ millions, except per share amounts	2010	vs 2009
Revenues	\$2,636	+3%
Segment Operating Income	\$292	+12%
Segment Operating Margin	11.1%	+90 bps
Adjusted EPS*	\$0.84	+17%

Q1 Performance

+1% Organic Revenue:

- +25% Motion; Flat Fluid; -4% Defense
- ▲ Automotive, Gen Industrial, Beverage
- ▲ +9% Commercial Emerging Markets
- ▼ Vs. Strong PY Defense

-5% Organic Orders:

- +32% Motion; +3% Fluid; -16% Defense
- ▲ Improving Commercial End-Markets
- ▼ Vs. Strong PY Defense

+90 bps Operating Margin:

- ▲ +150 bps Operational Productivity
- ▼ Unfavorable Pension & Restructuring

\$25M Q1 Free Cash Flow:

- ▲ Ahead of Expectations
- ▲ Full Year Target 100% of Net Income

+17% Adjusted EPS*:

- ▲ Raising FY Guide Mid-pt to \$4.13



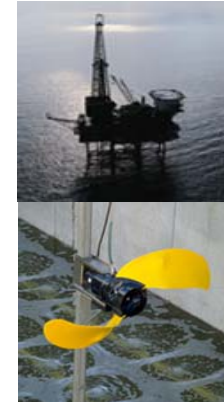
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Fluid Technology

Significant Margin Expansion & Stabilizing Conditions



Q1 Results		
\$ millions	2010	vs 2009
Revenues	\$801	+8%
Operating Income	\$91	+32%
Operating Margin	11.4%	+210 bps
Restructuring & Realignment	-\$4	+\$6



Q1 Performance

Flat Organic Revenue:

- +5% R&CW; -1% WWW; -9% IP
- Commercial Building and Residential Restocking
- Favorable US Transport and Dewatering
- Lower Industrial Projects vs Strong PY

+210 bps Operating Margin:

- +190 bps Operational Productivity
- Favorable Restructuring & Realignment

+3% Organic Orders:

- +15% R&CW; +9% IP; -6% WWW
- Residential Stabilizing
- Commercial Building Restocking
- Solid Industrial Aftermarket
- Strong Mining and Oil & Gas Projects
- Transport and Dewatering Share Gains
- Soft European Muni Conditions
- Book-to-Bill 1.11



ITT Acquisition of Nova Analytics

Strategic Rationale

- ✓ Extends ITT Global Leadership Positions in Fluid, Industrial & Beverage
- ✓ Growing \$6 Billion Analytical Instrumentation Market
- ✓ Premium Global Brands
- ✓ Establishes New ITT Growth Platform
- ✓ Growing Emerging Market Presence
- ✓ ITT Can Better Address Customer Needs in Fluid Transport, Testing & Treatment



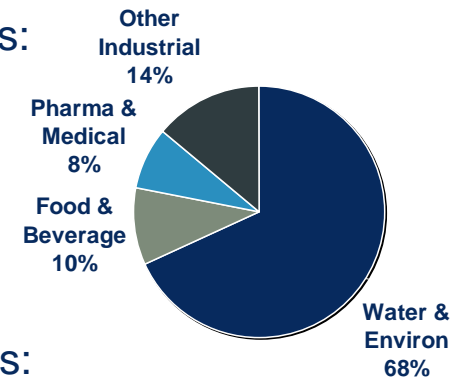
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Q1 2010 Investor Review. For non-GAAP reconciliations, refer to appendix and www.itt.com/ir.

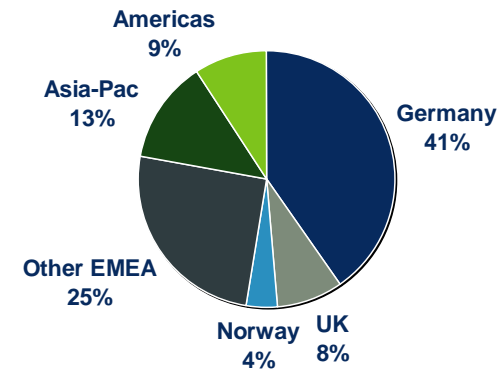
Business Overview

- 2010 Post-Acquisition Impacts:
 - Revenue ~\$110M (9mths)
 - EPS ~Neutral FY 2010; ~(\$0.02) Q2
- Premium Products:
 - Field Handheld, On-Line Analytical Instruments Laboratory & Consumables

- End-Markets:



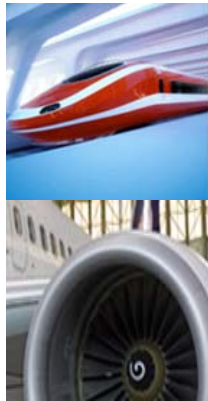
- Geographies:



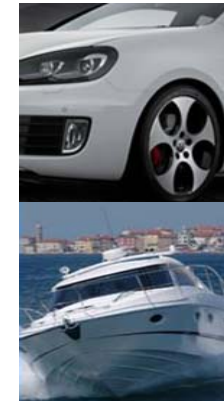
April 30, 2010 P7

Motion & Flow Control

Exceptional Performance



Q1 Results		
\$ millions	2010	vs 2009
Revenues	\$387	+26%
Operating Income	\$55	+96%
Operating Margin	14.2%	+500 bps
Restructuring & Realignment	-\$1	+\$1



Q1 Performance

+25% Organic Revenue:

- +45% Motion; +28% Flow; +10% ICS
- Auto OEM – European Stimulus Benefits
- Beverage and Rail Share Gains in Emerging Markets
- Restocking in Marine & Connectors
- Recovering Industrial Markets

+500 bps Operating Margin:

- +440 bps Operational Productivity
- Strong Volume & Mix

+32% Organic Orders:

- +74% Motion; +30% Flow; +22% ICS
- Significant Auto & Transportation wins:
 - VW and Fiat – Auto
 - GE (China) – Rail
- Share Gains in Beverage Emerging Markets
- General Industrial Strength

+7% 2010 Organic Revenue Guide

- Increased from Flat Prior Guide



Defense & Information Solutions

Exceeding Expectations



Q1 Results		
\$ millions	2010	vs 2009
Revenues	\$1,450	-4%
Operating Income	\$146	-11%
Operating Margin	10.1%	-80 bps
Restructuring	-\$12	-\$12



Q1 Performance

-4% Organic Revenue:

- Favorable to Expectations
- Lower SINCGARS & CREW 2.1
- Increased Special Purpose Jammers
- +40% International, Led by Night Vision
- +13% Information Systems

-80 bps Operating Margin:

- +60 bps of Operational Productivity
- Increased Restructuring & Pension

Defense Realignment

- Benefits Ahead of Plan

-16% Organic Orders:

- Strong PY Due to Large CREW 2.1 & Night Vision Orders
- +32% Information Systems
- Key Q1 2010 Orders:
 - \$129M Airborne Countermeasures
 - \$88M International Night Vision
 - \$50M Saudi SINCGARS
 - \$47M ADS-B

\$5.0B Backlog

- \$5B FY Backlog Forecast



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2010 Adjusted EPS* Guidance

Raising Guidance on Strong Productivity & Improving Volume

	Low	Mid	High
Previous FY 2010 Adjusted EPS* Guidance	\$ 3.90	\$ 4.00	\$ 4.10
Q1 Operating Performance, Net of Timing		\$ 0.07	
Q2 - Q4 Improved Productivity & Commercial Volume		\$ 0.11	
Net Operational Performance		<u>\$ 0.18</u>	
Q2 - Q4 Negative FX & Option Dilution, Net of Lower Effective Tax Rate		\$(0.05)	
Revised FY 2010 Adjusted EPS* Guidance	<u>\$ 4.05</u>	<u>\$ 4.13</u>	<u>\$ 4.20</u>

2010 Midpoint +9% vs 2009; +2% vs 2008



*Continuing EPS, excludes net impact of the Healthcare Reform Act and other special tax items.

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April 30, 2010 P10

2010 ITT Outlook

Raising EPS Guidance on Strong Productivity; Stabilizing Markets

Q2 Consolidated Guidance

	vs 2009		
	Q2 Midpoints	Total	Organic
ITT - Revenues	~\$2.8B	Flat	-2%
Adjusted EPS* Range	\$1.05 - \$1.07	Flat	

Q2 Includes (\$0.02) Nova Acq Dilution

Full Year 2010 Guidance

	vs 2009		
	2010 Midpoints	Total	Organic
<u>Segment Revenue</u>			
Defense & Information Solutions	~\$6.5	+3%	+3%
Fluid Technology	~\$3.5	+5%	+1%
Motion & Flow Control	~\$1.3	+6%	+7%
<u>Consolidated Guidance</u>			
ITT - Revenues	~\$11.3B	+4%	+3%
Segment Margin	~12.3%	+50 bps	
Adjusted EPS* Range	\$4.05 - \$4.20	+9%	



*Continuing EPS, excludes net impact of the Healthcare Reform Act and other special tax items.



APPENDIX

Q1 2010



Q1 2010 ITT Segment Performance

	Fluid	Motion & Flow	Defense	ITT
Q1 '10 Total Revenue vs PY	7.7%	26.5%	-3.8%	3.1%
FX	-5.6%	-2.7%	0.0%	-2.0%
Acquisition/Disposition	-2.2%	1.0%	0.0%	-0.5%
Q1 '10 Organic Revenue vs PY	-0.1%	24.8%	-3.8%	0.6%
Q1 '09 Margin	9.3%	9.2%	10.9%	10.2%
Operational, Investments, Other	1.9%	4.4%	0.6%	1.5%
Restructuring & Realignment Expense	0.8%	0.4%	-0.8%	-0.1%
Pension	-0.3%	-0.2%	-0.6%	-0.5%
FX	-0.1%	0.1%	0.0%	0.0%
Acquisition/Disposition	-0.2%	0.3%	0.0%	0.0%
Q1 '10 Margin	11.4%	14.2%	10.1%	11.1%



Non-GAAP Reconciliations - EPS & FCF

EPS - Reconciliation

	Q1		% Change 2010 vs 2009
	2009	2010	
Reported EPS	\$ 1.01	\$ 0.79	-22%
Discontinued Ops.	\$ 0.01	\$ -	
Reported EPS - Continuing Ops.	<u>\$ 1.02</u>	<u>\$ 0.79</u>	-23%
Special Items:			
Tax Settlements, Healthcare Reform Act & Other Adjustments	\$ (0.30)	\$ 0.05	
Adjusted EPS - Continuing Ops.	<u>\$ 0.72</u>	<u>\$ 0.84</u>	17%

FCF - Reconciliation

\$ millions

	Q1	
	2009	2010
Net Cash - Operating Activities	\$ 213	\$ 77
Capital Expenditures	\$ (48)	\$ (52)
Free Cash Flow	<u>\$ 165</u>	<u>\$ 25</u>
Income from Continuing Operations	\$ 187	\$ 146
Non-Cash Special Items	\$ (58)	\$ 11
Income from Continuing Ops Excluding Non-Cash Special Tax Items	<u>\$ 129</u>	<u>\$ 157</u>
Adjusted Free Cash Flow Conversion	128%	16%

