



July 30, 2010

Investor Review

Q2 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, 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.



Q2 ITT Overview

Strong Execution & Portfolio Progress

■ Today's Announcements

- \$800M Afghanistan Service Wins – Army Corps of Engineers
- Divesting CAS, a Defense SETA Business

■ Strategic Execution

- \$1.14 Adjusted EPS* +9% vs PY
- Productivity Ahead of Schedule
- Strong FY Performance To Offset Expected Impacts of Portfolio Actions

■ Differentiated Organic Growth

- Double-Digit Fluid & Motion Organic Orders
- +21% Motion Organic Revenue
- Defense Orders Weak – Big Recent Wins

■ Portfolio Alignment

- Fluid Acquisitions:
 - ✓ Godwin Pumps (Dewatering) - Pending
 - ✓ Canberra Pumps (Brazil)

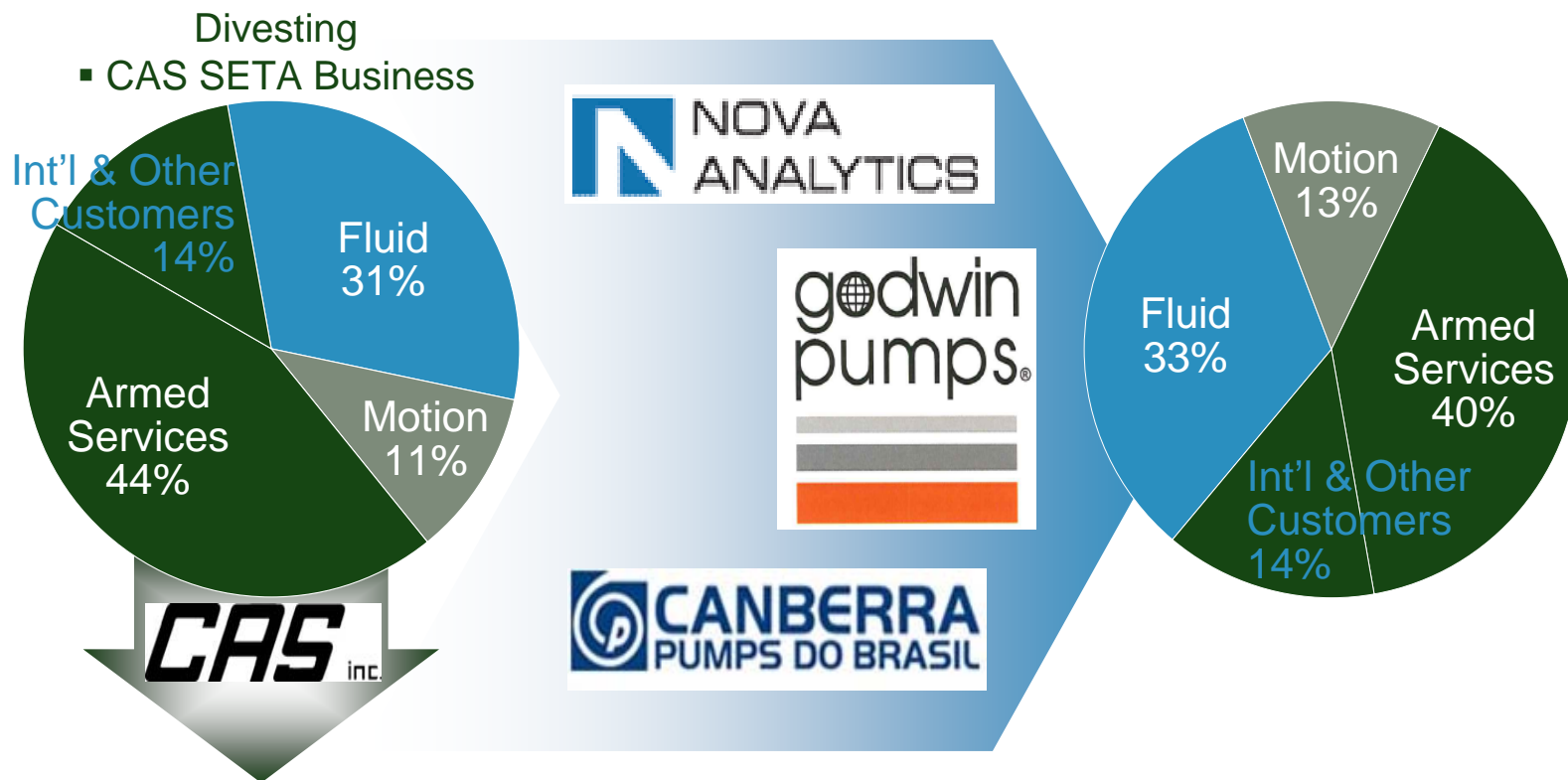
*Adjusted EPS = Continuing EPS, excluding special items.



Portfolio Progress

Executing Our Strategy

2009	2010 Portfolio Actions	2010 Pro-Forma*
Revenues		



*Calculated as current continuing 2010 Revenue Guidance Midpoints, adjusted to reflect Nova, Godwin and Canberra, as if acquired on January 1, 2010.

Q2 ITT Results

Exceptional Productivity

Q2 Results - Continuing Operations		
\$ millions, except per share amounts	2010	vs 2009
Revenues	\$2,739	+1%
Segment Operating Income	\$366	+7%
Segment Operating Margin	13.4%	+80 bps
Adjusted EPS*	\$1.14	+9%

Q2 Results - Continuing Performance

FLAT Organic Revenue

+21% Motion; -4% Fluid; -3% Defense

- ▲ Exceeded Expectations
- ▲ Automotive, Gen Industrial, Beverage
- ▼ Weakness in Euro Muni & Core Defense

-22% Organic Orders

+17% Motion; +15% Fluid; -49% Defense

- ▲ Strengthening Commercial End-Markets
- ▼ Weak Defense Orders vs. Strong PY

+80 bps Segment Operating Margin

▲ +70 bps Operational Productivity

\$250M YTD Free Cash Flow Beats Plan

- ▲ Full Year Target 100% of Net Income
- ▲ 13.4% Net Debt/Net Capitalization

+9% Q2 Adjusted EPS*

- ▲ New FY Adjusted EPS Mid-pt of \$4.13
Reflects (\$0.11) Impact of Recent Portfolio Actions
- ▲ FY EPS Guidance +11% vs PY



Fluid Technology

Solid Order Growth & Margin Expansion



Q2 Results		
\$ millions	2010	vs 2009
Revenues	\$878	+1%
Operating Income	\$130	+16%
Operating Margin	14.8%	+190 bps
Restructuring & Realignment	-\$4	+\$12



Q2 Performance

-4% Organic Revenue

+2% R&CW; -1% WWW; -16% IP

- Global Residential Improved
- Strong US Treatment
- Euro Muni Weakness
- Lower Oil and Mining Projects vs PY
- Strong Industrial Aftermarket

+190 bps Operating Margin

- +100 bps Operational Productivity
- Favorable Restructuring & Realignment

+15% Organic Orders

+20% IP; +15% WWW; -1% R&CW

- Solid Industrial Aftermarket
- Strong Oil & Gas & Industrial Projects
- Strong US Municipal & Global Dewatering
- Soft European Muni Conditions
- Large Global Project Orders:
 - \$32M Qatar Wastewater Treatment
 - \$5M Norway Dewatering
- Book-to-Bill 1.07



Fluid Acquisition of Godwin Pumps

Global Leadership in Dewatering

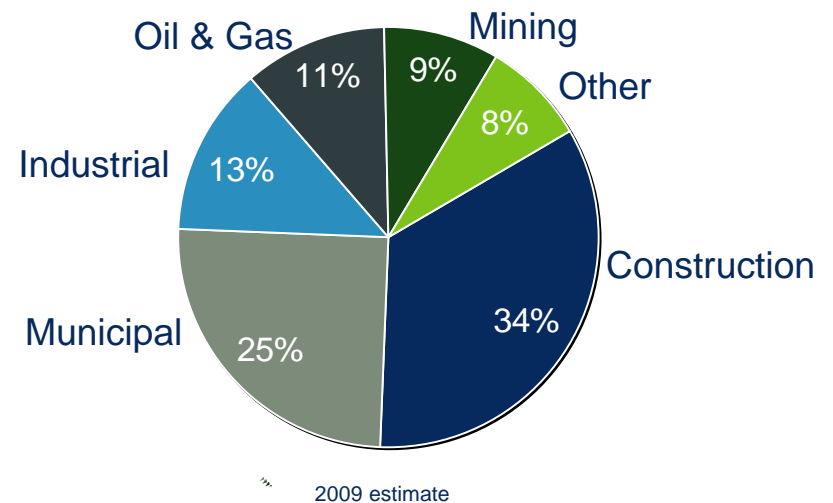
Strategic Rationale

- ✓ Growing \$3 Billion Global Dewatering Market
 - Climate and Regulatory Drivers
 - Attractive End-Markets
 - Highly Fragmented Market
- ✓ History of Strong Revenue Growth & Profitability
- ✓ Highly Complementary Dewatering Assets
 - Self-Priming Pump Technology
 - On-Demand Pumping Solutions
 - World-Class Service Capabilities
- ✓ Significant Geographic Expansion Opportunities

Transaction Overview

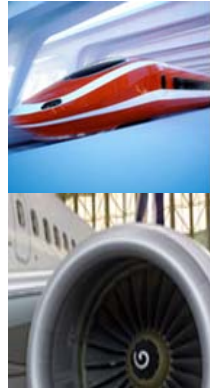
- Expected 3rd Quarter 2010 Close
- ~\$585M Purchase Price
- 2010 Estimated Dewatering Revenue:
 - \$235M Godwin Pumps (12 months)
 - \$465M Combined ITT (12 months)
- 2010 Est EPS Dilution ~\$0.03 to \$0.05
- Expected to be Accretive to 2011 EPS

Godwin Pumps Applications



Motion & Flow Control

Exceptional Performance



Q2 Results		
\$ millions	2010	vs 2009
Revenues	\$361	+17%
Operating Income	\$42	+27%
Operating Margin	11.6%	+90 bps
Restructuring & Realignment	-	+\$6



Q2 Performance

+21% Organic Revenue

+33% Flow; +25% ICS; +19% Motion Tech

- Auto Brake Pad OEM Gains
- Connectors Strong Across End-Markets
- Marine & Beverage Strength
- Emerging Market Growth

+90 bps Operating Margin

- Strong Operating Productivity, Offset by Product Transition Costs
- Favorable Restructuring & Realignment

+17% Organic Orders:

+62% ICS; +30% Control; -16% Motion Tech

- Connectors Strong Across End-Markets
- General Industrial Strength
- Aerospace Improving
- Beverage Growing in Emerging Markets
- Global High Speed Rail wins
- European Auto Slows After Stimulus Ends



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Q2 2010 - For non-GAAP reconciliations, refer to appendix and www.itt.com/ir.

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Defense & Information Solutions

Diversification & Execution



Q2 Results - Continuing Operations		
\$ millions - All periods exclude CAS business	2010	vs 2009
Revenues	\$1,503	-3%
Operating Income	\$194	-2%
Operating Margin	12.9%	+10 bps
Restructuring	-\$7	-\$4



Q2 Performance - Continuing Operations

-3% Organic Revenue

+14% Geospatial Systems

- International Night Vision

+3% Information Systems

- Air Traffic Management & LOGCAP

-12% Electronic Systems

- Lower SINCGARS & CREW 2.1
- Increased Special Purpose Jammers, Radar and Composite Structures

+10 bps Operating Margin

- +100 bps of Operational Productivity
- Higher Restructuring

-49% Organic Orders

- Expect 2H Service Awards & Jammer Upgrades
- Reflects Deferral of International Radios
- Strong Prior Year Radio and Jammer Orders

\$4.1B Backlog

- Anticipate \$4.5B to \$4.7B at Year End
 - Excludes \$0.1B from Discontinued CAS
 - Reflects Deferral of International Orders
 - Excludes \$2.2B of Recent Unfunded Service Wins

Key Air Traffic Management Events

- \$1.4B ID/IQ Systems Engineering 2020
- New Commercial Air Traffic Data Services



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2010 Adjusted EPS Guidance Walk

Raising Guidance on Strong Productivity

	Q2 2010 Performance			Full Year 2010 Guidance		
	Low	Mid	High	Low	Mid	High
Previous Adjusted EPS Guidance	\$ 1.05	\$ 1.06	\$ 1.07	\$ 4.05	\$ 4.13	\$ 4.20
Q2 Operating Performance		\$ 0.10			\$ 0.10	
2H Additional Net Performance		\$ -			\$ 0.01	
		\$ 0.10			\$ 0.11	
Adjusted EPS - Previous Guidance Basis		\$ 1.16		\$ 4.19	\$ 4.24	\$ 4.29
Recent Portfolio Actions:						
Discontinued Defense CAS		\$ (0.02)			\$ (0.07)	
Godwin (pending) & Canberra Acquisitions		\$ -			\$ (0.04)	
Impact of Recent Portfolio Actions		\$ (0.02)			\$ (0.11)	
Q2 Adjusted EPS* - Continuing		\$ 1.14				
NEW FY Adjusted EPS* Guidance	\$ 4.08	\$ 4.13	\$ 4.18			

2010 Midpoint +11% vs 2009



2010 ITT Outlook

Q3 Consolidated Continuing Guidance

\$ billions, except per share data	vs 2009		
	Q3 Midpoints	Total	Organic
ITT - Continuing Revenues	~\$2.7B	+1%	+1%
Adjusted EPS* Range	\$0.94 - \$0.98	-6%	

Full Year 2010 Continuing Guidance

\$ billions, except per share data	vs 2009		
	2010 Midpoints	Total	Organic
<u>Segment Revenue</u>			
Defense & Information Solutions	~\$6.0	Flat	Flat
	<i>Excludes ~\$240M Discontinued CAS</i>		
Fluid Technology	~\$3.6	+6%	Flat
Motion & Flow Control	~\$1.4	+14%	+18%
<u>Consolidated Continuing Guidance</u>			
ITT - Continuing Revenues	~\$11.0	+3%	+2%
Segment Continuing Margin	~12.5%	+60 bps	
Adjusted EPS* Range	\$4.08 - \$4.18	+11%	

*Adjusted EPS = Continuing EPS, excluding special items.





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Appendix

Q2 2010



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Q2 2010 ITT Segment Performance

	Fluid	Motion & Flow	Defense	ITT
Q2 '10 Total Revenue vs PY	1.0%	17.2%	-2.7%	0.7%
FX	0.6%	4.2%	0.1%	0.7%
Acquisition/Disposition	-5.4%	0.0%	0.0%	-1.7%
Q2 '10 Organic Revenue vs PY	-3.8%	21.4%	-2.6%	-0.3%
Q2 '09 Margin	12.9%	10.7%	12.8%	12.6%
Operational, Investments, Other	1.0%	-0.4%	1.0%	0.7%
Restructuring & Realignment Expense	1.4%	1.6%	-0.3%	0.5%
Pension	-0.2%	-0.2%	-0.6%	-0.4%
FX	0.6%	-0.1%	0.0%	0.2%
Acquisition/Disposition	-0.9%	0.0%	0.0%	-0.2%
Q2 '10 Margin	14.8%	11.6%	12.9%	13.4%



Non-GAAP Reconciliations - EPS & FCF

EPS - Reconciliation

	Q2		% Change 2010 vs 2009
	2009	2010	
Reported EPS	\$ 1.10	\$ 1.28	16%
Discontinued Ops - Legacy Entities	\$ -	\$ (0.04)	
Discontinued Ops - Defense CAS Business	\$ (0.01)	\$ (0.02)	
Reported EPS - Continuing Ops.	<u>\$ 1.09</u>	<u>\$ 1.22</u>	12%
Special Items:			
Tax Settlements & Other Adjustments	\$ (0.04)	\$ (0.08)	
Adjusted EPS - Continuing Ops.	<u>\$ 1.05</u>	<u>\$ 1.14</u>	9%

FCF - Reconciliation

\$ millions

	Q2	
	2009	2010
Net Cash - Operating Activities	\$ 546	\$ 356
Capital Expenditures	\$ (87)	\$ (106)
Free Cash Flow	<u>\$ 459</u>	<u>\$ 250</u>
Income from Continuing Operations	\$ 384	\$ 370
Non-Cash Special Tax Items	\$ (58)	\$ 5
Income from Continuing Ops Excluding Non-Cash Special Tax Items	<u>\$ 326</u>	<u>\$ 375</u>
Adjusted Free Cash Flow Conversion	141%	67%



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Results with CAS in Discontinued Operations

(\$ in millions, except EPS)

ITT Total

Revenue - As Reported

CAS - Discontinued Operations

ITT Revenue - Updated Continuing

Revenue					
2009					2010
Q1	Q2	Q3	Q4	YTD	Q1
2,557	2,780	2,698	2,869	10,904	2,636
(51)	(60)	(59)	(60)	(230)	(58)
2,506	2,720	2,639	2,809	10,674	2,578

ITT Total

Segment Operating Income - As Reported

CAS - Discontinued Operations

ITT Segment Operating Income - Updated Continuing

Segment Operating Income					
2009					2010
Q1	Q2	Q3	Q4	YTD	Q1
261	346	351	329	1,287	292
(4)	(4)	(3)	(4)	(15)	(5)
257	342	348	325	1,272	287

Diluted EPS from Continuing Operations - As Reported

Special Items Adjustments - As Reported

Diluted EPS from Continuing Operations As Adjusted - As Reported

CAS - Discontinued Operations

Diluted EPS from Continuing Operations - As Adjusted

Diluted EPS from Continuing Operations					
2009					2010
Q1	Q2	Q3	Q4	YTD	Q1
\$ 1.02	\$ 1.10	\$ 0.36	\$ 1.06	\$ 3.54	\$ 0.79
\$ (0.30)	\$ (0.04)	\$ 0.67	\$ (0.09)	\$ 0.24	\$ 0.05
\$ 0.72	\$ 1.06	\$ 1.03	\$ 0.97	\$ 3.78	\$ 0.84
\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.05)	\$ (0.01)
\$ 0.71	\$ 1.05	\$ 1.02	\$ 0.96	\$ 3.73	\$ 0.83

