



ITT

Engineered for life

2009 Citi Industrial Manufacturing & Transportation Conference

Denise Ramos

Senior Vice President & Chief Financial Officer

November 12, 2009



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:

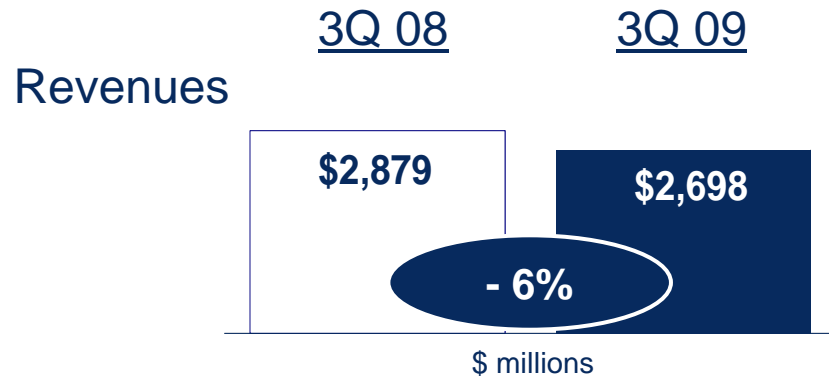
- Economic, political and social conditions in the countries in which we conduct our businesses;
- Changes in government defense budgets;
- Decline in consumer spending;
- Sales and revenues mix and pricing levels;
- Availability of adequate labor, commodities, supplies and raw materials;
- Interest 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.



Q3 ITT Results

Performing in Difficult Conditions



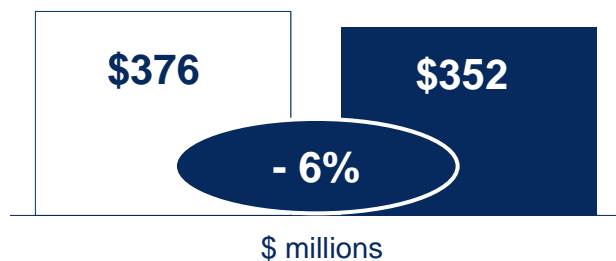
-4% Organic Revenue

Defense +2; Fluid -10%; Motion -16%

-26% Organic Orders

Defense -34%; Fluid -16%; Motion -15%

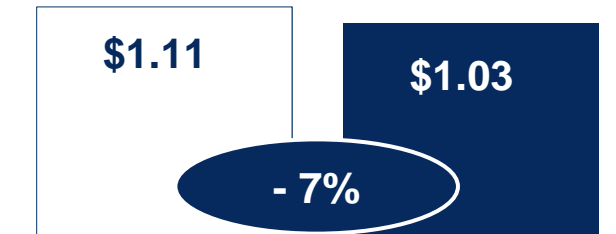
Segment Operating Income



-10 bps Segment Operating Margin

- Strong Productivity; +80 bps Operationally
- Lower Volumes; Negative FX
- Higher Pension & Restructuring Expense

Adjusted EPS*



Operating Performances Exceed Expectations

- Raised Full Year Adjusted EPS Guidance to \$3.70 to \$3.74

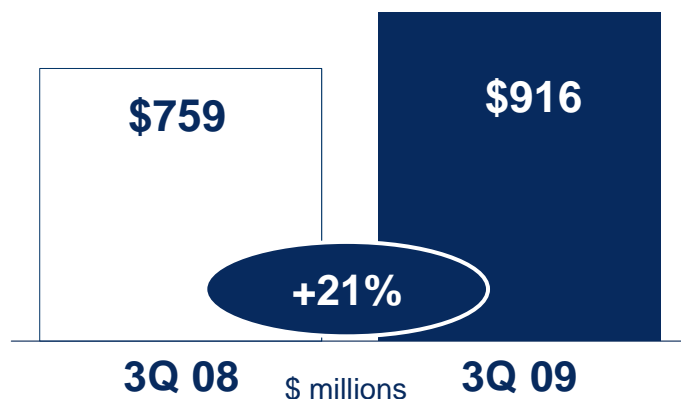
*Adjusted EPS from Continuing Operations excludes special items. For non-GAAP reconciliations, refer to appendix and www.itt.com/ir.



Q3 ITT Financial Position

Strong Cash Flow & Aggressive Debt Reduction

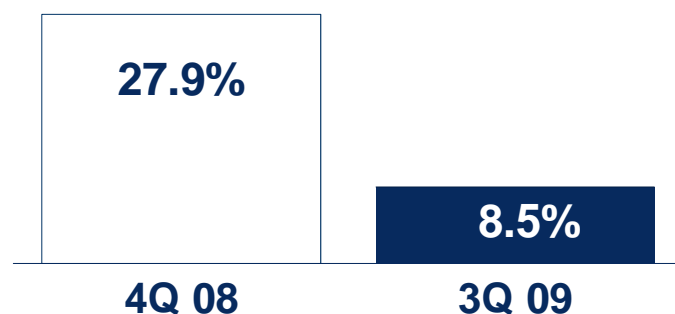
YTD Free Cash Flow*



+174% YTD Free Cash Flow Conversion**

- 12.9% Working Capital % of Sales
+40 bps improvement vs PY
- Improved Receivable Collections

Net Debt to Net Capital



Significant Reduction in Net Debt to Net Capital Ratio

- \$464M YTD Debt Reduction
- \$225M Commercial Paper Balance
- \$1.35B Cash & Cash Equivalents
- Disciplined Capital Deployment

*Free Cash Flow = Cash from operations less capital expenditures.

**Excludes non-cash special items.

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



Uniquely Diversified for Premier Performance

FLUID TECHNOLOGY



30%

World's largest supplier of pumps and systems to transport and control water and other fluids

MOTION & FLOW CONTROL



11%

Manufacturer of highly-engineered critical components for aerospace, marine, industrial & transportation mkts

DEFENSE

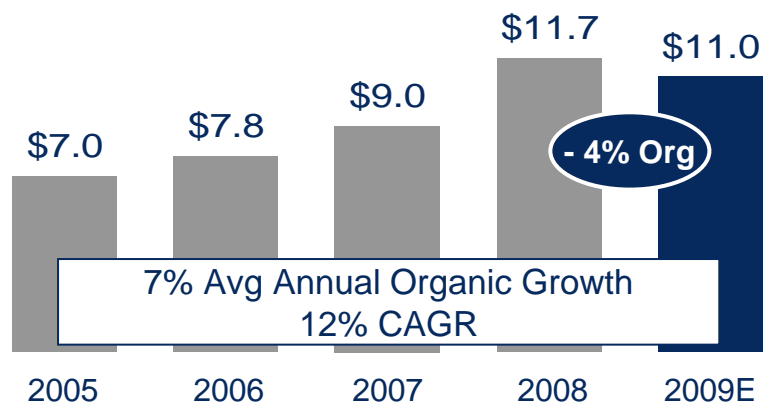


59%

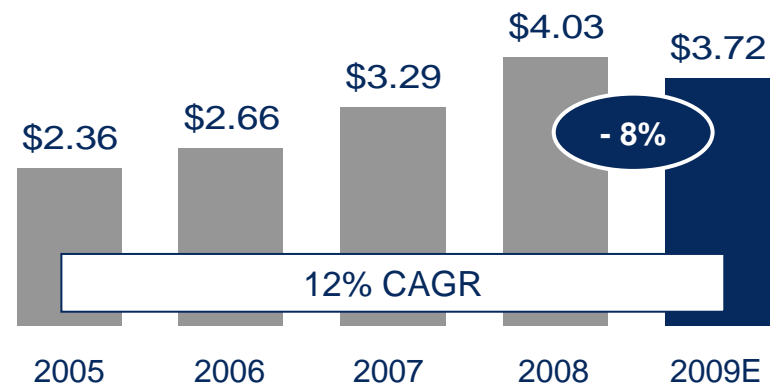
Supplier of military defense systems and advanced technical and operational services

Population - Environment - Infrastructure - Security

CONSOLIDATED REVENUES (\$B)



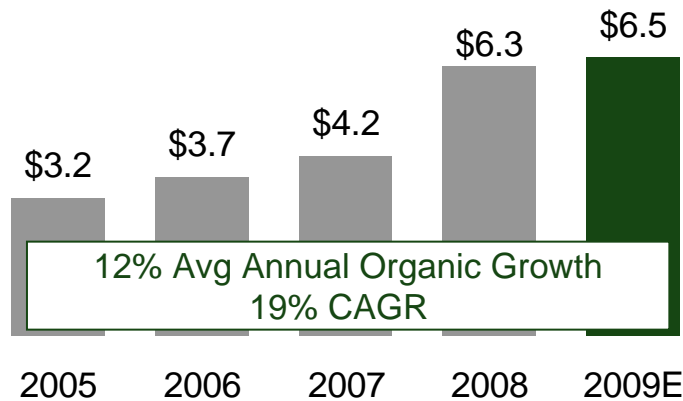
ADJUSTED EPS*



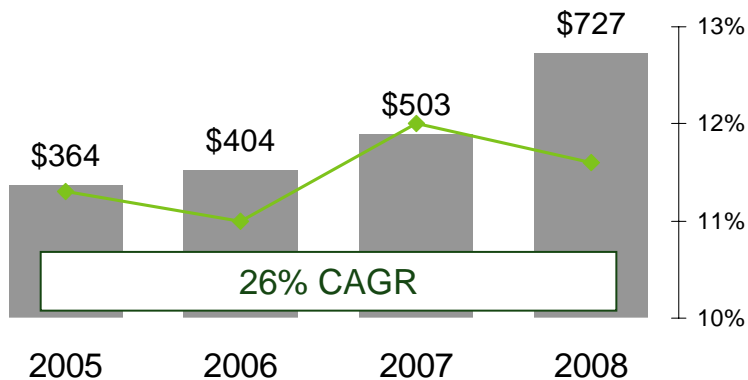
*EPS from Continuing Operations, excluding net impact of special items.
For non-GAAP reconciliations refer to www.itt.com/ir

Defense Electronics & Services

DEFENSE REVENUES (\$B)



OPERATING INCOME (\$M)/MARGIN



Market Strengths

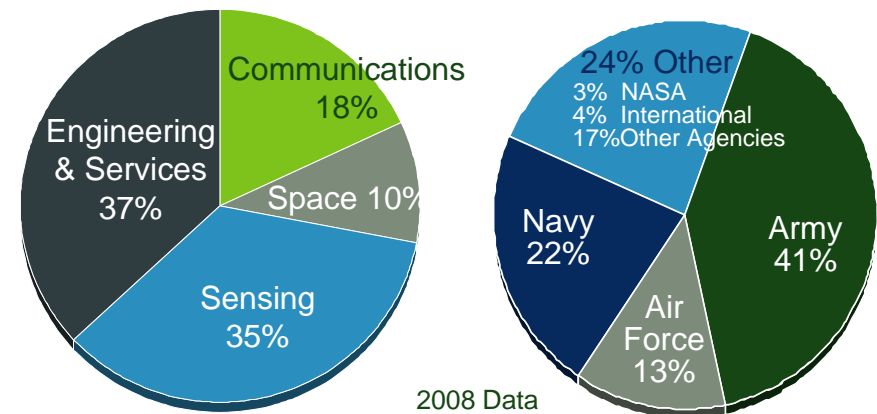
- Top 10 Contractor
- Large Installed Base
- Next Generation Development
- Aligned with Future Customer Needs
- High Win Rate
- Expanding Non-DOD Customer Base

Operating Performance

- Strong Cash Flow & ROIC
- Six Sigma & Lean Initiatives

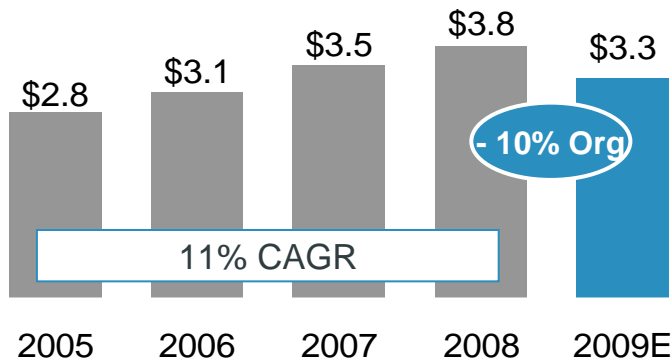


CAPABILITIES & CUSTOMERS

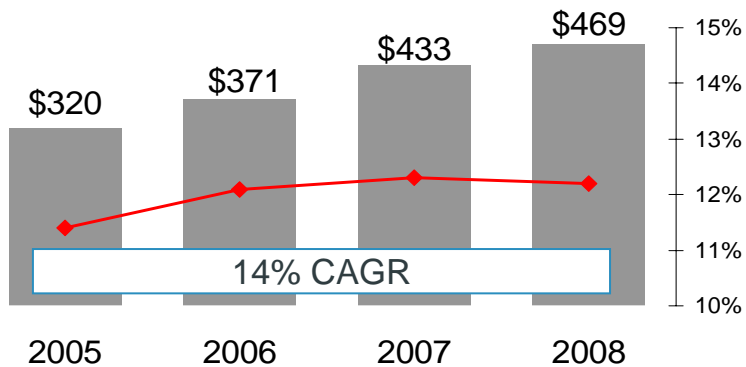


Fluid Technology

FLUID REVENUES (\$B)



OPERATING INCOME (\$M)/MARGIN



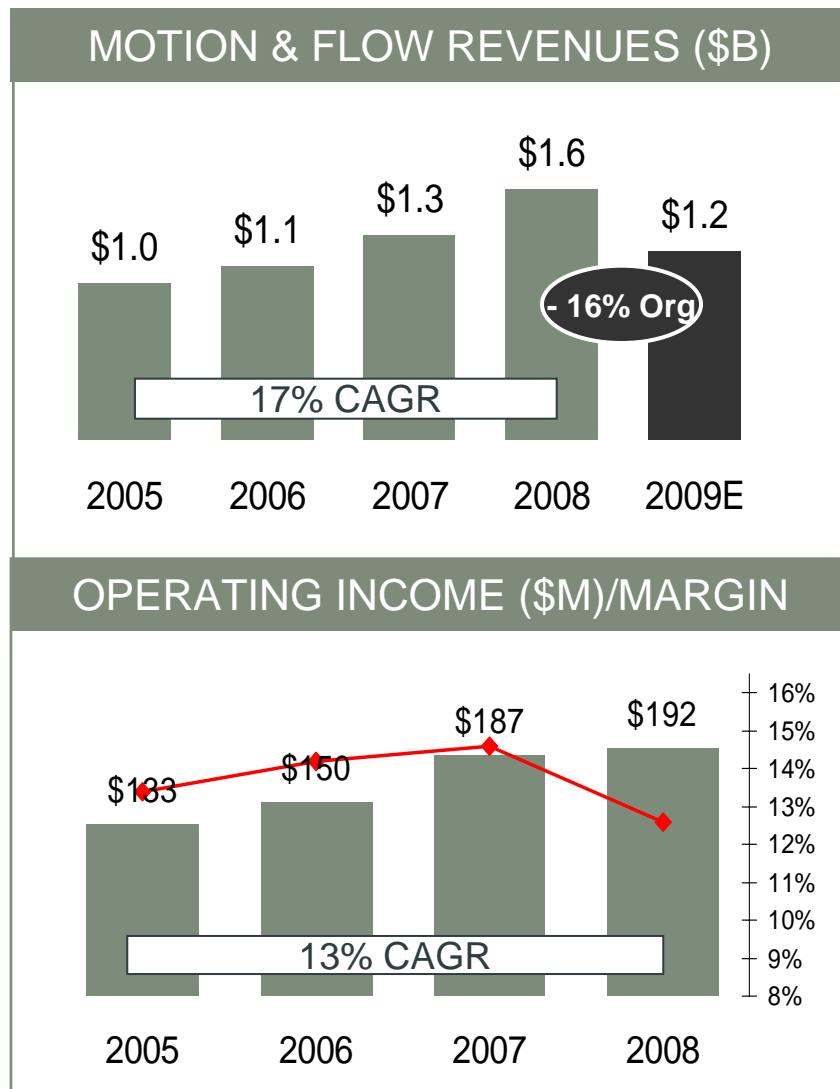
Market Strength

- 4% Avg Annual Organic Rev Growth
- ~43% Aftermarket
- Geographic Diversity
- Premium Brands
- “Buy American” Compliant
- Large Installed Base
- Strong Direct Distribution
- Innovation & Adjacencies

Operating Performance

- Productivity Enhancements
- Global Strategic Sourcing
- Global Manufacturing Transitions
- ~\$92M in Restructuring & Realignment 08 through 09E

Motion & Flow Control



Market Strength

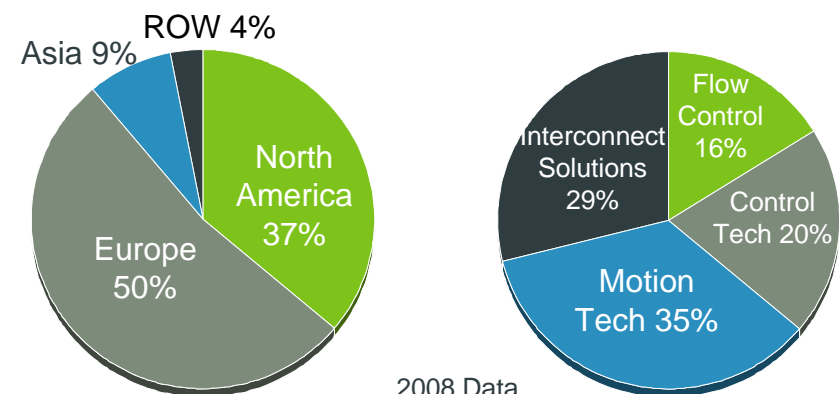
- 1% Avg Annual Organic Rev Growth
- ~35% Aftermarket
- Niche End Markets
- Diverse Customer Base

Operating Performance

- Low Cost Manufacturing Transitions
- Productivity Improvements
- \$80M in Restructuring & Realignment 08 through 09E

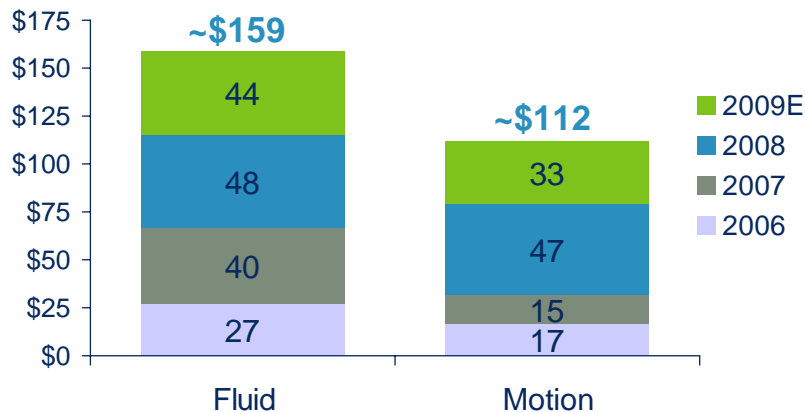


GEOGRAPHIES & MARKETS

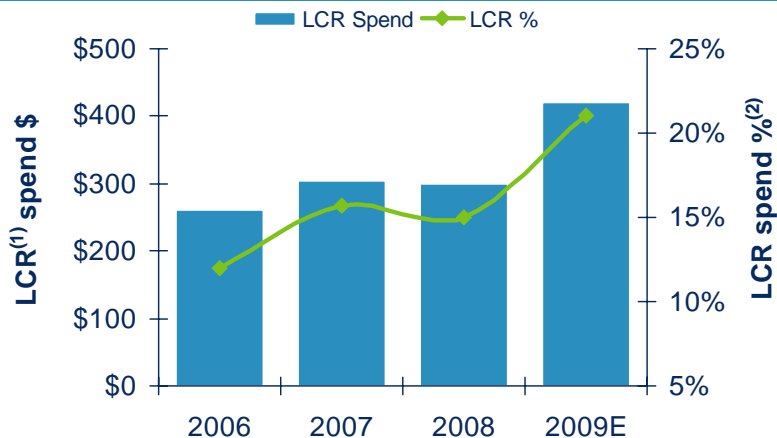


Commercial Operational Excellence Actions

Restructuring & Realignment Exp



LCR Spending



(1) LCR = Low Cost Region

(2) % of commercial business direct material purchases

Operational Excellence Initiatives

- +\$271M in Restructuring & Realignment
- 5 Shared LCR Manufacturing Facilities:
 - Vadodra, India
 - Wuxi and Nanjing, China
 - Nogales and Chihuahua, Mexico
- 2 New Eastern European Facilities
 - Poland & Czech Republic
- Commercial Strategic Leadership
- Lean Six Sigma
- Leveraging Global Strategic Supply Chain
- Key Market Strategic Investments:
 - Emerging market expansion
 - China & India operational infrastructure
 - Treatment moved into WWW
 - Disposed non-strategic operations

ITT Management System

Create value with the right values

The ITT Management System is the glue that binds our diverse businesses and peoples together

- **Way we think:** our vision and values are our compass and guide our behaviors and actions
- **Way we operate:** our proven integrated strategic processes drive continuous improvement in everything we do for our customers, our people and our work



Core, Common & Consistent... Non-Negotiable Way to Run the Business

Appendix



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Q3 Non-GAAP Reconciliation* – EPS & FCF

EPS - Reconciliation	3Q08	3Q09
Reported EPS	\$ 1.17	\$ 0.32
Discontinued Ops.	\$ (0.06)	\$ 0.04
Reported EPS - Continuing Ops.	\$ 1.11	\$ 0.36
Special Items:		
Prior Year Tax Settlement Int Refund	\$ -	\$ (0.04)
Future Asbestos Claims Net Liability	\$ -	\$ 0.71
Adjusted EPS - Continuing Ops.	\$ 1.11	\$ 1.03

FCF - Reconciliation	YTD 2008	YTD 2009
\$ millions		
Net Cash - Operating Activities	\$ 896	\$ 1,057
Capital Expenditures	\$ (137)	\$ (141)
Free Cash Flow	\$ 759	\$ 916
Income from Continuing Operations	\$ 600	\$ 455
Non-Cash Special Items	-	\$ 73
Income from Continuing Ops Excluding Non-Cash Special Tax Item	\$ 600	\$ 528
Adjusted Free Cash Flow Conversion	127%	174%

*For all non-GAAP reconciliations refer to www.itt.com/ir.

